

ASX RELEASE

8 October 2025

ATO CLASS RULING RECEIVED

Indiana Resources Limited (**Indiana** or **Company**) (ASX: IDA) is pleased to advise that it has now received the final Class Ruling (CR2025/66) from the Australian Taxation Office (ATO) in relation to the \$0.05 per share capital return which was paid to shareholders on 15 August 2025 (**Capital Return**):

Outcomes of the ruling include:

- No part of the Capital Return is a dividend for Australian income tax purposes
- For Australian resident shareholders who hold their IDA shares on capital account:
 - a. The cost base (and reduced cost base) of each IDA share is reduced by \$0.05; and
 - b. Where the cost base of a share is less than \$0.05, a capital gain equal to the difference will arise. Any such capital gain may be eligible for the capital gains tax discount if the relevant requirements are met.
- For qualifying foreign resident shareholders, any capital gain that may arise from the Capital Return is disregarded
- No adverse tax consequences arise for IDA as a result of the Capital Return.

A full copy of the Class Ruling is attached and for future reference is available on the ATO website (www.ato.gov.au) by searching for "CR 2025/66".

Indiana shareholders are encouraged to read the Class Ruling in full and to consult their professional tax advisors to determine the tax implications applicable in their specific circumstances.

Authorised by
Alex Neuling
Company Secretary





Status: **legally binding**

Class Ruling

Indiana Resources Limited – return of capital

❶ Relying on this Ruling

This publication (excluding appendix) 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 Indiana Resources Limited (Indiana) who received a return of capital payment of \$0.05 per Indiana share (Capital Return) on 15 August 2025 (Payment Date).
2. Details of this scheme are set out in paragraphs 17 to 34 of this Ruling.
3. All legislative references in this Ruling are to provisions of the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* (as detailed in the table in the Appendix of this Ruling), unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if you:
 - received the Capital Return payment on the Payment Date, and
 - held your Indiana shares on capital account – that is, you did not hold your Indiana shares as ‘revenue assets’ (as defined in section 977-50) or as ‘trading stock’ (as defined in subsection 995-1(1)).
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 17 to 34 of this Ruling.

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

Status: **legally binding**

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 you received from Indiana on the Payment Date is a dividend as defined in subsection 6(1). This is because the entire amount of the Capital Return has been debited against an amount standing to the credit of Indiana's share capital account.

8. Therefore, no part of the Capital Return paid to you by Indiana on the Payment Date is included in your assessable income as a dividend under subsection 44(1).

Sections 45A, 45B and 45C do not apply

9. The Commissioner will not make a determination that section 45C applies to any part of the Capital Return you received on the Payment Date, under either:

- subsection 45A(2) – because there was no streaming of capital benefits to some Indiana shareholders and dividends to other Indiana shareholders as required by subsection 45A(1), or
- paragraph 45B(3)(b) – because the requirements of subsection 45B(2) were not satisfied.

Capital gains tax consequences**CGT event G1**

10. CGT event G1 happened on the Payment Date when Indiana paid you the Capital Return in respect of each Indiana share you owned on 8 August 2025 (Record Date) and continued to own on the Payment Date (section 104-135).

11. You made a capital gain under CGT event G1 if the amount of the Capital Return you received (being \$0.05 per Indiana share) was more than the cost base of your Indiana share (subsection 104-135(3)). The amount of the capital gain is equal to the excess. If you made a capital gain, the cost base and reduced cost base of your Indiana share is reduced to nil (subsection 104-135(3)).

12. If the Capital Return amount you received for each Indiana share was equal to or less than the cost base of your Indiana share, the cost base and reduced cost base of your Indiana share are reduced by the amount of the Capital Return (subsection 104-135(4)). You cannot make a capital loss when CGT event G1 happens (Note 1 to subsection 104-135(3)).

CGT event C2

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

Status: **legally binding**

14. You made a capital gain under CGT event C2 if the capital proceeds from the ending of the right were more than the cost base of the 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)).

Discounted capital gain

15. You treat a capital gain made when CGT event G1 or CGT event C2 happened as a discount capital gain if you acquired your Indiana shares on or before 14 August 2024 (subsection 115-25(1)), provided the other conditions in Subdivision 115-A are satisfied.

Foreign resident shareholders

16. 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 a CGT event G1 or any capital gain or capital loss made from CGT event C2, provided that your Indiana share or your right to receive the Capital Return on your Indiana 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), or
- was not covered by subsection 104-165(3), which is about individuals choosing to disregard a gain or loss on ceasing to be Australian residents (table item 5 of section 855-15).

Scheme

17. 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.

Indiana Resources Limited

18. Indiana is a public company that was incorporated in Australia on 19 April 1985 and listed on the Australian Securities Exchange on 17 August 1994 as IMX Resources Limited. It changed its name to Indiana Resources Limited on 10 June 2016.

19. Indiana is an exploration company currently focused on advancing a portfolio of tenements, which include rare earths, gold and base metals, in the Central Gawler Craton Province in South Australia.

20. As at 31 December 2024, Indiana had:

- share capital of \$33,256,000
- accumulated losses of \$13,027,000, and
- reserves of \$6,053,000.

21. As at 1 August 2025, Indiana had 643,732,458 fully paid ordinary shares on issue.

Status: **legally binding**

Disposal of Tanzanian licence

22. In January 2018, Indiana's retention licence for the Ntaka Hill Nickel Project, located in Tanzania, was cancelled by the Government of Tanzania.
23. On 29 July 2024, Indiana announced that it had reached a settlement with the Government of Tanzania following the cancellation of the licence.
24. The proceeds from the disposal of the retention licence (disposal proceeds) were in excess of Indiana's business requirements. As a result, Indiana decided to return the surplus funds back to Indiana shareholders.

Return of capital

25. On 25 June 2025, Indiana announced that it would distribute \$32,186,623 (equivalent to \$0.05 per share) by way of an equal reduction of share capital under section 256B of the *Corporations Act 2001*.
26. The Capital Return was approved by the shareholders of Indiana on 1 August 2025.
27. On the Payment Date, Indiana shareholders received \$0.05 for each Indiana share they held on the Record Date.
28. The Capital Return was paid from Indiana's available cash balance.
29. The entire Capital Return amount of \$32,186,623 was debited to Indiana's share capital account.
30. The Capital Return did not result in the cancellation of any Indiana shares and there was no change to the proportionate interest of each Indiana shareholder following the Capital Return.

Other matters

31. As a first distribution from the disposal proceeds, Indiana paid an unfranked special dividend of \$0.05 per Indiana share on 20 December 2024.
32. Since 2016, Indiana has not made any other distribution to its shareholders including dividends, issued bonus shares or returns of share capital.
33. The 'share capital account' (as defined in section 975-300) of Indiana is not tainted within the meaning of Division 197.
34. On the Payment Date, less than 50% of the market value of Indiana's assets were 'taxable Australian real property' (as defined in section 855-20).

Commissioner of Taxation

24 September 2025

Status: **not legally binding**

Appendix – Legislative provisions

35. This paragraph sets out the details of the provisions of the *Income Tax Assessment Act 1936* or *Income Tax Assessment Act 1997* ruled upon or referenced in this Ruling.

Table 1: Provisions of the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* ruled upon or referenced in this Ruling.

<i>Income Tax Assessment Act 1936</i>	subsection 6(1)
<i>Income Tax Assessment Act 1936</i>	subsection 44(1)
<i>Income Tax Assessment Act 1936</i>	section 45A
<i>Income Tax Assessment Act 1936</i>	subsection 45A(1)
<i>Income Tax Assessment Act 1936</i>	subsection 45A(2)
<i>Income Tax Assessment Act 1936</i>	section 45B
<i>Income Tax Assessment Act 1936</i>	subsection 45B(2)
<i>Income Tax Assessment Act 1936</i>	paragraph 45B(3)(b)
<i>Income Tax Assessment Act 1936</i>	section 45C
<i>Income Tax Assessment Act 1997</i>	section 104-25
<i>Income Tax Assessment Act 1997</i>	subsection 104-25(3)
<i>Income Tax Assessment Act 1997</i>	section 104-135
<i>Income Tax Assessment Act 1997</i>	subsection 104-135(3)
<i>Income Tax Assessment Act 1997</i>	subsection 104-135(4)
<i>Income Tax Assessment Act 1997</i>	subsection 104-165(3)
<i>Income Tax Assessment Act 1997</i>	Subdivision 115-A
<i>Income Tax Assessment Act 1997</i>	subsection 115-25(1)
<i>Income Tax Assessment Act 1997</i>	Division 197
<i>Income Tax Assessment Act 1997</i>	Division 230
<i>Income Tax Assessment Act 1997</i>	subsection 855-10(1)
<i>Income Tax Assessment Act 1997</i>	section 855-15
<i>Income Tax Assessment Act 1997</i>	section 855-20
<i>Income Tax Assessment Act 1997</i>	section 975-300
<i>Income Tax Assessment Act 1997</i>	section 977-50
<i>Income Tax Assessment Act 1997</i>	subsection 995-1(1)

Status: **not legally binding**

References

Legislative references:

- Corporations Act 2001 256B

ATO references

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Capital gains tax ~~ CGT events ~~ C1 to C3 - end of a CGT asset
Capital gains tax ~~ CGT events ~~ G1 to G3 - shares

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