



Capital Return – ATO Class Ruling Published

Mantle Minerals Limited (ASX: MTL) (“**Company**” or “**Mantle**”) advises that the Australian Taxation Office has published a Class Ruling (CR 2026/81 Mantle Minerals Limited – return of capital) (the “**Ruling**”) relating to the Mantle capital return approved by Mantle shareholders (“**Shareholders**”) on 21 October 2025 and paid on 3 November 2025 (the “**Capital Return**”). The Ruling is attached to this announcement and can be viewed or downloaded from the ATO website www.ato.gov.au/law.

The Ruling applies to Shareholders who were registered on the Mantle share register on 27 October 2025 and received the Capital Return payment of \$0.001 per share, held their shares on capital account, were not temporary residents and were not exempt from Australian income tax (and are not subject to the taxation of financial arrangements rules).

The Ruling confirms that, as applied for, no part of the Capital Return will constitute or be treated as a dividend for Australian income tax purposes. The Ruling also confirms that qualifying Shareholders will be entitled to treat any resulting capital gain as a discount capital gain and that certain foreign resident Shareholders will be entitled to disregard any resulting capital gain or loss.

The information contained in this announcement is summary in nature and Shareholders should refer to the Ruling for a better understanding of its contents. The tax consequences for a Shareholder with respect to the Capital Return will depend upon the Shareholder’s individual circumstances. Shareholders should consult their own tax adviser as to their potential tax consequences with respect to the Capital Return.

This announcement has been authorised for release by the Mantle Minerals Limited Board of Directors.

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Status: **legally binding**

Class Ruling

Mantle Minerals Limited – return of capital

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 Mantle Minerals Limited (Mantle) who received a return of capital payment of \$0.001 per Mantle ordinary share (Capital Return) on 3 November 2025 (Payment Date).
2. Details of this scheme are set out in paragraphs 19 to 37 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 Mantle share register on 27 October 2025 (Record Date)
 - held your Mantle shares on capital account – that is, you did not hold your Mantle shares as ‘revenue assets’ (as defined in section 977-50) or as ‘trading stock’ (as defined in subsection 995-1(1))
 - were not a ‘temporary resident’ as defined in subsection 995-1(1)
 - were not exempt from Australian income tax, and
 - received the Capital Return on the Payment Date.
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 19 to 37 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

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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. No part of the Capital Return paid to you by Mantle on the Payment Date is a dividend as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936). Therefore, no part of the Capital Return is included in your assessable income as a dividend under subsection 44(1) of the ITAA 1936.

Return of capital is not ordinary income

8. No part of the Capital Return paid to you by Mantle on the Payment Date is included in your assessable income as ordinary income under section 6-5.

Sections 45A, 45B and 45C of the ITAA 1936 do not apply

9. The Commissioner will not make a determination under either subsection 45A(2) or paragraph 45B(3)(b) of the ITAA 1936 that section 45C of the ITAA 1936 applies to any part of the Capital Return you received on the Payment Date.

Capital gains tax consequences**CGT event G1**

10. CGT event G1 happened on the Payment Date when Mantle paid you the Capital Return in respect of each Mantle share you owned on the Record Date and continued to own on the Payment Date (section 104-135).

11. You made a capital gain when CGT event G1 happened if the amount of the Capital Return you received was more than the cost base of your Mantle share (subsection 104-135(3)). The amount of the gain is equal to the excess. If you made a capital gain, the cost base and reduced cost base of your Mantle share is reduced to nil (subsection 104-135(3)).

12. If the Capital Return was not more than the cost base of your Mantle share, the cost base or reduced cost base of your Mantle share is reduced by the amount of the Capital Return (subsection 104-135(4)).

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

CGT event C2

14. CGT event C2 happened to your right to receive the Capital Return on the Payment Date in respect of each Mantle share you owned on the Record Date but ceased to own before the Payment Date (section 104-25).

15. You made a capital gain under CGT event C2 if the capital proceeds from the ending of the right (being the Capital Return amount) were more than the cost base of the

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right. You made a capital loss if the capital proceeds from the ending of the right were less than the reduced cost base of the right (subsection 104-25(3)).

16. In working out the capital gain or capital loss when CGT event C2 happened:

- The capital proceeds are equal to the amount of the Capital Return for each share you owned on the Record Date but ceased to own before the Payment Date (\$0.001 per Mantle share) (subsection 116-20(1)).
- The cost base of your right to receive the Capital Return is worked out under Division 110 (modified by Division 112). The cost base of the right does not include the cost base or reduced cost base of the Mantle share previously owned by you to the extent that it was applied in working out a capital gain or capital loss made when a CGT event happened to that share – for example, when you disposed of the share after the Record Date but before the Payment Date. Therefore, if the cost base or reduced cost base of the Mantle share previously owned by you has been fully applied in working out a capital gain or capital loss on the share, the right to receive the Capital Return will have a nil cost base. As a result, you will, in those circumstances, make a capital gain equal to the capital proceeds, being \$0.001 per Mantle share you owned at the Record Date.

Discount capital gain

17. 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 Mantle share at least 12 months before the Payment Date (subsection 115-25(1)), provided the other conditions in Subdivision 115-A are satisfied.

Foreign resident shareholders

18. If you were a 'foreign resident', or the trustee of a 'foreign trust for CGT purposes' (as defined in subsection 995-1(1)), just before the Payment Date, you disregard under subsection 855-10(1) any capital gain made from CGT event G1 or any capital gain or capital loss made from CGT event C2, provided that your Mantle share or your right to receive the Capital Return on your Mantle share:

- has not been used at any time in carrying on a business through a permanent establishment in Australia (table item 3 of section 855-15), and
- was not covered by subsection 104-165(3) (about individuals choosing to disregard a capital gain or capital loss on ceasing to be an Australian resident) (table item 5 of section 855-15).

Scheme

19. 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.

Mantle Minerals Limited

20. Mantle was formerly known as Caeneus Minerals Ltd prior to 30 November 2022.

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21. Mantle was incorporated in Australia on 15 May 1998. It has been listed on the Australian Securities Exchange since 11 July 2000.
22. Mantle is an Australian-based mineral exploration and development company established for the purposes of acquiring prospective exploration or near-term development projects in Australia and the United States of America.
23. Mantle is the head company of an income tax consolidated group under Part 3-90.
24. As at 31 December 2025, Mantle had:
- share capital of \$91,376,969
 - accumulated losses of \$89,513,048, and
 - reserves of \$3,633,124.

Sale of Mt Roe Mining Pty Ltd

25. On 15 August 2025, Mantle completed the sale of its wholly owned subsidiary, Mt Roe Mining Pty Ltd to Northern Star Resources Ltd for cash consideration of \$13.5 million.

Capital Return

26. On 2 September 2025, Mantle announced its intention to seek shareholder approval to undertake the Capital Return in accordance with sections 256B and 256C of the *Corporations Act 2001*.
27. The Capital Return was approved by shareholders of Mantle on 21 October 2025.
28. On the Record Date, Mantle had 7,233,114,834 ordinary shares on issue.
29. On the Payment Date, Mantle shareholders were paid the Capital Return (being \$0.001 per share) in respect of each Mantle share they held on the Record Date.
30. The total Capital Return of \$7,233,114 was paid from Mantle's available cash balance and debited to its share capital account.
31. The Capital Return did not result in the cancellation of any shares in Mantle.

Other matters

32. The 'share capital account' (as defined in section 975-300) of Mantle is not tainted within the meaning of Division 197.
33. On the Payment Date, approximately 98.66% and 1.33% of Mantle shares on issue were held by Australian resident and non-resident shareholders respectively.
34. On the Payment Date and throughout a 12-month period that began no earlier than 24 months before the Payment Date and ended no later than the Payment Date, the sum of the direct participation interests held by a non-resident shareholder and its associates in Mantle was not 10% or more.
35. Mantle has not previously undertaken a reduction in share capital before the Payment Date.
36. Mantle has not declared any dividends since its incorporation.

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37. Mantle predominantly commingles its raised capital and uses those funds across multiple mineral exploration and development projects.

Commissioner of Taxation

21 October 2026

Status: **not legally binding**

References

Legislative references:

- 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 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)
 - ITAA 1997 Div 110
 - ITAA 1997 Div 112
 - ITAA 1997 Subdiv 115-A
 - ITAA 1997 115-25(1)
 - ITAA 1997 116-20(1)
 - ITAA 1997 Div 197
 - ITAA 1997 Div 230
 - ITAA 1997 Pt 3-90
 - ITAA 1997 855-10(1)
 - ITAA 1997 855-15
 - ITAA 1997 975-300
 - ITAA 1997 977-50
 - ITAA 1997 995-1(1)
 - Corporations Act 2001 256B
 - Corporations Act 2001 256C
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ATO references

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