AUGUST 2026

HOT CHILLI EMOJIS FOR EXPLORATION COMPANIES

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SIMPLE ICONS. POWERFUL MESSAGES.

EMOJIS THAT TELL A BIGGER STORY

BUILD A MINE = MAKES MONEY.

HOT CHILLI EMOJIS FOR EXPLORATION COMPANIES

Basic iconography to simply convey a story is as old as scratches in stone. Pictures can tell a thousand words. In many short message formats, an emoji is far better than verbosity.

I have been very slow to emojis. My kids ridicule me (and they think I don't know they are ridiculing me) for overuse of pairs of thumbs up emojis as a response to their texts – this they tell me is 'Boomer Maxxing'[1].

Lion invests in micro-capitalisation resources companies. Not only are these small companies, but they are also part of a huge population (micro-cap resources companies make up around one third of the listed companies on ASX). Market capitalisations of up to a few hundred million dollars are still not yet a household name. To talk to our shareholders about what we are investing in, we have a single slide that shows all eleven of the companies, on a map of Australia, and some simple designations of what commodity they are working in and how advanced they are. This is where use of emojis intersects finance.

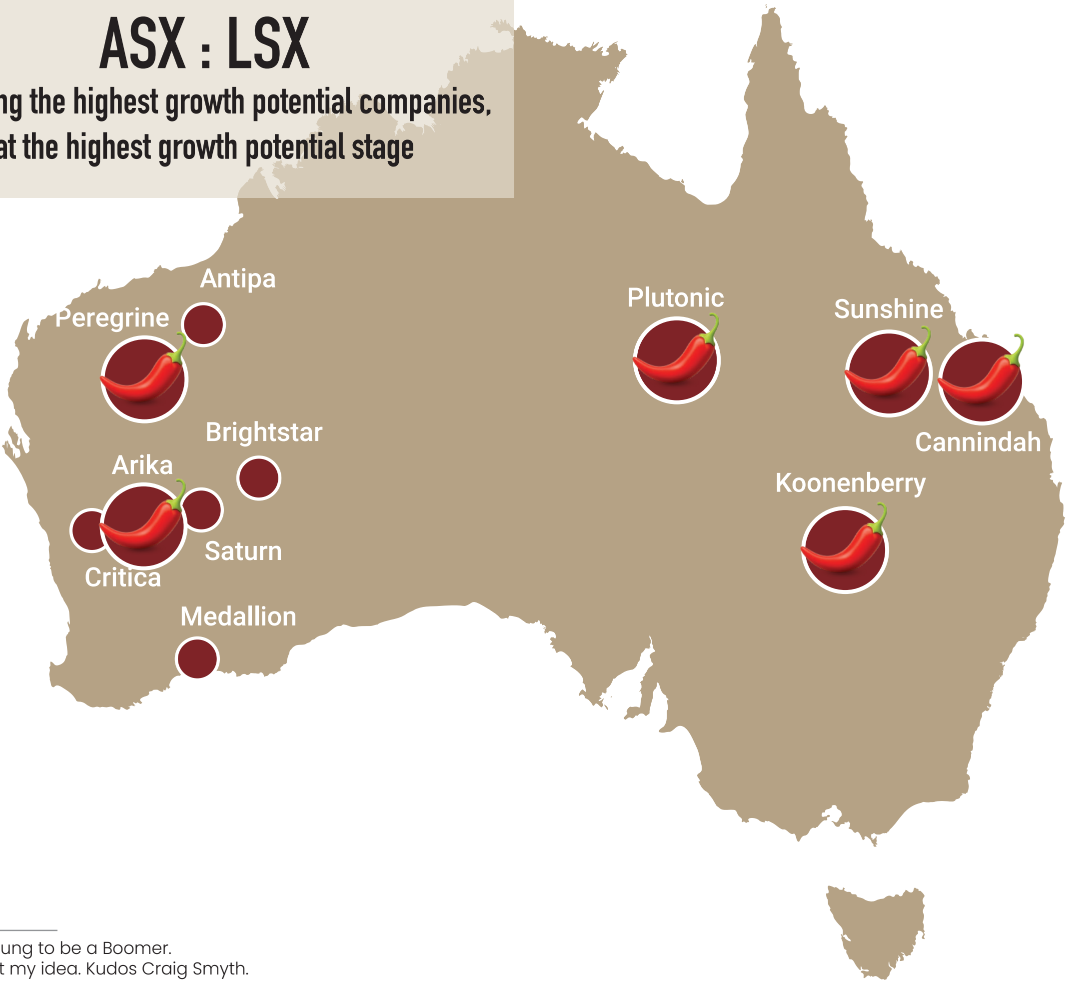
Use of emojis in mining investment...

All of Lion's investments are aiming to become more valuable by finding more metal, and are all doing the work to achieve that. Some are more advanced than others, and the ones that are building a new mine (or planning to) should arguably expect to get their best uplift from derisking, which is to say their price should begin to move up as they show that they can achieve what they have planned to do (build a mine = make money). Where a company is building a mine and has a start date for production, just like my grade two teacher: we give them a gold star.

Some of the companies we hold are drilling on projects where they could make a discovery that is big enough to make a material change (like – at least double) to their market capitalisation. These ones get a hot chilli[2].

ASX : LSX

Targeting the highest growth potential companies, at the highest growth potential stage



1. I'm too young to be a Boomer.
2. This wasn't my idea. Kudos Craig Smyth.

Pre-discovery | Definition | Assessment | Development | Production

Development
Defined projects de-risking whilst maintaining growth

Brightstar Resources (ASX:BTR)	**Gold** mine: Laverton/Growth: Sandstone (WA)
Medallion Metals (ASX:MM8)	**Gold/copper** mine: Ravensthorpe/Growth: Forrestania (WA)
Sunshine Metals (ASX:SHN)	**Gold** mine: Liontown/Growth: Sybil
Antipa Minerals (ASX:AZY)	Telfer region strategic **gold** resource (WA)
Saturn Metals (ASX:STN)	Large **gold** inventory x Bulk economics (WA)

Growth
Growing identified projects

Cannindah Res (ASX:CAE)	Expanding **copper** Resource with major growth potential (Qld)
Critica (ASX:CRI)	Large, shallow, high grade **REE** discovery (WA)
Koonenberry Gold (ASX:KNB)	**Gold** discovery taking place, multiple high-quality targets (NSW)
Arika Resources (ASX:ARI)	Extensive **gold** workings, barely drill tested (WA)
Peregrine Gold (ASX:PGD)	Large scale Channel **iron** footprint near Newman (WA)
Plutonic (unlisted)	**Unlisted, district scale gold-copper discovery opportunity. 42% owned by Lion**

Legend: Precious metals | Base metals | Strategic materials | Bulk | Moving toward production | Potential for a *material* discovery











What does it take to 'earn' a chilli?

How does my mind work to bestow a hot chilli emoji for one of our investments? This is a non-formulaic assessment, its pretty black or white.

Examples

Plutonic

An unlisted company. They are about to drill the first holes ever into a part of the Northern Territory that they think could host large, Cadia-style (Newmont took over Newcrest to get at Cadia) copper-gold deposits. **That deserves a chilli.**

Peregrine (ASX:PGD)

Has found two very large footprints of channel iron, which look very much like the top of large iron ore deposits, less than 10km from a major BHP iron ore expansion project in the Pilbara. They hope to drill that this year. **That deserves a chilli.**

Arika (ASX:ARI)

We have just invested in Arika, which has two projects near Kalgoorlie in WA. There has been surprisingly little drilling on this ground, given where it is and mining history. The project areas have been squabbled over for decades. Arika is the first company to own this ground 100%, and be funded to drill a good size program, since gold was something like US$250/oz. The two projects are riddled with historic workings that have produced gold – there is no doubt there is gold there, it just hasn't been drilled. **Undeniable chilli designation** – we wouldn't have bought it otherwise.

Koonenberry (ASX:KNB)

Has a portfolio across NSW that was put together by a geologist that Newmont backed to generate new targets. He held onto 9 or 10 of his favourites that he looked over in ten years of assessments, some of which Newmont spent money on. Exploration is a game of best possible targets multiplied by shots on goal. Koonenberry has already hit mineralisation at one spot, and plan to test another 3-4 this year. **We don't do multiple chilli's but its arguable we could here.**

Cannindah (ASX:CAE)

Already have a resource where they are working in Central Queensland. It runs 1.1% copper equivalent[1], and it looks for all money like it's going to get bigger. Anyway, they've drilled holes that extend it – so let's see what their next estimate says. The breccia rock that hosts that copper and gold is a geological message that says, "a hot fluid with copper in it came from down below". They have a target for a pencil porphyry – which is an intrusion that carries a lot of metal. The deposits Evolution are mining at Parkes are a type example. **Definite chilli.**

Sunshine (ASX:SHN)

Are on the trajectory to making gold. They have a modest high grade gold resource (which is part of a larger zinc-gold-copper resource) and have bought themselves a process site which came with much of the equipment they need to grind up their ore and extract gold. So, Sunshine gets a star. But at the same time as they are building, they are exploring and most of the holes they are drilling are at a project called Sybil where rocks at surface containing gold are a dead ringer for a gold mine called Pajingo that has operated for decades. Sybil was privately held for years and Sunshine bought it last year, their first program returned a hit of 4.4m at 57.51g/t gold. Sybil is right next to where their new gold process plant will be, so they don't have to find much at Sybil for it to be worth a lot to them. Pajingo is only a look-alike and looking alike doesn't guarantee a thing about what Sybil might contain – but Pajingo produced over 4Moz of gold so the analogy is pretty compelling. **Chilli.**

1. Copper equivalent = combining the recoverable amounts of copper and gold in the same shape, and expressing as just one metal.

A Chilli means – *one hole could change it all.*

Such a hole would be the first one to return an intercept that says: 'keep drilling here'. Once the hole has been drilled it is history, so to have a chilli means that one hole hasn't been drilled yet! The concept is speculative. But in every case where we have a chilli label, the geology presents a really compelling case for drilling to look for hidden secrets. We just want a way to tell people what we think is exciting for a potential discovery in our portfolio – a Chilli doesn't mean it **WILL** happen, it just means it **MIGHT** happen.

Does anyone know Alex Rovira?

Alex Rovira is the Managing Director of Brightstar Resources (ASX:BTR), and within that company he has assembled two things that have certain value in the long-term.

1. Super team of people.
2. Two terrific clusters of gold resources.

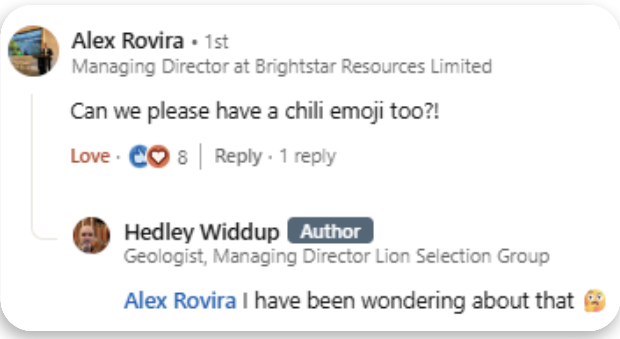
His team is building a new gold plant and mines near Laverton in WA – so they are derisking and well on their way to a layup: deliver a new mine, make gold, show the cash flow and the market will have to compare them with similar size producing peers.

Brightstar also own the whole of the Sandstone greenstone belt – which is way more than just an exploration project. Greenstone belts in the southern half of WA are where most of the gold, and most of the gold mines, are found. There has been around 3Moz of gold mined in the Sandstone belt historically, but there isn't an operating mine – everything that has been mined was before modern gold economics (ie when gold was less than US$1,000/oz) and modern exploration.

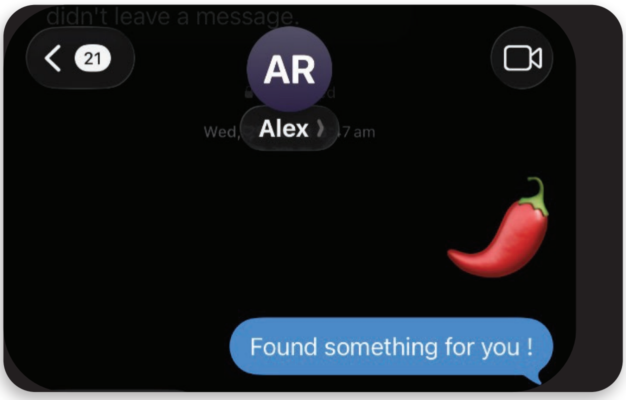
Geological fraternity please forgive me for this generalisation – gold systems tend to go deep, so where gold has been mined historically tends to be a great place to look for more. Hence the prospector's adage is 'tis where tis'[1]. Owning a whole greenstone belt provides the full value of optionality that stems from the high likelihood of more gold discovery from somewhere within that greenstone. Brightstar has a Resource of 2.9Moz of gold over the Sandstone belt and are working on a study to show how much of it they think they will be able to mine.

Brightstar is capitalised at over $400M, which includes cash they have raised to build with. With all they have to deliver there is a lot that the market could bestow through share price appreciation as they derisk. Gold star territory – undeniably.

So, imagine my surprise when Alex dropped a line to ask for his own Chilli emoji:



I try to keep people happy. So, I sent him one (by text):



Literally, three days later… Brightstar announcement: Spectacular 305.4m @ 1.82g/t Au Intercept from Sandstone Extensional Drilling. As a shareholder of Brightstar, this is a wonderful piece of news – I'll once again invoke my dusty geology skills to give it some context.

One of the deposits in the Sandstone field is contained by an intrusive rock (it forced its way into the greenstones after they were deposited), that has been riddled with cracks that have filled with quartz that contain gold. This basic recipe is how many gold deposits in WA have formed – make a crack, and if the right kinds of fluids are able to rush into it they can deposit gold either by making a new quartz vein (with gold in it) or reacting with the rocks and that chemical reaction deposits some gold. This intrusion, which Brightstar call the Two Mile Hill Tonalite looks to be an ideal host – this sort of rock can form large accumulations for gold, because when they crack, they shatter right through, and all those cracks can be mineralised. There are analogies of similar style deposits that have been mined:

> **"Similar felsic intrusive bodies are seen throughout the Yilgarn and are known to host major gold deposits, including Thunderbox, Gruyere, Kanowna Belle, and King of the Hills"**
>
> Brightstar ASX announcement, 3 August 2026, p5

This intersection is in a deposit that Brightstar already know about, which already features a Resource of 731,000 ounces of gold. Most holes have been drilled in one direction; this hole was drilled the opposite way – to figure out where the edge of the intrusion was at depth. As it turns out – it's a much fatter intrusion than they thought (at depth – we are talking about a fat intrusion at 500m deep).

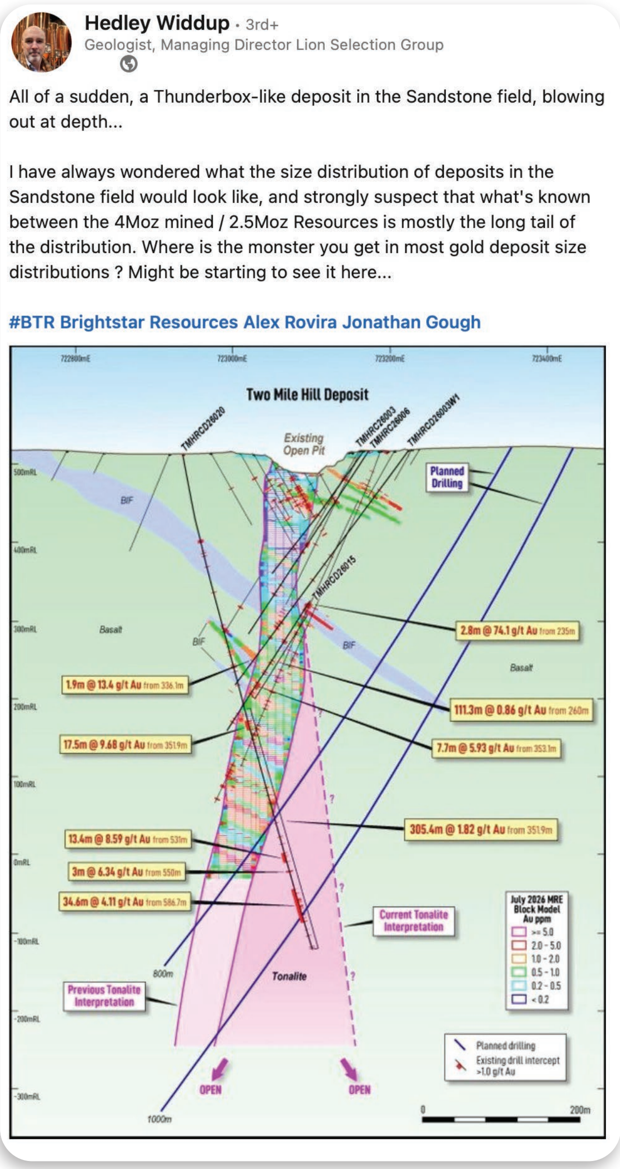
1. It is where it is. Which means – If you find some gold, don't worry about how it got there just keep looking – there is often more.

So far – as in, for the entire history that has seen 3Moz mined and 2.9Moz put into Resource – the Sandstone belt doesn't look to have thrown up a 'monster" deposit: one that is much bigger than the others. Most greenstone belts display similar distributions of gold deposits: typically, three or four large deposits (dominated by one monster) contain ~80% of the gold, the rest of the gold is in a long tail of smaller deposits. At Sandstone I suspect we can see much of the long tail, but I wonder if the belt will confirm to the 'typical' distribution. Is there a monster?

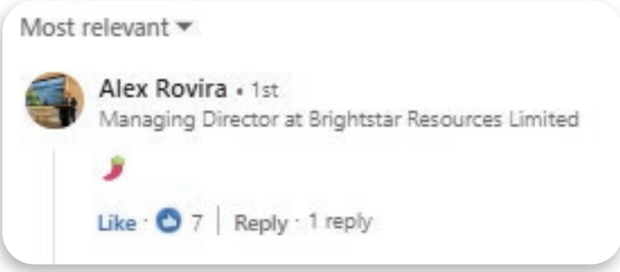
I was so pleased at the announcement of this hole, I posted a screen shot and a brief musing to Linkedin. Alex tagged it with a chilli emoji – almost like sending me my emoji back will magically have it transferred to the slide in our presentation.

Alex is a determined guy, so I doubt that I have heard the last of it.

My post:



Alex's reply:



Chilli for Brightstar...?

Can one hole change Brightstar's fortune? (ie double, or materially alter, their market cap?) The announcement of 305.4m @ 1.82g/t Au catalysed a 3.5c rise on the day, against an otherwise flat gold market. In my view, +11% on that drill intersection headline is a decent acknowledgement.

I think it's fair to say the market is expecting a pattern of news flow for Brightstar that reflects its focus on building a new gold mine, and also reasonable enough to think that deserves an accretionary (price) appreciation over time as they derisk. On the Sandstone exploration front – Brightstar has drilled over 145km since it took control of the belt, which has largely infilled existing resources. The market has probably been conditioned not to expect big extensions – infill work typically doesn't provide them.

There is plenty to value in Brightstar and the passage of time will bring that to bear. Investors will often pay far more for something they don't understand, than something they do – and this often plays out when an exploration discovery is delivered. Exploration discovery can generate much more significant share price growth in a short period of time than derisking.

If Brightstar can continue to deliver drill intersections at Two Mile that show it's a very fat intrusion at depth (and the gold market stays firm) – my money is on them seeing some appreciation in their share price... We may well look back and say – THAT[1] was where all the excitement started.

Enough for a chilli? **WHAT A CONUNDRUM!!** I guess I'll make my mind up for our next presentation...

1. THAT = 305.4m @ 1.82g/t Au, announced by Brightstar on 3 August 2026.