

QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2017

Pilbara Gold Project (Pilbara, WA)

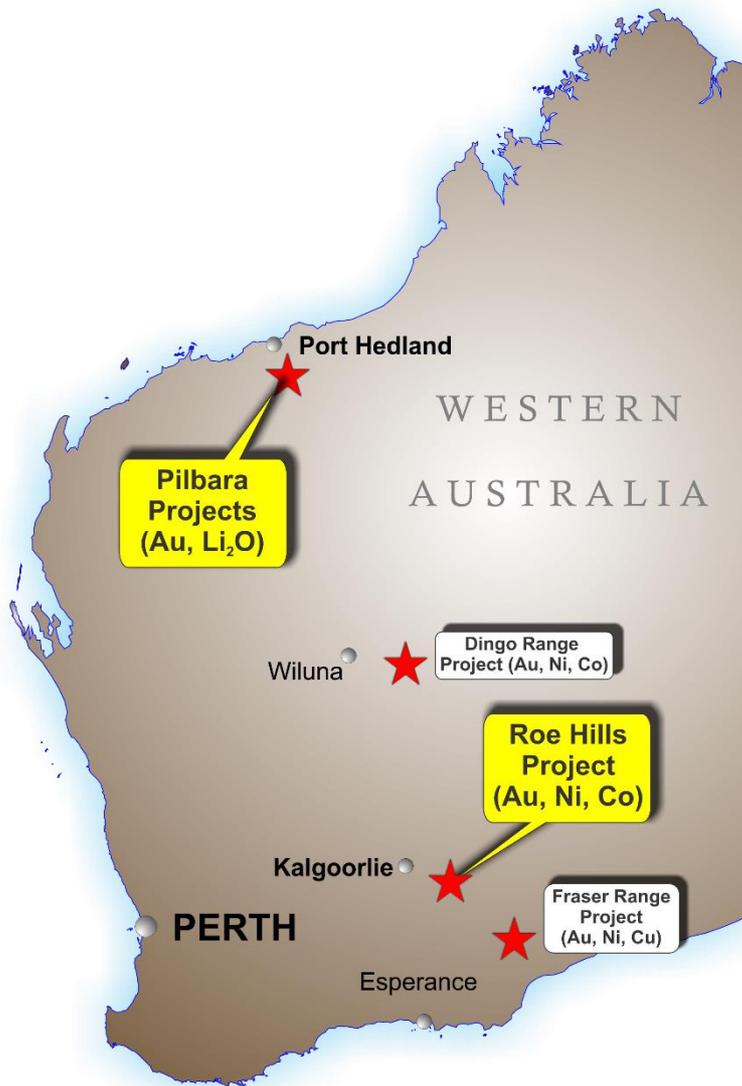
- Fast-tracked geological review commenced to assess the Company's extensive Pilbara tenement portfolio for conglomerate-hosted gold potential. Several of Kairos' tenements adjoin the extensive land package held by Novo Resources (TSX-V: NVO).
- Three high-priority target areas identified at the Croydon Project, located within the same stratigraphic position as other recent high-profile Pilbara gold discoveries.
- Helicopter-supported exploration program commenced to facilitate a program of detailed mapping, rock chip sampling, stream sediment and soil sampling, panning and reconnaissance metal detecting over these areas.
- Highly experienced consulting exploration geologist, George Merhi, engaged to oversee this program. Mr Merhi has +20 years' experience in the Pilbara as former Exploration Manager for Novo Resources and Creasy Group.
- Drilling programme underway at Mt York Project, focused on testing extensions to Main Hill and Breccia Hill deposits by testing a further 1km of strike to the east to Gossan Hill.

Roe Hills Project (Eastern Gold Fields, WA)

- Wide-spaced RC drilling has successfully extended the previously reported mineralised envelope (>0.1g/t Au) at Lady of the Lake from 100m wide x 350m long to at least 150m wide x 500m long, with the mineralisation remaining open in all directions. Significant new results include:
 - RHRC025: - 3m @ 2.18 g/t Au from 9m; and
- 3m @ 5.24 g/t Au from 24m; and
- 9m @ 1.97 g/t Au from 103m.
 - RHRC027: - 8m @ 2.72g/t Au from 59m.
- High-grade primary gold mineralisation discovered at Lingering Kiss, 350m south of Silver Lake Resources' French Kiss deposit:
 - RHRC021: - 6m @ 3.64 g/t Au from 102m.
 - RHRC022: - 2m @ 29.16 g/t Au from 121m.
 - RHRC032: - 15m @ 0.43 g/t Au from 87m.
- 3D Leapfrog Modelling shows strong continuity and extensional opportunities at both the Lingering Kiss and Lady of the Lake mineralised trends.

Corporate

- Appointment of highly experienced mining executive Mr Terry Topping as Executive Chairman and CEO, following the resignation of Managing Director Joshua Wellisch.
- Heavily oversubscribed share placement completed to raise \$1.71M.
- Subsequent to Quarter-end, \$7M share placement completed to sophisticated and professional investors, with Eric Sprott through Sprott Capital Partners to collectively subscribe for \$5M, subject to shareholder approval.



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

As a result of recent peer company activity in the Pilbara region during the Quarter, Kairos commenced a fast-track geological review of its extensive Pilbara lithium-gold tenement portfolio to assess its potential for conglomerate-hosted gold.

Kairos holds 1,158 square kilometres of tenure in the West, Central and East Pilbara district, which has recently experienced a significant increase in exploration activity as a result of new conglomerate-hosted gold discoveries by Novo Resources Corporation (TSX-V: NVO) at its joint venture project with Artemis Resources (ASX: ARV). The Novo/Artemis discoveries, which include a significant quantity of gold nuggets found at surface, are associated with a regionally extensive geological formation known as the Fortescue Group of rocks.

An initial field assessment during the Quarter confirmed the prospectivity of Kairos' tenements for Paleo-Placer conglomerate-hosted gold mineralisation, highlighting the presence of at least 100 strike kilometres of prospective lower Fortescue Group rocks including both the base of the Hardey Formation and the basal sequence of the Mount Roe Basalt.

Subsequent to the end of the Quarter, analysis of this prospective geological sequence identified three new high-priority target areas at the Croydon Project.

The new areas were identified by the Company's exploration team with the assistance and input of highly experienced consulting exploration geologist, George Merhi, who has been contributing his vast experience of exploration for Witwatersrand-style gold in the Pilbara to Kairos' exploration effort.

Mr Merhi has been engaged by Kairos on a consulting basis to oversee the expanded exploration initiative, which comprises a helicopter-assisted program to facilitate access to the new areas for detailed mapping, rock chip sampling, stream sediment and soil sampling and reconnaissance stream panning and metal detecting.

The new helicopter-assisted program will expand the existing field program with a team of geologists, field assistants and prospectors currently undertaking a quad-bike assisted soil/stream sediment sampling program across the broader tenement package in conjunction with targeted, prospector-assisted programs.

Mr Merhi's extensive experience of conglomerate-hosted gold exploration in the Pilbara stems from his previous role as Exploration Geologist and Exploration Manager for Novo Resources between 2011 and 2015.

Prior to that, he spent 17 years with the Creasy Group, including having responsibility for the day-to-day running of the entire Creasy Group tenement package throughout the Pilbara region.

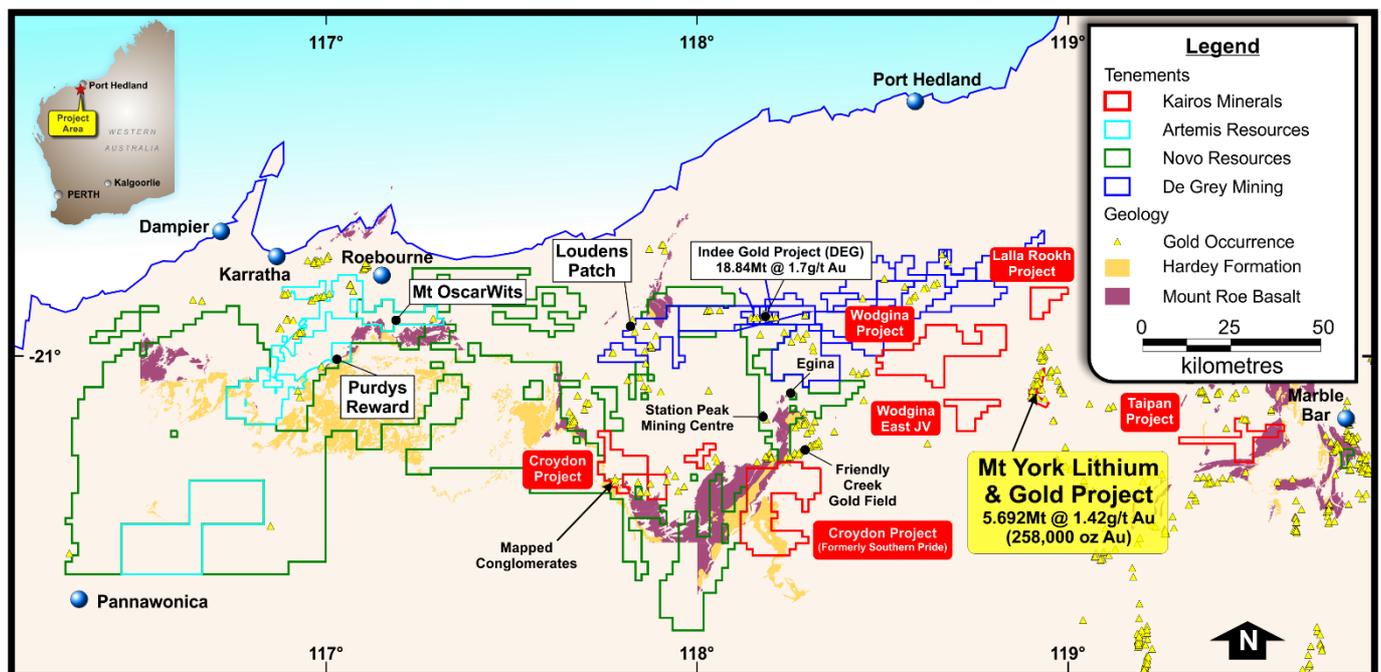


Figure 2. Prospective regional geology and tenure, Pilbara region

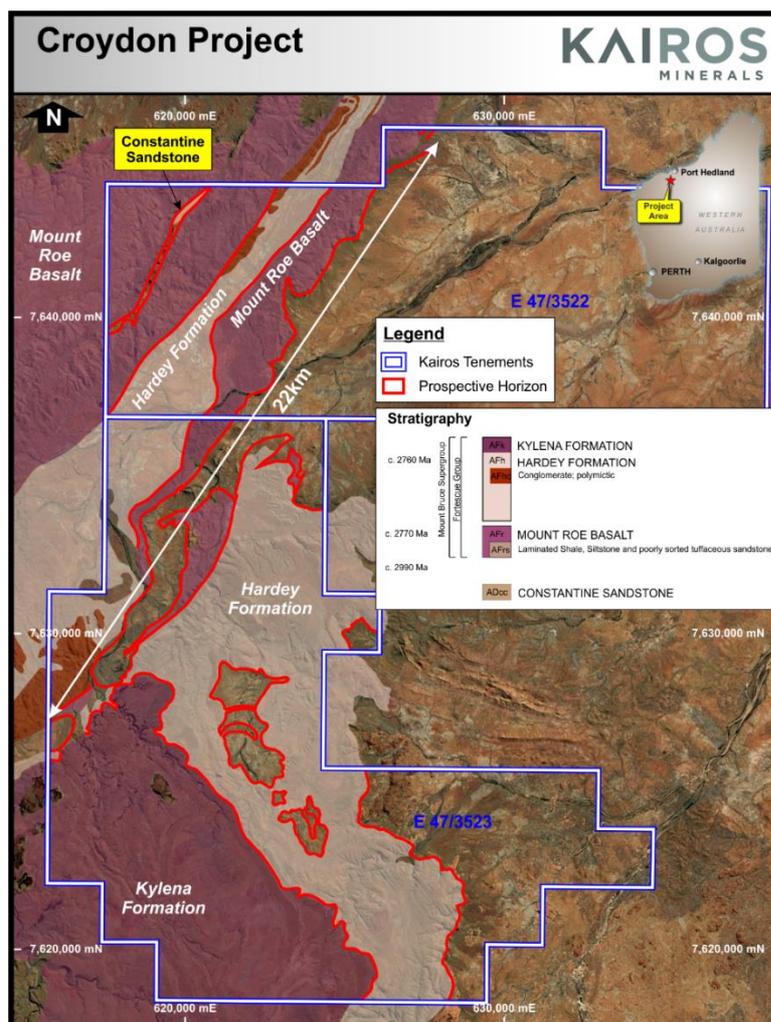
New Target Areas – Croydon Prospect

Initial exploration has been focused on the North West portion of the Croydon Project, where the Company has mapped thick sequences of the targeted lower Fortescue Group including the Mount Roe Basalt in close proximity to the historical alluvial gold mining centre of Croydon.

A further review of this project area undertaken by the Company’s exploration team with assistance and input from Mr Merhi has resulted in the identification of three more remote but higher priority target areas on the eastern portion of the Croydon Project within E47/3522 (Figure 3). These target areas are located within a 22km strike length of prospective contact between the basal Mount Roe Basalt and the older Archaean basement sequence.

Mapping by the GSWA has also identified potentially auriferous conglomerate units of the Constantine Sandstone, which is part of the De Grey Group with an age of c 2990 Ma – which is much older than the sedimentary units associated with the Mount Roe Basalt at c 2770 Ma.

This is a very large target area and, due to its remoteness, a helicopter-supported program is currently in progress to facilitate access to the main target horizon for detailed mapping, rock chip sampling, stream sediment and soil sampling and reconnaissance stream panning and metal detecting.



Mt York Gold-Lithium Project

Subsequent to the end of the Quarter, Kairos commenced an approximate 2,000m RC drilling program at Mt York, initially focused on testing extensions to the Main Hill and Breccia Hill deposits, testing a further 1km of strike to the east to Gossan Hill.

The commencement of the program follows an extensive geological, geophysical and geochemical review of the Mt York Project in 2016 resulted in the establishment of a maiden JORC 2012 Indicated and Inferred Mineral Resources of 5.692Mt @ 1.42g/t for 258,000 (see ASX announcement 5/10/2016).

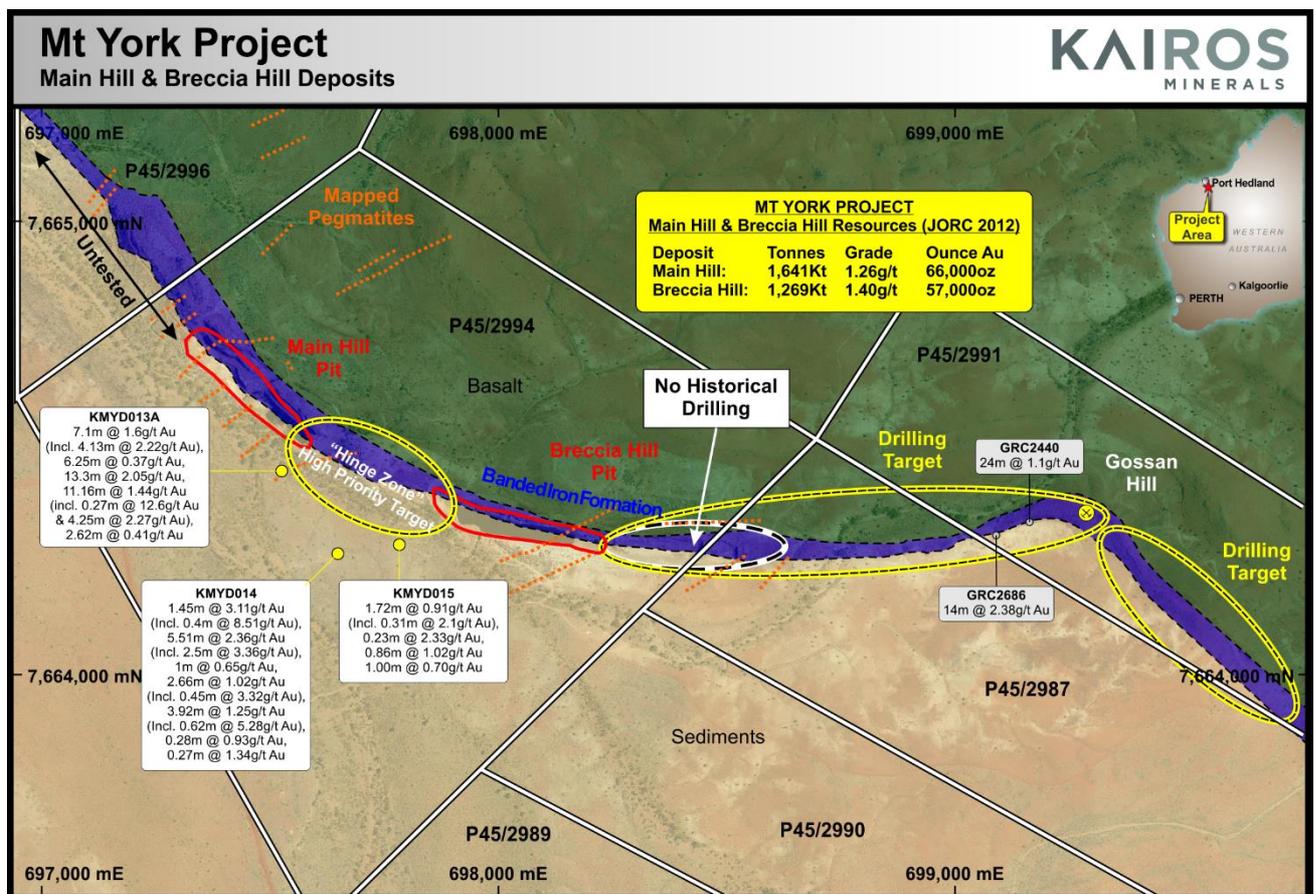


Figure 4 – Main Hill-Breccia Hill-Gossan Hill Targets

Previous drilling by Kairos in 2017 (ASX announcement 10/2/2017) confirmed the Company's view that the Main Hill and Breccia Hill deposits are part of a much larger, more extensive mineralised system than was previously recognised and that the two deposits are connected. This current drilling will test for eastern extensions to the known deposits between Breccia Hill and Gossan Hill where sparse historical drilling has returned significant gold intersections including holes GRC2440 and GRC2682 below (refer to Figure 3):

- GRC2440: 24m @ 1.1g/t Au
- GRC2686: 14m @ 2.38g/t Au

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

The Roe Hills Project is located 120km east of Kalgoorlie within the Kurnalpi Terrane of the Eastern Goldfields, eastern Yilgarn Craton (EYC) in a rapidly emerging gold province which is currently enjoying a significant level of exploration activity and investor interest.

The Company's tenure encompasses a dominant land-holding in the area comprising a total of 324km² and securing a 40km continuous strike length of the interpreted southern extensions of the highly prospective Leonora-Laverton greenstone belts, host to numerous significant historical and current gold mines in WA.

Final assays were received during the Quarter from reconnaissance aircore (AC) and Reverse Circulation (RC) drilling program at the Roe Hills Project, which is located along strike immediately south of Breaker Resources' (ASX: BRB) emerging Lake Roe gold discovery and adjacent to Silver Lake Resources' (ASX:SLR) Aldiss Gold Project.

Full details of these assay results are provided in the Company's ASX Announcement dated 7 August 2017.

Wide-spaced RC drilling has successfully extended the previously reported mineralised envelope (>0.1g/t Au) at Lady of the Lake from 100m wide x 350m long to at least 150m wide x 500m long, with the mineralisation remaining open in all directions. Significant results reported during the Quarter included:

RHRC025: 3m @ 2.18 g/t Au from 9m; and
3m @ 5.24 g/t Au from 24m; and
9m @ 1.97 g/t Au from 103m, including
3m @ 5.13 g/t Au

RHRC027: 8m @ 2.72g/t Au from 59m, including
4m @ 5.26 g/t Au

Previously reported significant intersections at Lady of the Lake include results of up to 21m at 1.06g/t Au from 94m including 7m at 2.70g/t and 1m at 10.98g/t (RHRC009).

In addition, high-grade primary gold mineralisation was returned from the Lingering Kiss target, located 350m south of Silver Lake Resources' French Kiss deposit (Inferred and Indicated Resource totalling 1.945Mt at 1.89g/t Au for 118,490oz Au), where Silver Lake has commenced preparations for mining. Significant results from Lingering Kiss during the reporting period included:

RHRC021: 6m @ 3.64 g/t Au from 102m including
3m @ 5.10 g/t Au

RHRC022: 2m @ 29.16 g/t Au from 121m including
1m @ 43.34 g/t Au

RHRC032: 15m @ 0.43 g/t Au from 87m including
3m @ 1.45 g/t Au

3D Leapfrog Modelling shows strong continuity and extensional opportunities at both the Lingering Kiss and Lady of the Lake mineralised trends.

Ongoing evaluation of the historical database has also identified numerous, widespread untested bedrock gold targets ready for immediate drilling, including Avalon and Alcyone (Figure 5).

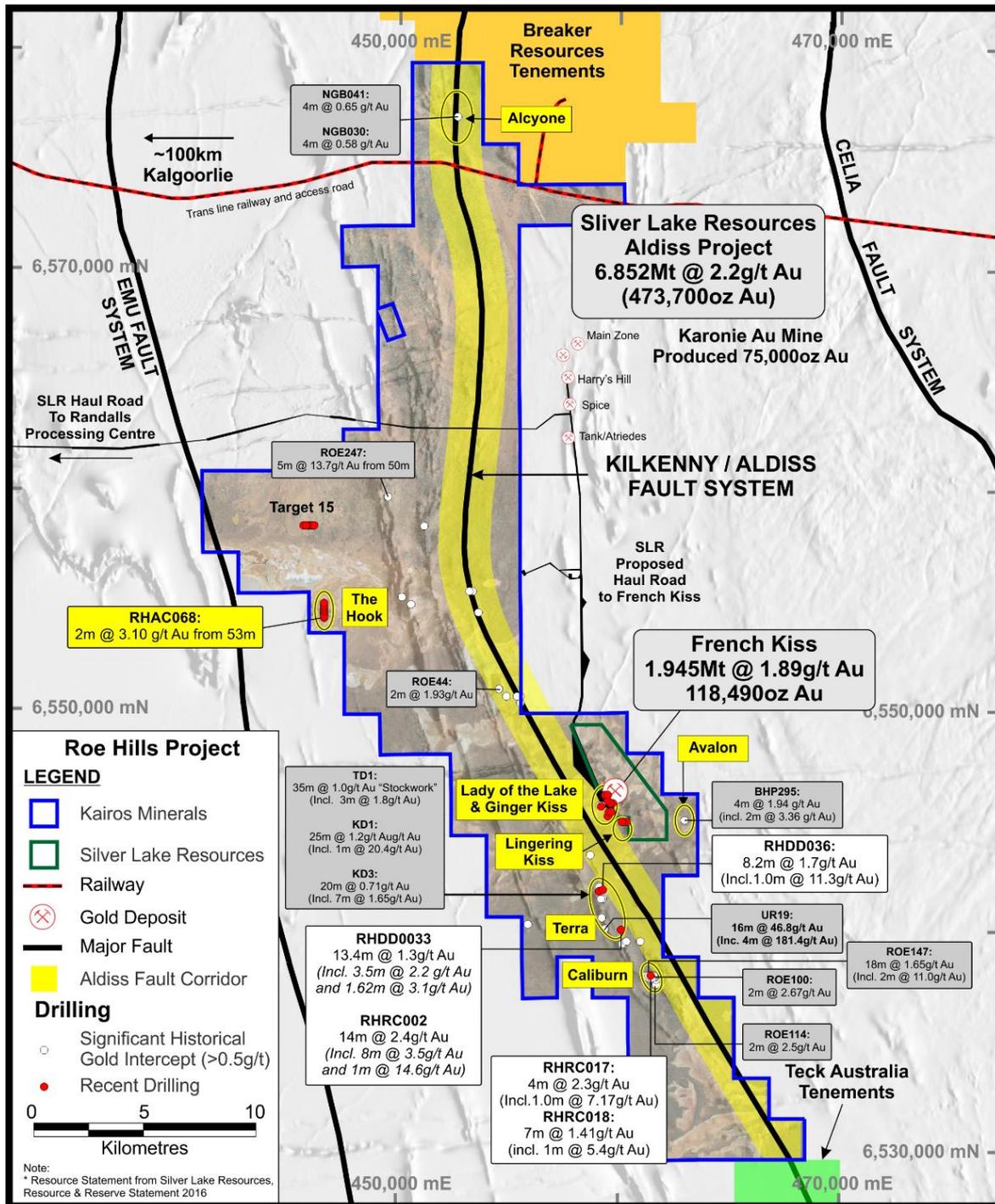


Figure 5. Roe Hills - Prospect Locations, Recent Drilling and Significant Historical Intercepts

CORPORATE

Board and Management Changes

During the Quarter, by mutual agreement with the Company, Mr Joshua Wellisch resigned as Managing Director in order to pursue other business interests. Mr Wellisch will assist the Company during a management transition period over the next few months.

Highly experienced mining executive Mr Terry Topping, who joined Kairos as an Executive Director in March, has assumed the role of Executive Chairman and CEO with responsibility for the day-to-day executive management of the Company moving forward.

Mr Topping has more than 25 years' experience in gold exploration and development companies worldwide, and has played a key role in the incubation, listing and development of numerous ASX-listed resource companies over the past two decades.

In addition, highly experienced mining executive Mr Bruno Seneque has been appointed to the board as a Non-Executive Director.

Mr Seneque is a Certified Practising Accountant and has 22 years' experience as a qualified accountant. Over the past 20 years, he has accumulated extensive experience in the mining industry in various roles including executive general management (Managing Director, Finance Director), CFO, company secretarial, corporate and mine site accounting.

Capital Raisings

During the Quarter, Kairos successfully raised a total of \$1.71 million after completing a share placement comprising 90 million new shares at an issue price of 1.9c to sophisticated and professional investors.

The new shares will be issued with a 1-for-1 free attaching option exercisable at 2.6c by 31 December 2019 subject to shareholder approval. Shareholder approval has been sought at the Company's AGM.

The placement was undertaken to sophisticated wholesale investor clients of CPS Capital and Patersons Securities, and was completed within the Company's existing 15% placement capacity under ASX Listing Rule 7.1 and 7.1A.

Subsequent to the end of the Quarter, the Company announced that it had received firm commitments to raise a further \$7 million through a private placement to sophisticated and professional investors. The raising will see Eric Sprott through Sprott Capital Partners in Canada subscribe for \$5 million of the placement.

This represents a major endorsement of Kairos' West Australian gold projects and introduces a significant institutional presence to the Company's share register for the first time. Together with existing cash reserves and with the expected proceeds of option conversions, the placement will increase the Company's cash resources to over \$9 million – enabling it to aggressively progress its planned exploration programs.

The Placement, comprising the issue of 127,272,273 million new shares (90,556,844 shares under LR7.1 and 36,715,844 shares under LR7.1A) at an issue price of 5.5c plus a free attaching option exercisable at 10c and expiring on 31 December 2020 to be issued on a 1-for-1 basis, is being undertaken to sophisticated and professional investors. It is intended that the Shares under the Placement will be issued subsequent to the AGM (AGM to be held on 15 November 2017), whereby the Company expects that those resolutions relating to refreshing the placement capacity of the Company within the Notice of AGM will be approved by shareholders. In the event that those resolutions are not passed at the AGM, the Company will seek to have a subsequent EGM to approve the issue of the shares. In addition, the options under the placement will be issued subject to shareholder approval at a subsequent EGM. The Company will seek to hold that EGM as soon as practical.

CPS Capital and Patersons Securities are joint lead manager and underwriter of the Placement.

The Placement falls outside of the Company's 15% placement capacity under ASX Listing Rule 7.1 and is subject to shareholder approval, which will be sought at the Company's upcoming Annual General Meeting on 15 November.

Use of Funds

The proceeds of the Placement will be used to progress ongoing exploration programs, including:

- Exploration targeting the significant conglomerate-hosted gold potential of Kairos' 1,158 square kilometres of tenure in the Pilbara region – including recently commenced helicopter-assisted programs at the Croydon Project and elsewhere;
- Recently commenced drilling targeting extensions of the existing JORC 2012 Mineral Resource of 258,000oz at the Mt York Gold-Lithium Project;
- Follow-up drilling at the Roe Hills Project, located 120km east of Kalgoorlie in WA, where drilling earlier this year returned numerous significant results immediately south along strike from the Lake Roe/Bombora discovery currently being drilled out by Breaker Resources (ASX: BRB); and
- General working capital.

ENDS

For further information, please contact:

Investors:

Mr Terry Topping
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 Steve Vallance, who is the Technical Manager for Kairos Minerals Ltd and who is a Member of The Australian Institute of Geoscientists. The information was also reviewed by Mr Terry Topping, who is the Chairman of Kairos Minerals Ltd and is also a Member of The Australian Institute of Mining and Metallurgy. Both Mr Vallance and Mr Topping have 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 a Competent Person 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 Vallance and Mr Topping have 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.

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")

30th September 2017

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	(1,073)	(1,073)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(558)	(558)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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)*	1,084	1,084
1.9 Net cash from / (used in) operating activities	(547)	(547)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(75)	(75)
(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	(75)	(75)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,725	1,725
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	(69)	(69)
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	1,656	1,656

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,425	1,425
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(547)	(547)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(75)	(75)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,656	1,656
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,459	2,459

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	2,459	1,425
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)	2,459	1,425

** Section 1.8 of the Appendix 5B includes R&D rebates of \$808,203.20 from the 2016 FY and \$273,325.71 from the March and June 2017 BAS.*

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	276
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	
-	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	
-	

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	550
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	850

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:[signature authorised].....
Chairman & CEO

Date: **31 October 2017**

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					
E28/2698					
E28/2699					
E28/2700					
Fraser Range Project					
E69/3411	WA	100%			100%
E69/3308					
Dingo Range					
E53/1731	WA	100%			100%
E53/1732					
E53/1733					
P53/1624					
E53/1814					
E53/1927					
E53/1928					
Pilbara Lithium-Gold Project (Mt York Project)					
P45/2987	WA	100%			100%
P45/2989					
P45/2996					
P45/2998					
P45/2988					

+ See chapter 19 for defined terms

Appendix 5B
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
P45/2992	WA	100%			100%
P45/2993					
P45/2994					
P45/2990					
P45/2991					
P45/2997					
P45/2995					
L45/0422					
Wodjina Project					
E45/4715	WA	100%		JV Altura	100%
E45/4780				JV Altura	
E45/4740					
E45/4731					
Southern Pride Project					
E47/3522	WA	100%			100%
E47/3523					
Croyden Project					
E47/3519	WA	100%			100%
E47/3520					
E47/3521					
Lalla Rookh Project					
E45/4741	WA	100%			100%
Tiapan Project					
E45/4806	WA	100%			100%
Woodcutters Project					
E28/2646	WA	100%			100%
E28/2647					
E28/2648					
Mooloo Project					
E08/2857	WA	100%			100%