

Email sent on August 17, 2025

Hi Ron and Ben,

This email is being sent to you as the points of contact listed at the bottom of Santana Minerals ASX announcements. Could you please forward it to all relevant SMI decision makers on the capital raise.

I'm not currently a Santana 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 3.

Firstly, thank you for at least offering retail shareholders an SPP as part of the \$63 million capital raising. Whilst this is clearly better than this shamefully [long list of companies](#) which have done stand-alone placements with no SPP at all, the proposed \$3 million SPP component is too small relative to the \$60 million institutional placement.

This is what I've currently got about your raising on my [public master list](#) summarising all capital raisings above \$20 million by ASX listed companies since 2000:

September 3, 2025: Santana Minerals (SMI): [after going into a trading halt at 9.05am](#), at 11.45am on August 7, *The AFR's* Street Talk column [reported](#) that Santana was seeking to raise \$58m in an institutional placement at 58c, a 7.9% discount to the previous close of 63c. A paltry \$3m SPP will follow, with no mention of any secondary VWAP pricing. The official announcement [dropped at 9.04am on August 11](#) by which time the placement had been expanded to \$60m. Cannacord is pocketing a juicy 5% cash fee which was commendably [disclosed in the main ASX announcement](#). The stock settled at 60c giving it a [post-placement market cap of \\$550m](#) as it progresses its New Zealand gold project. With 2,328 shareholders, the theoretical maximum SPP participation is \$69.8m. The only substantial shareholder is Depot Corp with 6.4%. Wrote to the company on August 17 requesting a lift to the \$3m SPP cap and VWAP pricing.

Ends

First up, as mentioned above, if it's not too late could you please add secondary SPP pricing based on the VWAP. The minimum discount should be rounding down to the nearest cent. Please see [this list of 36 examples](#) where companies not only offered secondary VWAP pricing but retail shareholders actually ended up paying less in the SPP than institutions in the earlier placement.

The \$3 million cap is so restrictive that if just 100 or 4.3% of the total shareholder base apply for the maximum \$30,000, that will soak up the entire \$3 million SPP allocation. Clearly, the proposed cap is too low and the allocation to retail of just 4.76% of a \$63 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 40% of Santana before the placement was announced, then the SPP should be at least 40% of the overall raising which would be \$40 million out of \$100 million. I personally think an increase to \$20 million to make this an \$80 million capital raising overall would be appropriate, if demand is strong.

There are many precedents and it would be great if Santana 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 where 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](#).

Finally, 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 Santana SPP was open to 2,328 eligible shareholders and the company received applications totalling \$27.2 million from 797 holders, a participation rate of 34.2%.”

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, plus an offer document containing secondary VWAP pricing.

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

Stephen Mayne

Retail Shareholder Advocate

Publisher: www.maynereport.com

Freelance journalist

Twitter: [@maynereport](https://twitter.com/maynereport)