

QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2019

*Major new drilling program to expand 643koz Mount York Resource to commence in November;
Delineation of coherent, high-tenor gold-in-soil anomaly represents a significant exploration
breakthrough at the Croydon Project*

Pilbara Gold Project (Pilbara, WA)

- Planning completed for 2,000m RC drilling program at the Mt York Gold Project, predominantly focused on the high-grade Iron Stirrup deposit, with drilling commencing November.
- Review of the current 643,000oz Mineral Resource at the Mt York Project on track reflecting sustained improvement in the A\$ gold price. Mining studies for the Mt York Gold Project to commence Q1 CY2020.
- Coherent, high-tenor gold-in-soil anomaly identified at the Croydon Project, with a zone measuring 8km long by 150-200m wide defined by soil sampling results above 30ppb Au. The anomaly includes a 1.1km long core of over 100ppb Au (0.1g/t) and up to a peak of 648ppb (0.64g/t).
 - Major fault system of the Archaean North Pilbara Terrain has been mapped along the anomalous strike and could possibly define the control of the mineralisation.
 - Follow-up in-fill soil geochemical program has been completed over the pathfinder elements anomalism and the structural features related to the main fault zone.
 - Rock chip samples have been collected for petrography to investigate hydrothermal alteration.
 - Heritage survey completed for proposed access tracks, trenches and drill pads.

Corporate

- Completion of Placement of \$1.35M with plans to raise up to \$2.0m through a SPP to underpin ongoing exploration activities at the Pilbara Gold Project.



Plate 1. Iron Stirrup Pit (looking southeast).



Figure 1. Kairo's Project Locations.

PILBARA GOLD PROJECT, PILBARA REGION (KAIROS: 100%)

Kairo's Pilbara Gold Project in Western Australia comprises both a regionally extensive 1,158km² exploration portfolio targeting conglomerate-hosted gold and a substantial gold Mineral Resource at the previously mined Mt York Project (previously the Lynas find gold mine), ~100km south-east of Port Hedland. At Mt York, the Company has defined total Indicated and Inferred Resources of **14.4Mt at 1.39g/t for 643,000oz** (comprising Indicated Resources of 6.8Mt at 1.3g/t for 285,000oz and Inferred Resources of 7.6Mt at 1.47g/t for 358,000oz).

Major field exploration programs are also underway targeting highly prospective stratigraphic of the Hardey Formation at Croydon, located within the central part of the Pilbara Gold Project ~100km to the west of Mt York.

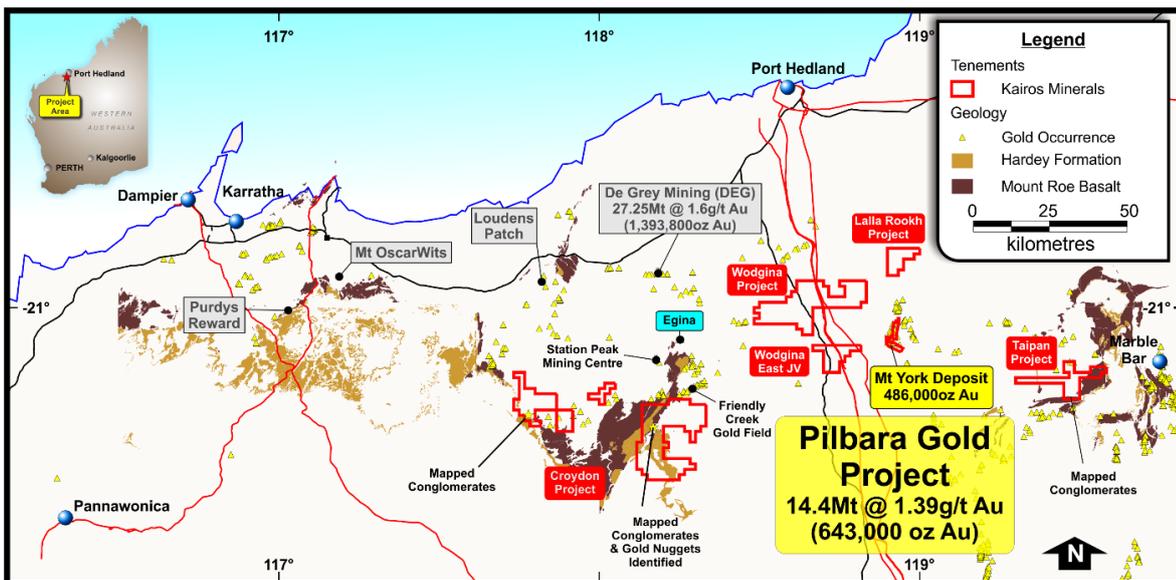


Figure 2. Pilbara Gold Project Location, Tenements and Key Gold Targets.

MOUNT YORK PROJECT, PILBARA REGION (KAIROS 100%)

Kairos's 100%-owned project tenure at Mt York is situated immediately east of Pilbara Minerals' and Altura Mining's lithium projects (Figures 2 and 3), which have recently commenced operations, and comprises 12 Prospecting Licences (P45/2987-2998 inclusive). The Mt York Gold deposit (Main Hill, Breccia Hill, Gossan Hill) and Iron Stirrup Gold deposit is secured by tenements P45/2994, P45/2991, P45/2992 and P45/2995, which occur entirely within the Wallareenya Pastoral Lease.

During the Quarter, Kairos commenced a detailed re-evaluation of the existing 643,000oz Mineral Resource at the Mt York Gold Project, which identified a series of new exploration targets.

Planning is well advanced for a new drilling program at Mt York, with an initial focus on the higher-grade Iron Stirrup deposit, targeting extensions to the mineralisation beneath and along strike from the existing open pit, which was mined historically in the 1990s.

A 2,000m RC drilling program is scheduled to commence in November.

In parallel with the drilling, Kairos will continue the review of the current 643,000oz Mineral Resource in light of the substantial increase in the Australian Dollar gold price since the Resource was first published in May 2018 and commence mining studies.

The Mineral Resource for the Pilbara Gold Project is set out below:

Pilbara Gold Deposit Resources – Reported at a 0.5g/t Au Cut

Deposit	Indicated			Inferred			Total		
	Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)
Mt York ^(1,2)	5,296	1.23	210	5,973	1.44	276	11,269	1.34	486
Iron Stirrup ⁽¹⁾	612	1.84	36	465	2.07	31	1,077	1.94	67
Old Faithful ⁽³⁾	934	1.33	39	1,135	1.40	51	2,069	1.37	90
Total	6,842	1.30	285	7,573	1.47	358	14,415	1.39	643

Table 1. Pilbara Gold Project JORC Resources

Note: Numbers may not total due to rounding

- (1) Resources are constrained within a whittle shell that assumed basic economic parameters
- (2) Mt York comprises of the Breccia Hill, Main Hill and Gossan Hill deposits
- (3) Resource was previously released to the ASX 1 August 2016 -

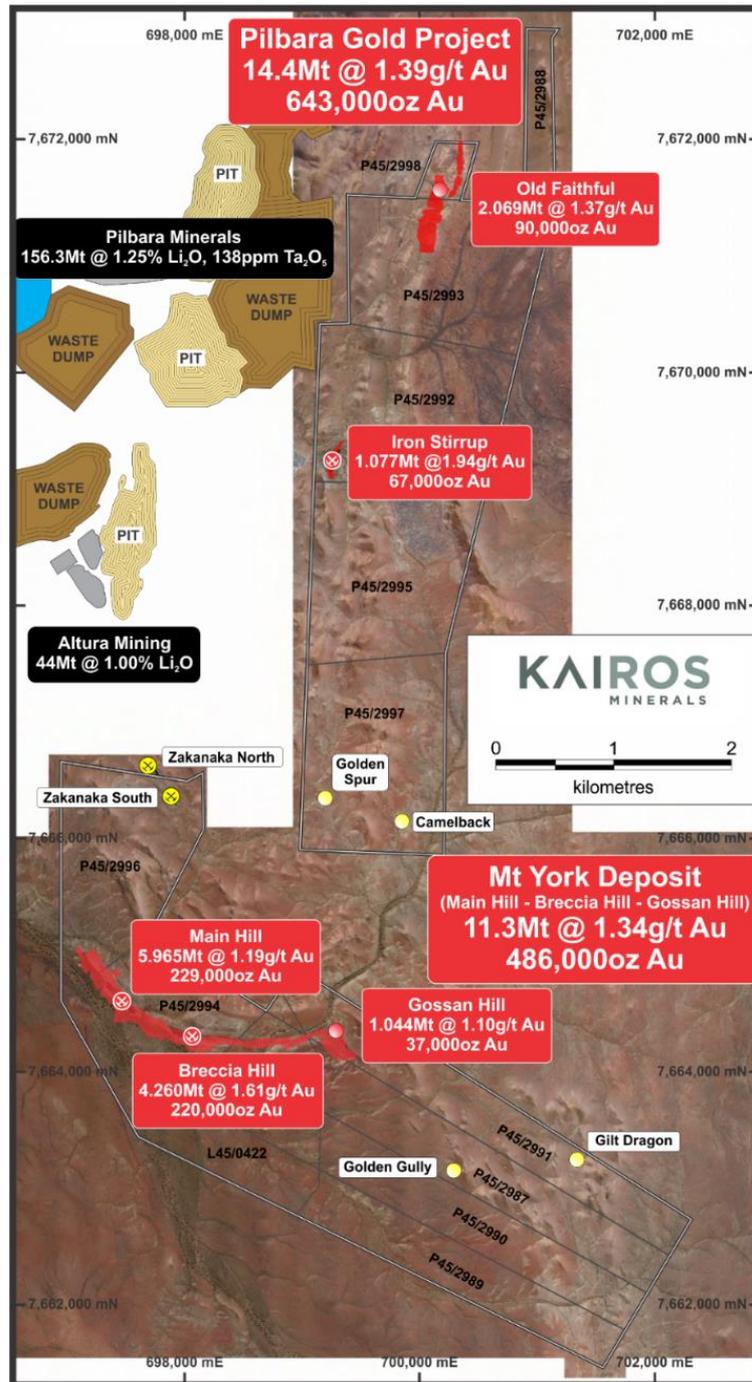


Figure 3. Pilbara Gold Project Showing Mt York and Surrounding Deposits.

CROYDON GOLD PROJECT, PILBARA REGION (KAIROS 100%)

Ground-based soil and rock chip sampling and mapping undertaken during the September Quarter identified an extensive area of anomalous gold-in-soil related to sandstone and conglomerate units within the Hardey Formation (refer ASX announcement of 28 August 2019).

Approximately 680 soil samples were collected with results from this initial program defining a 150m to 200m wide gold anomaly above 30ppb gold extending over a strike length of 4.1km. A high-grade core extending over a strike length of 1.1km at greater than 100ppb gold was identified in the central part of the anomaly.

Seven samples from the anomaly returned elevated gold results above 200ppb gold (0.2 g/t gold) up to a peak of 648ppb gold (0.64 g/t gold)

Subsequent analysis of gold pathfinder elements was conducted over the results, with four elements indicating a correlation to structural controls of the gold mineralisation. Arsenic (As), Bismuth (Bi), Molybdenum (Mo) and Antimony (Sb) anomalies have extended the anomalous zone to a total strike length of over 8 km which includes the original 4.1km long gold anomaly (refer ASX announcement of 24 September 2019) (Figure 4).

A major fault system of the Archaean North Pilbara Terrain has been mapped along the anomalous strike and is interpreted to be related to the geochemical anomalies. Several structural events have been defined for this Terrain and cross-cutting faults are being investigated for possible mineralisation control.

Further mapping, follow-up soils and rock chip sampling programs have been completed to investigate these pathfinder elements anomalies. Petrography will be conducted on the samples to investigate hydrothermal alteration.

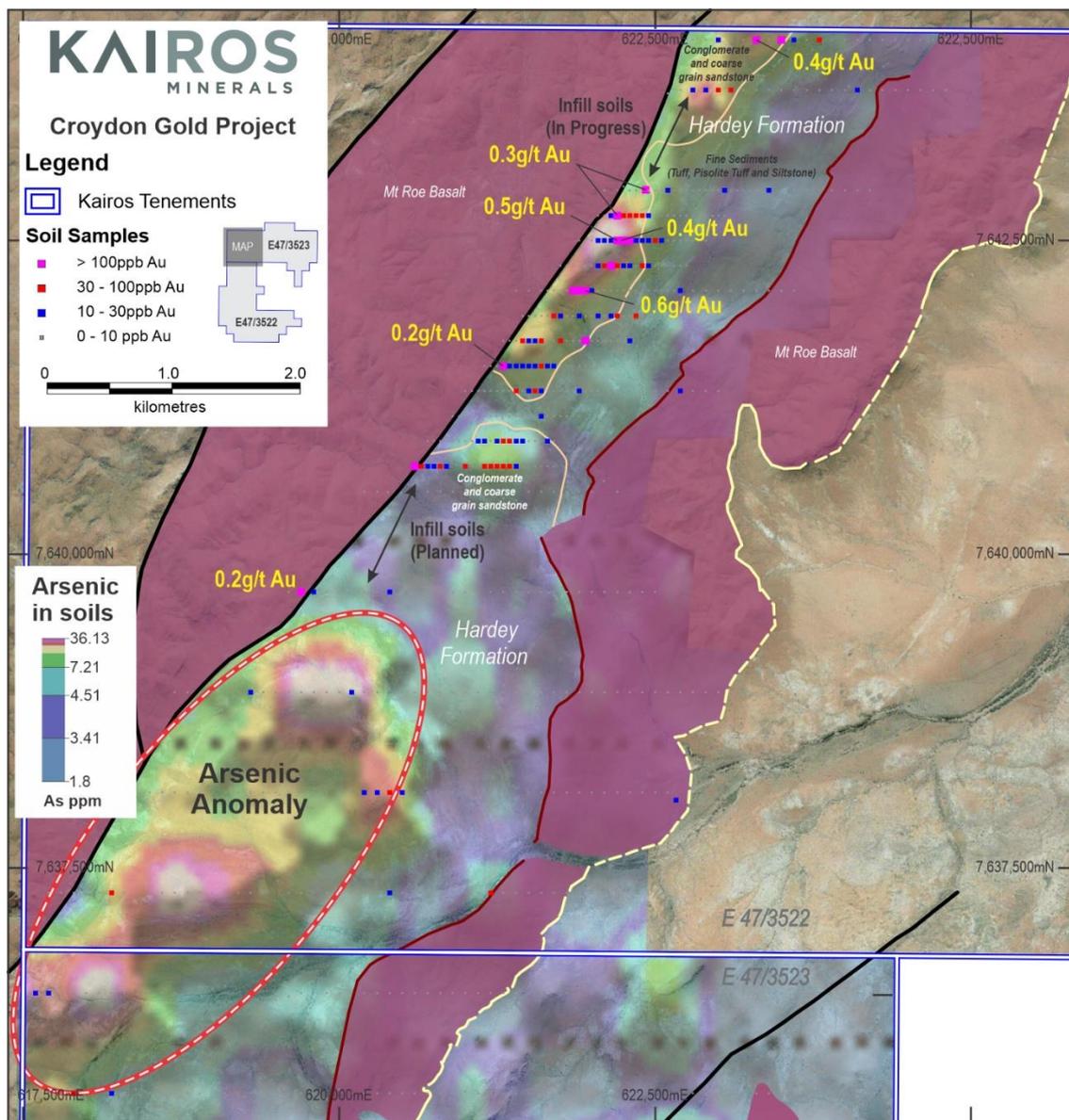


Figure 4: Recent soils sampling program conducted to in-fill and extend the core anomaly (over 100 ppb Au) associated with Hardey Formation sediments.

Next Steps

A heritage survey has been completed to clear access tracks and for trenches and drill pads. This survey will cover the core of the geochemical anomalies in the Hardey Formation in the north-west area of the project as well as the outcropping conglomerate and sandstone adjacent to the nugget patches #2 and #7 (refer ASX announcement of 30 July 2019).

ROE HILLS PROJECT, EASTERN GOLDFIELDS (KAIROS: 100%)

The 100%-owned Roe Hills Project, located 120km east of Kalgoorlie in WA's Eastern Goldfields, comprises an extensive tenement portfolio which is highly prospective for gold, nickel and cobalt discoveries.

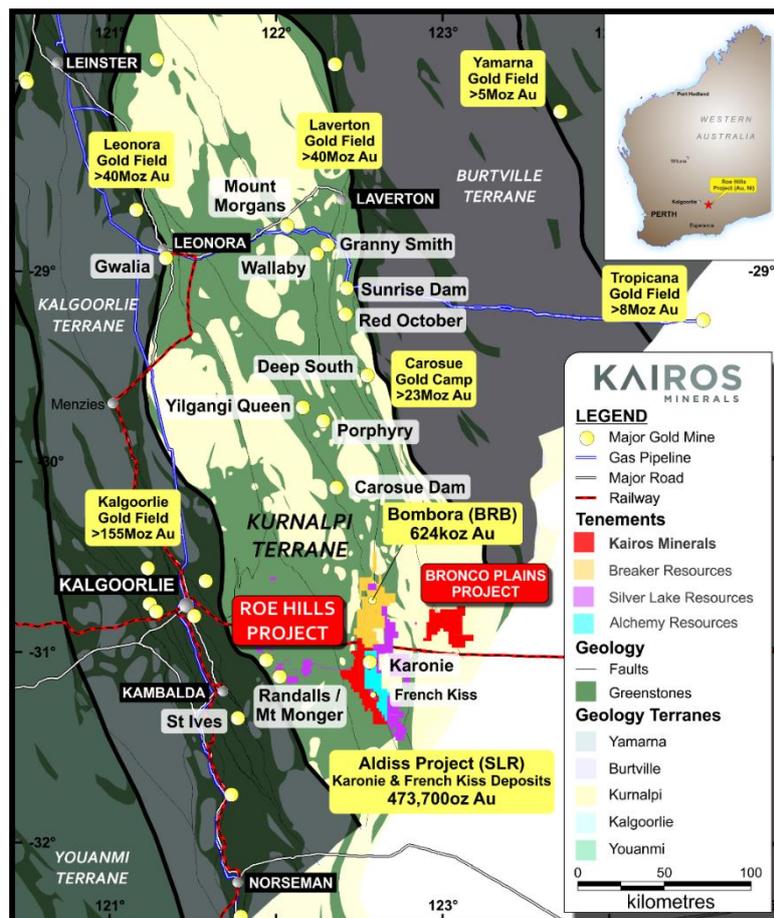


Figure 5. Roe Hills Project regional geological setting and major gold deposits.

Kairos has so far completed just four gold-focused exploratory drilling campaigns at the Roe Hills Project. Located approximately 120km east of Kalgoorlie, Roe Hills is situated along strike to the south of Breaker Resources' (ASX: BRB) Lake Roe gold discovery (24.6Mt @ 1.4g/t Au for 1,084,000oz) and immediately adjacent to Silver Lake Resources' (ASX: SLR) Aldiss Gold Project (7.5Mt @ 2.1g/t Au for 494,000oz).

CORPORATE

Subsequent to the end of the quarter, Kairos announced a capital raising of up to \$2.0 million to underpin a new phase of exploration and drilling at the Pilbara Gold Project, comprising a Share Placement and Share Purchase Plan.

Placement

The Company completed a placement from existing and new sophisticated, professional and other institutional investors comprising 122.7 million shares at an issue price of 1.1 cents per share and raised a total of \$1.35 million before costs (**Placement**).

CPS Securities acted as Lead Manager to the Placement.

The Placement will be undertaken within the Company's existing placement capacity under the ASX Listing Rules with 85,227,284 shares to be issued under Listing Rule 7.1A and 37,499,994 shares to be issued under LR 7.1. Accordingly, no shareholder approval is required for the Placement shares.

Allotment of the shares pursuant to the Placement was completed on 30 October 2019.

81.3 million options will be issued to CPS and/or their nominees pursuant to the placement, whereby the options will be exercisable at 2.5 cents each on or before 31 December 2021 upon the completion of the Placement. The issue of these options will be subject to shareholder approval at the 2019 annual general meeting which will be held on Thursday 28 November 2019 at Level 1, 14 Outram Street, West Perth, Western Australia at 12pm (WST).

Share Purchase Plan

The Placement will be followed by an offer to existing Australian and New Zealand shareholders to participate in a share purchase plan (**SPP**) at the same issue price as the Placement (1.1 cents per Share).

Shareholders wishing to participate in the SPP should carefully read the SPP Offer Document and accompanying application form, which was despatched on 30 October 2019.

The Company is targeting to raise up to an additional \$650k from the SPP Offer.

It is presently intended that a maximum of 59,090,909 Shares will be issued pursuant to the Offer, which would raise a maximum of \$650,000. Applications will be accepted on a 'first in, first accepted' basis and will not be able to be withdrawn once made. The Board presently intends that SPP will close after the maximum amount of \$650,000 has been raised, however it reserves the right to accept oversubscriptions.

Use of Funds

- RC drilling program (2,000m) predominantly at the Iron Stirrup Project, part of the Pilbara Gold Project, and potentially other deposits – commencing November.
- Review of the existing 643,000oz Mineral Resource at the Pilbara Gold Project (Q4 2019).
- Commencement of mining studies for the Pilbara Gold Project (Q1 2020).
- Initial exploration activities including drilling at the newly defined large gold-in-soils anomaly at the Croydon Project (Q2 2020).

Further details of the capital raising were provided in the Company's ASX Announcement dated 22 October 2019.

For further information, please contact:**Investors:**

Mr Terry Topping
Executive Chairman
Kairos Minerals Limited

Media:

Nicholas Read/Paul Armstrong
Read Corporate
Ph: 08 9388 1474

COMPETENT PERSON STATEMENT:

Competent Person: The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled and reviewed by Mr Terry Topping, who is a Director of Kairos Minerals Ltd and who is also a Member of AusIMM. Mr Topping has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' (the JORC Code 2012). Mr Topping has consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

About Kairos Minerals

Kairos Minerals (ASX: KAI) is a diversified West Australian-based exploration company which is focused on the exploration and development of two key project hubs located in WA's premier mining districts.

The Company's 100%-owned Pilbara Gold-Project has its central "hub" located ~100km south of Port Hedland in the world-class Pilgangoora district immediately adjacent to the major lithium-tantalum projects owned by Pilbara Minerals and Altura Mining which are both currently in production.

In the Pilbara, Kairos also holds 1,158 square kilometres of tenure which is highly prospective for conglomerate-hosted gold discoveries. The Company's portfolio includes ~100 strike kilometres of prospective lower Fortescue Group rocks including both the the Hardey Formation and the basal sequence of the Mount Roe Basalt. Major exploration programs are underway targeting these highly prospective stratigraphic horizons, which have been associated with a number of recent high-profile gold discoveries in the Pilbara.

Since acquiring the project in early 2016, Kairos has rapidly established a 643,000oz JORC 2012 compliant Gold Mineral Resource by re-evaluating the previously known resources from the historical Lynas Find gold project, which produced over 125,000oz of gold between 1994 and 1998 and by executing highly focussed, cost effective exploration in its own right.

Kairos's 100%-owned Roe Hills Project, located 120km east of Kalgoorlie in WA's Eastern Goldfields, comprises an extensive tenement portfolio where the Company's recent exploration work has confirmed the potential for significant discoveries of high grade gold, nickel and cobalt mineralisation. Kairos' tenure adjoins the emerging Lake Roe gold discovery, owned by Breaker Resources (ASX: BRB) And is also immediately adjacent to Silver Lake Resources' (ASX: SLR) Aldiss Gold Project (7.5Mt @ 2.1g/t Au for 494,000oz).

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Kairos Minerals Limited (ASX:KAI)

ABN

84 006 189 331

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(625)	(625)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(331)	(331)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)*	-	-
1.9 Net cash from / (used in) operating activities	(951)	(951)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,497	1,497
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(951)	(951)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	546	546

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	546	546
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)*	546*	546*

*Note: On 22 October 2019 the Company announced a capital raising of \$1,350,000 via a private placement. These amounts have been received post 30 September 2019.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
58
-

-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	300
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	300
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	600

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Refer to Annexure A.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

**Chairman & CEO**

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Date: **31 October 2019**

Print name:

Terry Topping**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Annexure A – Tenement Schedule

Project Tenements	Location	Held at the start of the quarter	Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter
Roe Hills	WA	100%			100%
E28/1935					
E28/2117					
E28/2118					
E28/2495					
E28/2548					
E28/2585					
P28/1292					
P28/1293					
P28/1294					
P28/1295					
P28/1296					
P28/1297					
P28/1298					
P28/1299					
P28/1300					
E28/2593					
E28/2594					
E28/2695					
E28/2696					
E28/2697					
Wodjina Project					
E45/4715	WA	100%		JV Altura	100%
E45/4780				JV Altura	
E45/4740					
E45/4731					
L45/504					
L45/505					

+ See chapter 19 for defined terms

Mining exploration entity and oil and gas exploration entity quarterly report

Project Tenements	Location	Held at the start of the quarter	Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter
Mt York Project					
P45/2987	WA	100%			100%
P45/2988					
P45/2989					
P45/2990					
P45/2991					
P45/2992					
P45/2993					
P45/2994					
P45/2995					
P45/2996					
P45/2997					
P45/2998					
L45/0422					
L45/0455					
Croydon Project					
E47/3519	WA	100%			100%
E47/3520					
E47/3521					
E47/3522					
E47/3523					
Lalla Rookh Project					
E45/4741	WA	100%			100%
E45/5486	WA	100%			100%
E45/5487					
Taipan Project					
E45/4806	WA	100%			100%
Woodcutters Project					
E28/2646	WA	100%			100%
E28/2647					
E28/2648					