



kairosminerals.com.au

ABN 84 006 189 331

**HALF-YEAR FINANCIAL
REPORT
31 DECEMBER 2018**

Table of Contents

Directors' Report	3
Auditor's Independence Declaration	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	18
Independent Auditor's Review Report	19
Corporate Directory	21

Directors' Report

The Directors of Kairos Minerals Limited (“KAI” or “the Company”) provide the following Report in relation to the Company for the half year ended 31 December 2018.

Directors

The following persons were Directors of the Company during the half-year and up to the date of this report:

Mr Terrance Topping
Mr Neil Hutchison
Mr Bruno Seneque

Results

For the six months ended 31 December 2018, the Company incurred a consolidated loss of \$2,242,036 (2017: \$4,559,964).

Review of Operations

Kairos Minerals (ASX: KAI – “Kairos” or “the Company”) maintained its active exploration programs over the six months to 31 December 2018, with a core focus on unlocking the potential of its 100%-owned Pilbara Gold Project in Western Australia.

This has included both aggressive Resource in-fill and extensional drilling programs at the Mt York Project, as well as exploration for conglomerate-hosted gold discoveries at the Croydon Project.



Directors' Report

PILBARA GOLD PROJECT, WA (KAI: 100%)

In the Pilbara, Kairos' flagship asset is the advanced Mt York deposit, located ~100km south-east of Port Hedland. Together with the nearby Iron Stirrup and Old Faithful deposits, this forms the cornerstone of the Company's Pilbara Gold Project. Since acquiring the project in early 2016, Kairos has rapidly established a substantial JORC compliant Mineral Resource inventory totalling 14.4Mt at 1.39g/t Au for 643,000 ounces, initially by re-evaluating the known resources from the historical Lynas Find gold mine (which produced 125,000oz between 1994 and 1998) and subsequently through highly successful drilling programs.

In addition to the Mt York deposits, 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 base of 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. The recent focus of conglomerate gold exploration has been at the Croydon Project, located within the central part of the Pilbara Gold Project ~100km to the west of Mt York.

During the reporting period, Kairos completed a 51-hole/6,710m Reverse Circulation (RC) drilling program to in-fill the Mt York Resource area and test for further extensions to the mineralised zone along strike.

Results from this program confirmed excellent potential to expand the current Indicated and Inferred Mineral Resource at the Mt York deposit (11.3Mt at 1.34g/t for 486,000oz – see ASX Announcement 23 May 2018 and Table 1), with significant new assays including:

- 8m @ 3.79g/t from 136m incl. 1m @ 5.53g/t from 140m (KMYC033)
- 13m @ 1.45g/t from 57m incl. 1m @ 4.12g/t from 65m (KMYC060)
- 8m @ 3.44g/t from 145m incl. 1m @ 12.70g/t from 146m (KMYC061)
- 37m @ 1.30g/t from 62m incl. 8m @ 4.77g/t from 90m and 1m @ 17.02g/t from 96m (KMYC068)
- 28m @ 1.15g/t from 160m incl. 3m @ 5.23g/t from 168m (KMYC070)
- 15m @ 1.15g/t from 117m incl. 5m @ 2.50g/t from 125m and 1m @ 5.86g/t from 126m (KMYC071)
- 75m @ 1.00g/t from 3m incl. 18m @ 1.06g/t from 18m and 16m @ 2.96g/t from 49m (KMYC075)

The mineralisation remains open along strike and down-dip of the current Mt York Resource area.

Importantly, many of the holes returned high-grade intervals from within the wider mineralised envelope at Mt York, supporting the Company's interpretation of the presence of high-grade "shoots" within the deposit. Drill-hole spacing is currently too wide to confirm continuity of these high-grade intercepts, however the interpreted trends will be tested as priority targets during follow-up campaigns.

The drilling overall has successfully extended the main zone of mineralisation some 200m to the south-east of Gossan Hill and 100m to the north-west of Main Hill.

In addition to the drilling program, the Company also completed a helicopter-borne exploration program focused on the unconformity contact between the basal Fortescue Group Mount Roe Basalt and older Archean basement along a 22km long corridor within Kairos' 100%-owned tenements E47/3522 & E47/3523 at the Croydon Project.

The program – which was overseen by the Company's consultant geologist, Pilbara conglomerate gold expert George Merhi – focused on areas where previous field work identified previously unrecognised prospective conglomerate units, up to ~30m in thickness at four different locations predominantly within the southern portion of tenement package.

Directors' Report

Follow-up reconnaissance of some of the stream sediment results resulted in the collection of a total of 447 gold nuggets for over 30.3 ounces of gold from six newly-discovered "patches" (see ASX releases from 13 September 2018, 20 November 2018 and 17 January 2019).

These nugget patches highlight the potential for significant mineralisation from the limited follow up field work to date. They were discovered via follow-up metal detecting and confirm exceptional gold exploration potential over at least 22km of strike.

The nuggets display both flattened "watermelon seed" shapes with pitted texture and rounded edges, similar to those found throughout the Pilbara in similar horizons, and some are rounded with irregular shapes. All of the nuggets are owned by the Company.

These exciting new discoveries have added significantly to the emerging exploration opportunity at Croydon.

ROE HILLS PROJECT, WA (KAI 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.

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).

Due to the successful exploration on the Company's Pilbara Gold Project, no exploration was completed on the Roe Hills Gold Project during the reporting period.

COMPETENT PERSON STATEMENT:

The information in this report that relates to the Mineral Resources based on information compiled by Mr Christopher Speedy who is a Member of Australian Institute of Geoscientists working for Auralia Consulting Pty Ltd. Mr Speedy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP) as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Speedy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Where the Company refers to the Mineral Resources in this report (referencing this release made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in the announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed.

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 the Chairman for Kairos Minerals Ltd and who is a Member of The Australasian Institute of Mining and Metallurgy. 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.

Directors' Report

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 -

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of Directors.



Mr Terance Topping
Executive Chairman

Perth, Australia

Dated this the 13th day of March 2019



Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY RICHARD DEAN TO THE DIRECTORS OF KAIROS MINERALS LIMITED

As lead auditor for the review of Kairos Minerals Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Kairos Minerals Limited and the entities it controlled during the period.

Richard Dean
Partner

BDO East Coast Partnership

Melbourne, 13 March 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
REVENUE			
Interest income		4,738	3,171
Other		8,213	1,800
TOTAL REVENUE		12,951	4,971
EXPENSES			
Depreciation		(8,344)	(5,037)
Directors' fees and share based remuneration		(86,883)	(1,633,430)
Impairment on other financial assets		-	(150)
Impairment on tenement assets	5	(1,522,940)	-
Travel and marketing		(79,633)	(168,062)
Administration and other expenses		(242,036)	(275,000)
Professional and consulting fees		(199,777)	(2,450,756)
Rent		(115,374)	(32,500)
Loss before income tax		(2,242,036)	(4,559,964)
Income tax expense		-	-
Loss for the period after income tax		(2,242,036)	(4,559,964)
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of equity instruments		(44,196)	4,412
Other comprehensive income for the period, net of tax		(44,196)	4,412
Total comprehensive loss for the period		(2,286,232)	(4,555,552)
Loss attributable to:			
Owners of Kairos Minerals Limited		(2,242,036)	(4,559,964)
Non-controlling interests		-	-
		(2,242,036)	(4,559,964)
Total comprehensive income attributable to:			
Owners of Kairos Minerals Limited		(2,286,232)	(4,555,552)
Non-controlling interests		-	-
		(2,286,232)	(4,555,552)
Basic (loss) per share (cents per share)	6	(0.26)	(0.77)
Diluted (loss) per share (cents per share)	6	(0.26)	(0.77)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents		3,063,555	6,506,276
Trade and other receivables		93,569	177,723
Other assets		76,754	25,907
Total Current Assets		3,233,878	6,709,906
<i>Non-Current Assets</i>			
Other financial assets		409,302	281,013
Property, plant and equipment		57,042	34,286
Exploration and evaluation costs	5	16,464,889	16,094,763
Total Non-Current Assets		16,931,233	16,410,062
TOTAL ASSETS		20,165,111	23,119,968
LIABILITIES			
<i>Current Liabilities</i>			
Trade and other payables		602,039	1,480,330
Total Current Liabilities		602,039	1,480,330
TOTAL LIABILITIES		602,039	1,480,330
NET ASSETS		19,563,072	21,639,638
EQUITY			
Contributed equity	4	69,667,255	69,457,589
Revaluation reserve		(65,483)	(21,287)
Performance rights reserve		2,344,650	2,344,650
Accumulated losses		(52,382,239)	(50,140,203)
Parent interests		19,564,183	21,640,749
Non-controlling interests		(1,111)	(1,111)
TOTAL EQUITY		19,563,072	21,639,638

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2018

Consolidated Entity	Contributed equity	Revaluation Reserve	Performance rights reserve	Accumulated losses	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 30 June 2018	69,457,589	(21,287)	2,344,650	(50,140,203)	(1,111)	21,639,638
Loss for the period attributed to owners	-	-	-	(2,242,036)	-	(2,242,036)
Other comprehensive income	-	(44,196)	-	-	-	(44,196)
Total comprehensive (loss) for the period	-	(44,196)	-	(2,242,036)	-	(2,286,232)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued (net of costs)	70,907	-	-	-	-	70,907
Options converted	138,759	-	-	-	-	138,759
Balance at 31 December 2018	69,667,255	(65,483)	2,344,650	(52,382,239)	(1,111)	19,563,072
Balance at 30 June 2017	56,108,725	875	900,107	(44,445,571)	(1,111)	12,563,025
Loss for the period attributed to owners	-	-	-	(4,559,964)	-	(4,559,964)
Other comprehensive income	-	4,412	-	-	-	4,412
Total comprehensive income / (loss) for the period	-	4,412	-	(4,559,964)	-	(4,555,552)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued (net of costs)	12,838,093	-	(1,813,607)	-	-	11,024,486
Options issued	438,000	-	-	-	-	438,000
Performance rights issued	-	-	3,258,150	-	-	3,258,150
Balance at 31 December 2017	69,384,818	5,287	2,344,650	(49,005,535)	(1,111)	22,728,109

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2018

	31 December 2018 \$	31 December 2017 \$
<i>Cash flows from operating activities</i>		
Payments to suppliers and employees	(607,665)	(927,717)
Receipts from R&D tax claim	-	808,203
Interest received	1,917	3,171
Net cash flows used in operating activities	(605,748)	(116,343)
<i>Cash flows related to investing activities</i>		
Payment for purchases of plant and equipment	(1,066)	(10,266)
Payment for tenement and exploration	(2,755,832)	(1,834,355)
Payment for investments	(214,740)	(75,000)
Net cash flows used in investing activities	(2,971,638)	(1,919,621)
<i>Cash flows related to financing activities</i>		
Proceeds from issues of securities	138,758	10,892,285
Capital raising costs	(4,093)	(626,954)
Net cash flows from financing activities	134,665	10,265,331
Net (Decrease)/ Increase in cash and cash equivalents	(3,442,721)	8,229,367
Cash and cash equivalents at the beginning of the period	6,506,276	1,424,940
Cash and cash equivalents at the end of the period	3,063,555	9,654,307

The accompanying notes form part of these financial statements.

Note 1 – Basis of Preparation

The general purpose financial report for the interim half-year reporting period ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2018.

As a result, the Group has applied AASB 9 and AASB 15 from 1 July 2018. The Directors have determined that there is no material impact from the adoption of these Standards on the financial performance or position of the Group.

AASB 9 Financial Instruments

AASB 9 replaces the provisions of AASB 139 that related to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The consolidated entity subsequently measures all equity investments at fair value. Where management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the company's right to receive payments is established. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated and as such there is no impact on the Groups opening retained earnings as at 1 July 2018.

The adoption of AASB 9 resulted in a change to the accounting policy for trade and other receivables. The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

AASB 15 Revenue from Contracts with Customers

The group has adopted AASB 15 using the cumulative effect method, with any adjustment required when transitioning to the new standard being recognised on 1 July 2018 (date of initial application) in retained earnings. There are no material changes in the groups revenue recognition which means there has been no adjustments to the opening retained earnings balance.

The Groups accounting policy for revenue recognition is unchanged from 30 June 2018.

Standards and Interpretations in issue not yet adopted

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019 and the Directors are still assessing the impact of this standard at the end of the current reporting period.

Note 2 – Segment Information

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews NPBT (net profit before tax). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Note 3 – Contingent Liabilities and Assets

The level of the Company's contingent liabilities and contingent assets have not changed materially from those disclosed in the annual report for the year ended 30 June 2018.

Notes to the Financial Statements *Continued...*

Note 4 – Contributed Equity

	Note	31 December 2018 \$	30 June 2018 \$
Ordinary shares fully paid	4a	69,229,255	69,019,589
Options over ordinary shares	4b	438,000	438,000
		69,667,255	69,457,589

	Note	31 December 2018		30 June 2018	
		No.	\$	No.	\$
4a) Ordinary Shares					
At the beginning of reporting period		837,399,784	69,019,589	485,516,898	53,271,279
<i>Shares issued during period</i>					
- Issue of shares		-	-	222,818,181	9,015,000
- Issue of shares in lieu of payment for services	(iv), (v)	1,536,193	75,001	15,287,384	495,155
- Issue of shares for exploration tenements		-	-	6,358,014	199,220
- Issue of shares for exploration milestone achievements	(ii)	8,000,000	-	-	-
- Exercise of options	(i), (iii)	5,336,862	138,758	76,602,639	1,991,669
- Issue of shares in respect to the satisfaction of Performance Rights		-	-	30,816,668	1,813,607
- Valuation adjustments for prior year share issues		-	-	-	30,518
- Transfer in respect to expired Options		-	-	-	2,837,446
- Transaction costs relating to share issues		-	(4,093)	-	(634,305)
At reporting date		852,272,839	69,229,255	837,399,784	69,019,589

During the Half Year ended 31 December 2018, the Company issued the following securities:

Note	31-Dec-18	Details	Number	Issue Price \$	Total \$
(i)	19-Jul-2018	Issued upon exercise of options	600,020	0.026	15,600
(ii)	23-Aug-2018	Issued for achieving exploration milestone	8,000,000	-	-
(iii)	23-Aug-2018	Issued upon exercise of options	4,736,842	0.026	123,158
(iv)	23-Aug-2018	Issued in lieu of exploration services	1,000,000	0.055	55,000
(v)	23-Aug-2018	Issued in lieu of exploration services	536,193	0.0373	20,001
			14,873,055		213,759

ii) Contingent consideration payable in respect of the acquisition of the Mt York tenements in January 2016. These shares were required to be issued to the vendors upon the mineral resource reaching 500,000 ounces of gold.

Notes to the Financial Statements *Continued...*

	Note	31 December 2018		30 June 2018	
		No.	\$	No.	\$
4b) Options					
At the beginning of reporting period		158,215,542	438,000	153,352,158	2,837,446
<u>Options movements during period</u>					
- Issue of options		-	-	222,818,181	-
- Exercise of options		(5,336,862)	-	(76,602,639)	-
- Issue of options to consultants		-	-	12,000,000	438,000
- Expiration of options		-	-	(153,352,158)	(2,837,446)
At reporting date		152,878,680	438,000	158,215,542	438,000

During the Half Year ended 31 December 2018, the Company issued the following options:

No further options were issued during the reporting period.

		31 December 2018		30 June 2018	
		No.	\$	No.	\$
4c) Performance Rights					
At the beginning of reporting period		31,500,000	2,344,650	20,316,668	900,107
<u>Movements during year</u>					
- Issued to Directors' and consultants		-	-	42,000,000	3,258,150
- Conversion to shares		-	-	(30,816,668)	(1,813,607)
At reporting date		31,500,000	2,344,650	31,500,000	2,344,650

Notes to the Financial Statements *Continued...*

Note 5 – Exploration and Tenement Expenditures

	31 December 2018	30 June 2018
	\$	\$
Exploration and tenement expenditure:		
<i>Fraser Range Project (100%)</i>		
Balance at the start of the period	83,013	32,547
Exploration expenditure capitalised	22,594	50,466
Capitalised exploration costs written off	(105,607)	-
	-	83,013
<i>Roe Hills Project (100%)</i>		
Balance at the start of the period	7,577,256	5,287,622
Exploration expenditure capitalised	279,378	2,295,988
Capitalised exploration costs written off	-	(6,354)
	7,856,634	7,577,256
<i>Dingo Range Project (100%)</i>		
Balance at the start of the period	1,335,928	1,134,535
Exploration expenditure capitalised	81,405	201,393
Capitalised exploration costs written off	(1,417,333)	-
	-	1,335,928
<i>Mt York Project (Pilbra) (100%)</i>		
Balance at the start of the period	5,676,043	4,197,627
Exploration expenditure capitalised	313,341	1,478,416
	5,989,384	5,676,043
<i>Wodjina Project (100%)</i>		
Balance at the start of the period	215,628	155,344
Exploration expenditure capitalised	82,394	60,284
	298,022	215,628
<i>Taipan & Southern Pride Project (100%)</i>		
Balance at the start of the period	597,763	192
Exploration expenditure capitalised	564,879	597,571
	1,162,642	597,763
<i>Mooloo Project (100%)</i>		
Balance at the start of the period	25,348	91,844
Exploration expenditure capitalised	-	(66,496)
	25,348	25,348
<i>Croyden Project (100%)</i>		
Balance at the start of the period	322,433	47,069
Exploration expenditure capitalised	425,430	275,364
	747,863	322,433
<i>Woodcutters Project (100%)</i>		
Balance at the start of the period	193,404	23,526
Exploration expenditure capitalised	91,489	169,878
	284,893	193,404
<i>Lalla Rookh Project (100%)</i>		
Balance at the start of the period	67,947	67,947
Exploration expenditure capitalised	32,156	-
	100,103	67,947
Total Capitalised Exploration Expenditure	16,464,889	16,094,763

Notes to the Financial Statements *Continued...*

Note 6 – Loss per Share

	31 December 2018	31 December 2017
Basic (loss) per share (cents)	(0.26)	(0.77)
Diluted (loss) per share (cents)	(0.26)	(0.77)
a) Net loss used in the calculation of basic and diluted loss per share	(2,242,036)	(4,559,964)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	848,045,032	594,865,689

Note 7 – Events Subsequent to Reporting Date

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Directors' Declaration

The Directors of the Company declare that;

1. the financial statements and notes, as set out on pages 8 to 17, are in accordance with the Corporations Act 2001; and
 - a. comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of its performance for the half year ended on that date; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr Terence Topping
Executive Chairman

Perth, Australia.

Dated this the 13th day of March 2019.



Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kairos Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Kairos Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards



and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Richard Dean'. Above the signature, the letters 'BDO' are written in a similar cursive style.

Richard Dean
Partner

Melbourne, 13 March 2019

Corporate Directory

DIRECTORS

Mr. Terrance Topping
Mr. Bruno Seneque
Mr. Neil Hutchison

Executive Chairman
Non-Executive Director
Non-Executive Director

COMPANY SECRETARY

Mr. Adrien Wing

COMPANY

Kairos Minerals Limited
ABN 84 006 189 331

WEBSITE

www.kairosminerals.com.au

PRINCIPAL PLACE OF BUSINESS

Level 2, 43 Ventnor Avenue
West Perth, Western Australia
Australia 6005
Telephone: + 61 (0)8 9226 1141
Facsimile: + 61 (0)3 9614 0550

REGISTERED OFFICE

Level 2, 43 Ventnor Avenue
West Perth, Western Australia
Australia 6005
Telephone: + 61 (0)8 9226 1141
Facsimile: + 61 (0)3 9614 0550

SHARE REGISTRY

Advanced Share Registry
110 Stirling Highway
Nedlands, Western Australia
Australia 6009
Telephone: +61 (0)8 9389 8033
Facsimile: +61 (0)8 9262 3723
Email: admin@advancedshare.com.au

SOLICITORS

Quinert Rodda & Associates Pty Ltd
Suite 1, Level 6
50 Queen Street
Melbourne, Victoria
Australia 3000

AUDITORS

BDO East Coast Partnership
Level 18, 727 Collins Street
Melbourne, Victoria
Australia 3008

BANKERS

National Australia Bank (nab)
330 Collins Street
Melbourne, Victoria
Australia 3000

SECURITIES QUOTED

Australian Securities Exchange (ASX)

- Ordinary Fully Paid Shares (ASX Code: KAI)