

Greg Bittar
CEO Lotus Resources

By email sent at 6.50am on February 27, 2026

Dear Greg,

As you know from our [November 2024 interview](#) with *The Intelligent Investor*, I'm an advocate for better treatment of retail shareholders in capital raisings. I'm also a former retail shareholder in Lotus Resources but not currently on the register,

This email is being sent to you and Martin as the points of contact listed at the bottom of Lotus Resources (LOT) ASX announcements. Could you please forward it to all relevant LOT decision makers on the question of whether to uncap the current SPP.

Firstly, thank you for offering retail shareholders an SPP as part of the latest \$81 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 \$5 million SPP component is too small relative to the \$76 million institutional placement.

This is what is currently published about your raising on this [public list](#) summarising all capital raisings above \$15 million by ASX listed companies since 2020:

March 2, 2025: Lotus Resources (LOT): announced a [\\$76m placement](#) at \$2.15 on February 5, a whopping 25% discount to the previous close of \$2.88, which is being followed by a [\\$5m SPP](#). Macquarie, Canaccord, Barrenjoey, Argonaut, Jett Capital and shared the [excessive 5% placement fee](#). The stock settled at \$2.18 by February 26 giving it a [market cap of around \\$580m](#). The [latest annual report](#) disclosed 8,579 shareholders so the theoretical maximum in SPP applications is \$257.4 million. Wrote to the company on February 27 requesting specific headcount participation data in the SPP outcome announcement and a lifting of the cap if demand is strong.

Ends

The \$5 million cap is so restrictive that if just 167 or 1.94% of the 8,579 shareholders apply for the maximum \$30,000, that will soak up the entire \$5 million SPP allocation. Clearly, the proposed cap is too low and the allocation to retail of just 6.17% of an \$81 million capital raising should be substantially lifted.

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 24% of LOT before the placement was announced, then the SPP should be at least 24% of the overall raising which would be \$24 million out of \$100 million. I personally think an increase in the SPP cap to \$30 million would be appropriate, if demand is strong.

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. 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 and also provide specific participation data. For the avoidance of doubt, your SPP announcement could include words like these:

"The SPP offer was sent to 8,945 Lotus Resources shareholders and the company received applications from 2,367 holders for a total of \$23.6m."

Once again, I would appreciate an acknowledgement that this email has been received and forwarded to the relevant parties and look forward to seeing the ASX announcement next week 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 this year's AGM or even nominate for the board if your treatment of retail shareholders is particularly egregious.

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

Thank you for your consideration.

Kind regards

Stephen Mayne

Former Lotus Resources shareholder

Retail Shareholder Advocate

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