

Email sent on August 14, 2025

Hi Ron and Ben,

This email is being sent to you as the points of contact listed at the bottom of Liontown ASX announcements. I'm not currently a Liontown retail shareholder but am writing to you on behalf of those who are eligible to apply to participate in the Share Purchase Plan (SPP), which closes on September 2.

I advocate for retail shareholders across the public company sector and request that this email is promptly forwarded to all relevant Liontown decision makers on the forthcoming SPP allocation decision and outcome announcement.

Firstly, I should say at the outset that it would have been better if your latest raising was done as a pro-rata renounceable PAITREO offer that treated all shareholders equally, like the [42 examples on this list](#).

Instead, you went with the placement-SPP model. Whilst this is clearly better than this [long list of companies](#) which have done stand-alone placements with no SPP at all, the proposed \$20 million SPP component is too small relative to the \$316 million institutional placement.

The latest Liontown annual report says that the company has about 37,698 shareholders, so the theoretical maximum in SPP applications is \$1.13 billion. This means that if just 666 or 1.76% of the total shareholder base apply for the maximum \$30,000, that will soak up the entire \$20 million SPP allocation. Clearly, the proposed cap is too low and the allocation to retail of just 5.95% of a \$336 million capital raising should be substantially lifted, assuming there are surplus applications.

As a rule of thumb, SPPs should anticipate at least 20% participation and the placement-SPP split should also at least reflect the situation before the raising was announced, in order to prevent any collective dilution between the institutional and retail shareholder classes.

For instance, if retail shareholders as a whole owned 21% of Liontown before the placement was announced, then the SPP should be at least 21% of the overall raising which would be \$84 million out of \$400 million. I personally think an increase to \$84 million to make this a \$400 million capital raising overall would be appropriate if demand is strong.

There are many precedents and it would be great if Liontown was to [join this long list](#) of almost 50 examples of companies which completely uncapped their SPPs in the face of strong demand and in order to avoid imposing any form of scale back. Such a move would also provide some tiny compensation to retail shareholders as a class who have been diluted out of tens of billions of dollars by Australia's anything goes public company capital raising system, in which the biggest losers are the inert retail shareholders who don't participate in non-renounceable offers.

From a retail shareholder perspective, the next best alternative after complete uncapping is partially lifting the cap but still imposing a scale back, as has also been done previously by many companies – see this [long list of almost 50 examples](#).

If there is going to be a scale back, there should ideally be a minimum allocation such as \$500 for all applicants, in order to reduce the number of holders with an unmarketable parcel. In Australia, this is defined as any holding below \$500. Here is a [list of 19 examples](#) of capital

raisings by ASX listed companies there was a minimum allocation before a pro-rata scale back was applied.

After that, a pro rata allocation based on size of holding is fair. Alternatively, you could choose to favour your smaller and poorer retail shareholders by scaling back based on size of application like the many [companies on this list](#).

Whatever you do, please spell out the scale back formula clearly in the SPP outcome announcement, preferably with a table similar to what QBE Insurance produced in [this 2009 ASX announcement](#).

In terms of the outcome announcement, please follow the best practice transparency demonstrated by [companies on this list](#). For the avoidance of doubt, here are some words to demonstrate how it might read.

“The Liantown SPP was open to 37,698 eligible shareholders and the company received applications totalling \$127.2 million from 4,797 holders, a participation rate of 12.72%.”

Finally, as a \$2.45 billion market cap company with one of the 50 largest share registers on the ASX by number of shareholders, could you also please adopt best practice hybrid shareholder meetings going forward, starting with your upcoming EGM next month.

It is unreasonable to expect east coast shareholder to fly to Perth to participate in your shareholder meetings. Please see [this list](#) of old school companies which still run dinosaur physical AGMs, along with [this list](#) of progressive companies which embrace shareholder participation through hybrid meetings. Now that the Federal Government has bought \$50 million worth of your shares, you really should adopt best practice governance on issues like this.

Once again, I would appreciate an acknowledgment that this email has been received and forwarded to the relevant parties and look forward to seeing the ASX announcement about the hopefully expanded and uncapped SPP.

I will be commenting about your decision on Twitter, in my next *Intelligent Investor* column (see [previous 200-plus columns](#)) and also will potentially raise the issue at next year's AGM.

If you would like to discuss this matter, feel free to contact me via this email address.

Thank you for your consideration.

Kind regards

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