

## QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2020

*Kairos ramps-up Pilbara gold exploration as \$4.2m raising provides springboard for multi-pronged exploration campaign targeting resource growth and new intrusion-hosted gold discoveries*

### Highlights

- 5,000m RC drilling program set to commence in mid-August at the Pilbara Gold Project.
- The Company is currently re-evaluating a number of intrusion-hosted gold exploration targets on its extensive portfolio of regional gold projects in light of the recently reported Hemi gold discovery by De Grey Mining (ASX: DEG), located just 20km north of Kairos' Kangan Project.
- Hemi, a blind discovery under 30m of transported cover sediments, is an exciting new style of gold mineralisation in the Pilbara region which has refocused investor attention on the potential for substantial new intrusion-hosted gold discoveries in a region where Kairos has a dominant exploration footprint.
- The Fuego Prospect is 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).
- EIS funding secured for drilling at the Fuego Prospect.
- First-pass regional soil sampling program completed at the Kangan project, with 1,587 samples collected and assays pending. The ultrafine soil samples from the Kangan project are part of the CSIRO research program that utilizes the latest advanced technologies for geochemical mapping and targeting.
- Raw data from the airborne magnetic and radiometric survey received with levelling and interpretation underway.
- Sub-audio magnetics (SAM) surveys expected to start in early-August to cover drill target areas at the Fuego and Tierra prospects (Croydon Project) as well as the Old Faithful and Iron Stirrup deposits (Mt York Project).
- Pilbara Gold Project JORC 2012 Global Mineral Resource inventory, including the Mt York, Iron Stirrup and Old Faithful gold deposits:
  - **Indicated and Inferred Resource of 20.9Mt @ 1.30g/t Au for 873,500oz**
- Key protocols implemented to allow the commencement of exploration in the Pilbara taking into consideration the restrictions and health and safety requirements of the current COVID-19 environment.
- The US Dollar gold price continued to rally during the June Quarter, moving through US\$1,950/oz, with the Australian Dollar gold price reaching a new all-time high of over A\$2,700/oz.

### Corporate

- \$4.2M raised through a Placement and Rights Offer to fund expanding exploration in the Pilbara.

Kairos Executive Chairman, Terry Topping, said: “The June quarter has been a very active, productive and exciting time for the Company and our shareholders, buoyed by the significantly improved levels of investor sentiment towards gold exploration in the Pilbara. De Grey Mining’s intrusion-hosted Hemi discovery has been a game-changer for the region, highlighting the potential for an entirely new generation of gold finds across a district where gold exploration is still very much in its infancy.

“Like De Grey, we have been operating in the Pilbara for a number of years and, apart from amassing a large strategic land-holding, we have been able to develop a significant bank of exploration IP. Thanks to a highly successful \$4.2 million capital raising, we now have the cash to get on with the job of exploring for the next major gold discovery in the Pilbara, and we are exciting about what the next few months could deliver.

“Our 2020 exploration campaign, which kicked off during the quarter, is about to move up a gear with the imminent commencement of a 5,000m RC program across the Mt York and Croydon Projects. We are also currently processing data from the airborne magnetic and radiometric survey, which will help us enormously in trying to identify prospective target areas for intrusive-related gold discoveries. We have teams in the field, an active exploration agenda and plenty of excitement building as activity gathers momentum in the days and weeks ahead.”



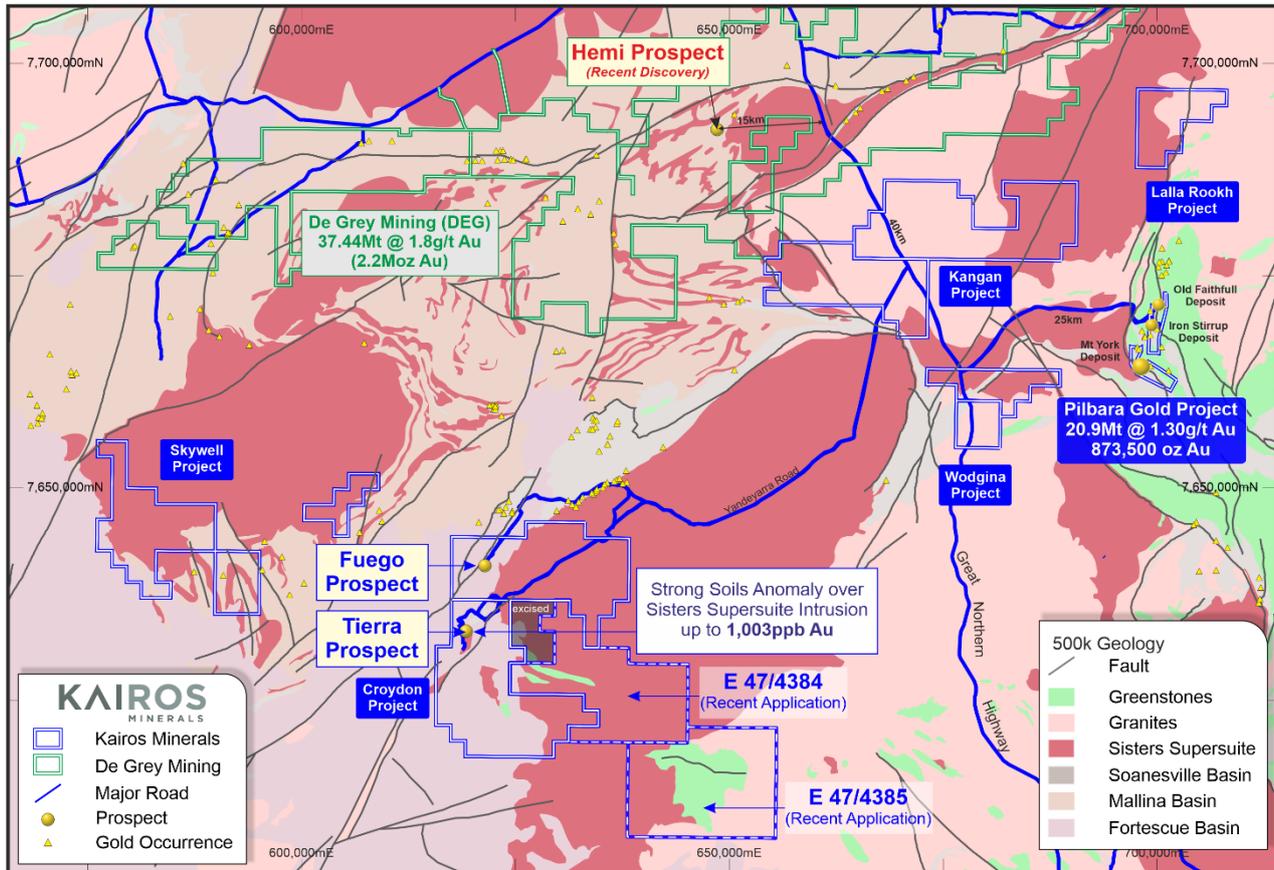
Figure1: Kairos Project Locations.

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

Kairos’ Pilbara Gold Project in Western Australia (Figure 1) comprises both a regionally extensive 1,547km<sup>2</sup> exploration portfolio targeting gold and copper mineralisation 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 **20.9Mt at 1.3g/t for 873,000oz** (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).

**Table 1: Global Resources for the Pilbara Gold Project, reported at a 0.5g/t Au cut-off grade and to a maximum vertical depth of 195m.**

Indicated			Inferred			Total		
Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)
8,565	1.33	366	12,364	1.28	507	20,929	1.30	873



**Figure 2. Pilbara Gold Project.**

## **PILBARA GOLD PROJECT**

### **Airborne Magnetic and Radiometric Program**

An extensive airborne magnetic and radiometric survey comprising 2,146 lines for 13,920km has been completed across Kairos' Pilbara Gold Project. Preliminary data received from the survey has been used to generate targets for the current soil geochemistry program. Consultant geophysicist Russell Mortimer from Southern Geoscience Consultants is currently processing the data for further interpretation and targeting.

## Sub-Audio Magnetics (SAM) Survey

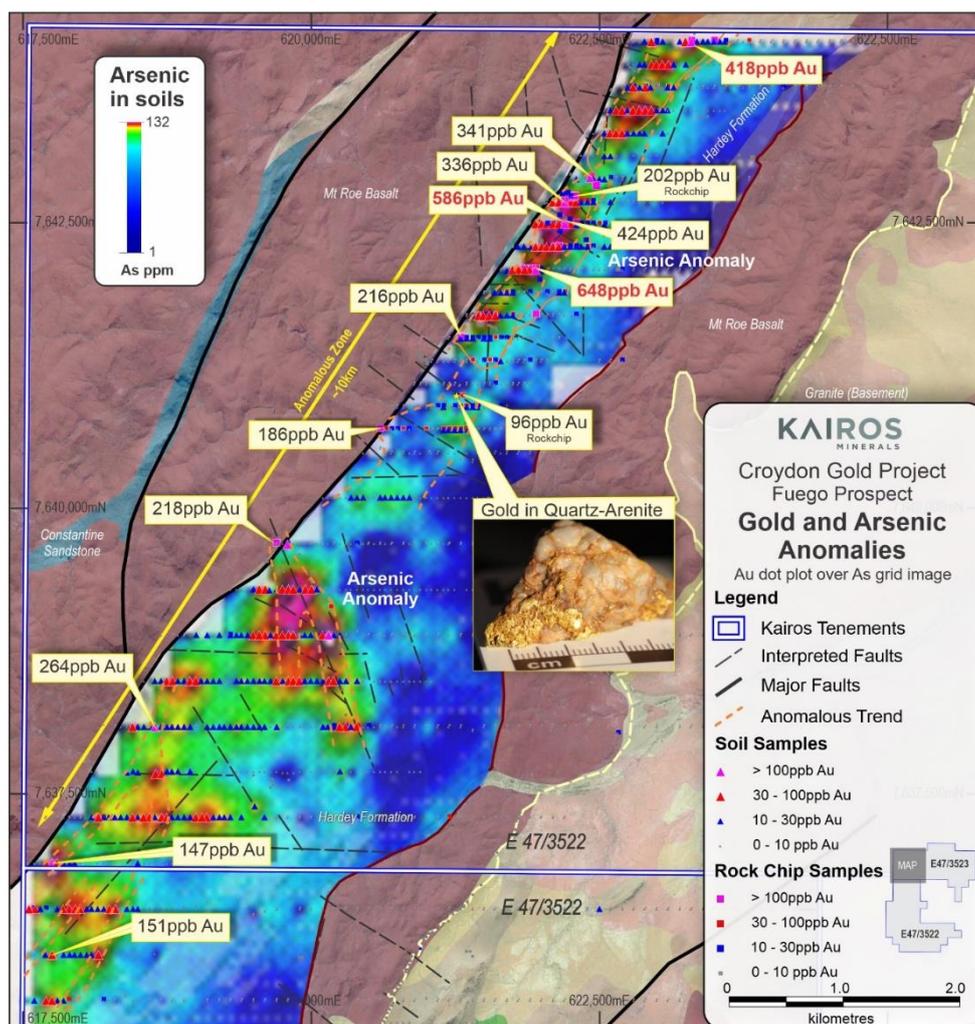
A ground-based geophysical program has been designed to support drill targeting at the Fuego and Tierra prospects (Croydon Project) as well as the Old Faithful and Iron Stirrup deposits (Mt York Project). These programs are set to commence in August.

## Fuego Prospect

At the Fuego Prospect a program of ground-based soil and rock chip sampling and mapping was undertaken during the 2019 field season has identified an extensive area of anomalous gold-in-soil related to sedimentary units of the Hardey Formation.

Results from this initial program defining a 150m to 200m wide gold anomaly above 30ppb gold extending over a strike length of 8.1km. 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)

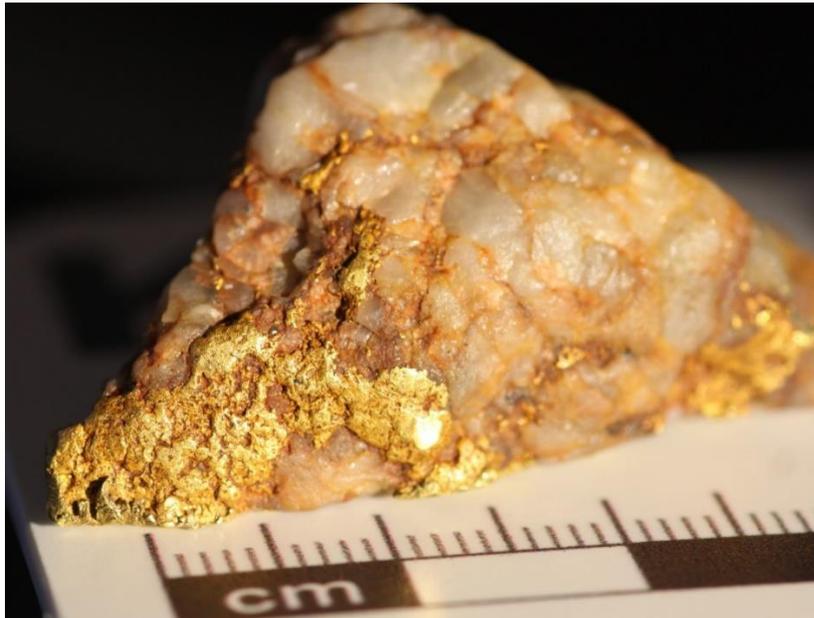
Subsequent analysis of gold pathfinder elements was conducted over the results, with four elements indicating a correlation to structural controls of the gold mineralisation. Arsenic (As), Bismuth (Bi), Molybdenum (Mo) and Antimony (Sb) anomalies have extended the anomalous zone to a total strike length of over 8km, which includes the original 4.1km long gold anomaly (refer ASX announcement of 24 September 2019) (Figure 3).



**Figure 3: Fuego Prospect, gold and pathfinder element geochemistry**

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.

The new discovery represents a significant step forward in Kairos' ongoing gold exploration program in the Pilbara. Given its scale, coherent nature and high tenor, the anomaly has the potential to represent a significant conventional gold exploration target alongside the well-established gold potential of the area.



**Figure 4: Primary Gold-Quartz-Arenite from the Fuego Prospect, found in the Hardey Formation sediments.**

#### **EIS Co-Funded Drilling Program**

Kairos has made a successful application for Round 21 of the co-funded Exploration Incentive Scheme.

Under this program, the WA State Government will contribute up to \$150,000 towards direct drilling costs that will support the drilling program planned for the Croydon Project. Kairos has planned RC and diamond drilling to test the core of the 10km long soil geochemical anomaly at the Fuego Prospect.

No drilling or modern exploration has ever been completed within the Croydon Project area until the recent exploration conducted by Kairos Minerals. The diamond drilling program will greatly increase the Company's understanding of the geology and gold mineralisation in the area and assist in targeting future exploration.

**Tierra Prospect**

Kairos has conducted a detailed mapping and rock chip sampling program along with the in-fill soil sampling program to follow-up on the previous significant results of the older Archaean basement.

The Company has delineated a 2.5km long corridor of highly anomalous soils and rock chips including outstanding surface copper and gold grades from rock chip sampling during field exploration programs completed during the December Quarter at the Croydon Project. Two rock chips collected 50m apart returned high copper-gold results, CYR170 (16.8% Cu – 4.3 g/t Au) and CYR455 (16.3% Cu - 1.3 g/t Au).

These samples were collected from veins of approximately 0.5m width where Malachite-Sulphides-Quartz Vein is the dominant mineralogy. These anomalous rocks outcrop at the footwall of an ultramafic unit of the older Archaean basement.

The latest exploration success builds on the extensive gold-in-soils anomaly reported in the announcements of 28 August and 24 September 2019, and further upgrades the exploration potential of the project for structurally hosted gold and copper mineralisation.

In light of the recent Hemi discovery by De Grey Mining Limited (ASX: DEG), the Company is reviewing previous results and also conducting further target generation for Hemi-style intrusive related gold mineralisation. This work has already highlighted further potential to add to the Company's already extensive portfolio of gold targets.

**KANGAN PROJECT**

Kairos has now completed the first-pass regional soil geochemical program for the Kangan Project.

Soil sampling was conducted on 200m and 400m line spacing by 80m and 160m sample intervals covering intrusion-related gold mineralisation targets and structural targets defined by mapping and by the preliminary data from the airborne geophysical survey.

A total of 1,587 samples were collected, with 1,071 samples sent to Labwest in Perth for the CSIRO's ultrafine analysis. The remaining 516 samples were collected over structural and geological targets utilizing traditional -80 mesh sieving and were sent to Intertek Laboratory in Perth for gold and multi-element analysis.

**SKYWELL PROJECT**

Kairos recently completed an initial vehicle and helicopter-supported field trip to the Skywell Project in the Pilbara region.

A total of 23 rock chip samples were collected and submitted to Intertek Laboratory in Perth for gold and multi-element analysis. This initial fieldwork was conducted to map and sample the prospective lithologies of the Sisters Supersite intrusion, as well as to assess access tracks. See Figure 5 below for the location of the samples.

A total of seven rock chip samples returned anomalous gold from a quartz vein cross-cutting a gabbro unit that is mapped as a mafic phase of the Sisters supersite intrusion. This gabbro intrudes as a sheet up to 700m thick near the base of the Mallina Formation (Geology of the Mount Wohler 1:100 000 sheet – Smithies 1998).

A major structural event took place after the intrusion, resulting in the development of synclines distinctively observable by the folded dark gabbro. The vein is 1 to 3 metres wide and has been sampled over a strike length of 130 metres. Further sampling and mapping are required to define the extent of the gold mineralisation.

Five rock chip samples returned elevated gold results above 1,000ppb gold (1g/t Au), up to a peak of 12,954 ppb gold (12.9 g/t Au)

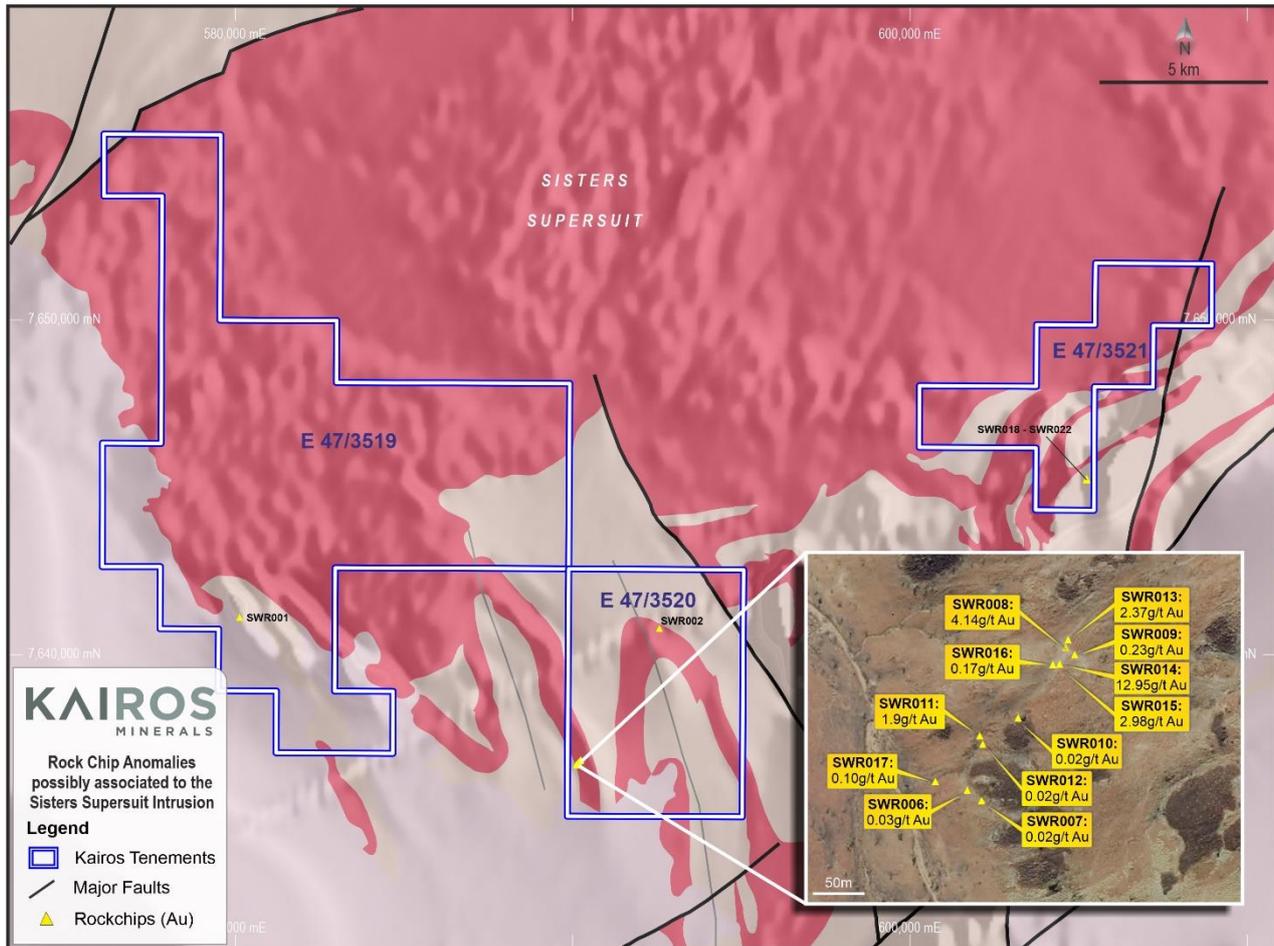


Figure 5: Skywell Project showing locations of rock chip samples, over the 1:500k GSWA Geology.

## MOUNT YORK PROJECT, PILBARA REGION (KAIROS 100%)

### Pilbara Gold Project Resource Update

Following an extensive review of existing data, including the results from Kairos drilling programs over the Mt York Deposit and with the application of new parameters, the new global Indicated and Inferred Mineral Resource for the centrally located Mt York, Iron Stirrup and Old Faithful deposits (Figure 6) the company has been able to update the global Mineral Resources of the Pilbara Gold Project (Table 2).

Technical work on the Mineral Resources was completed by independent consultants Auralia Mining Consulting, Perth WA. The updated Mineral Resource was based on an extensive review of all Project data that included, the full details of this resource update can be found in an ASX announcement on 4 March 2020.

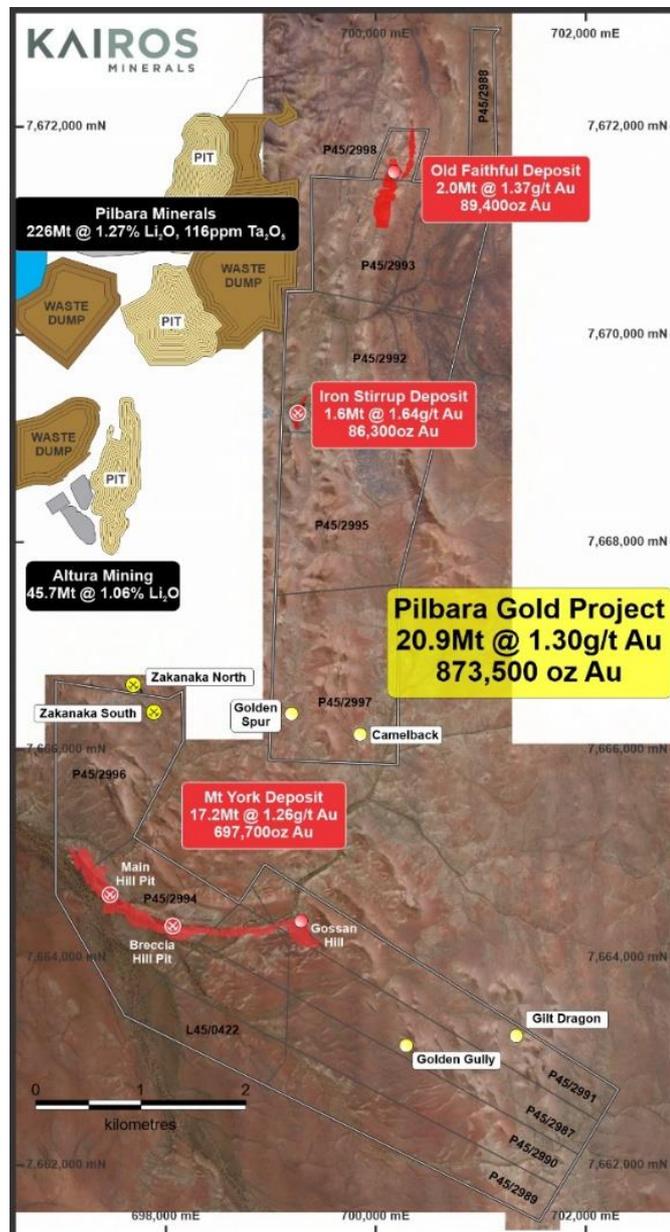
- A review of all the historical data and drilling completed by Kairos in 2016 and 2017, (see ASX Announcements – 28 October 2016, 9 November 2016, 17 November 2016, 19 December 2016, 10 February 2017, 29 May 2017, 30 November 2017, 4 December 2017 and 18 December 2017).
- Re-interpretation and the subsequent wireframing of the mineralisation envelope for the Mt York Deposit, including the data from the drilling completed by Kairos in 2018 (see ASX Announcement – 2 October 2018).

**Table 2: Global Resources for the Pilbara Gold Project, in March 2020, reported above a cut-off grade of 0.5g/t Au.**

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	6,844	1.29	284	10,419	1.23	413	17,263	1.26	698
Iron Stirrup	797	1.63	41	843	1.65	45	1,639	1.64	86
Old Faithful	925	1.33	39	1,102	1.41	50	2,027	1.37	89
<b>Total</b>	<b>8,565</b>	<b>1.33</b>	<b>366</b>	<b>12,364</b>	<b>1.28</b>	<b>507</b>	<b>20,929</b>	<b>1.30</b>	<b>873</b>

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 4 March 2020 -

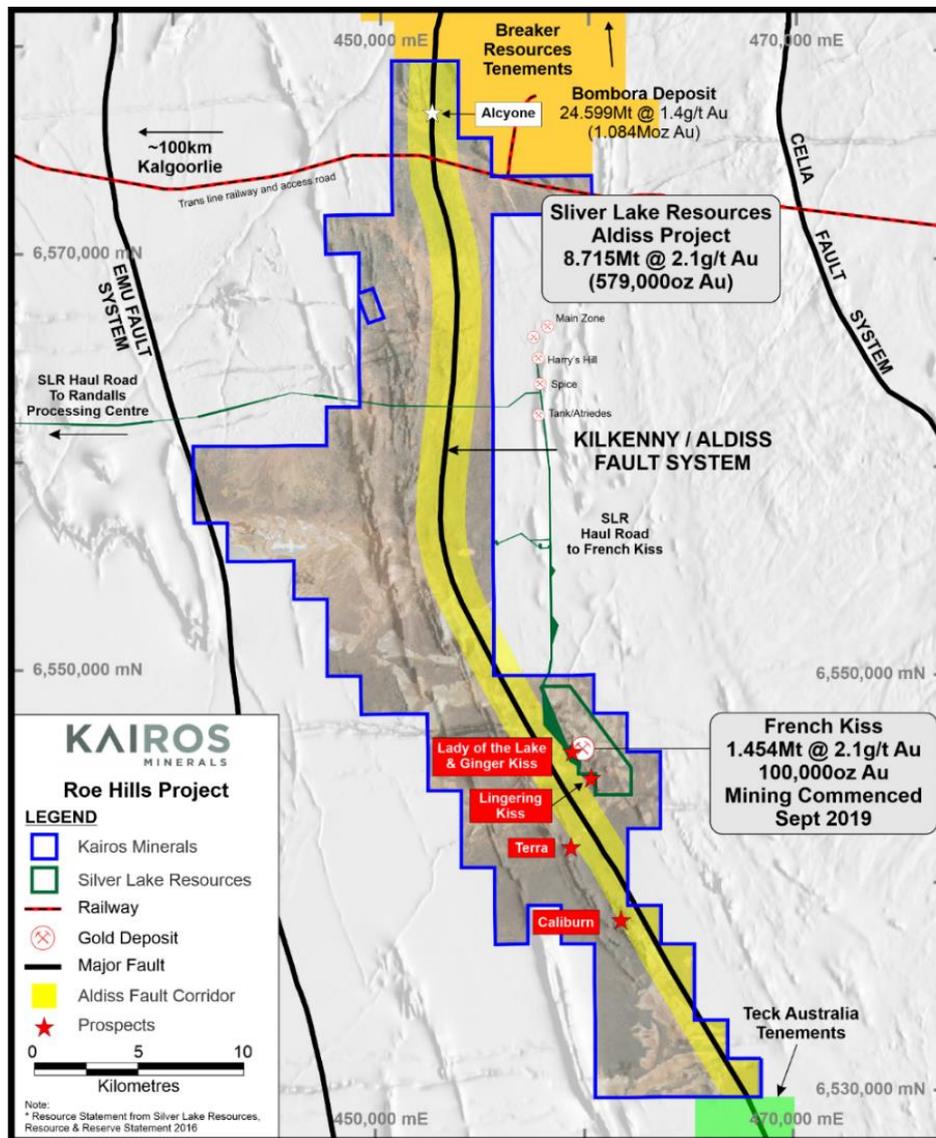


**Figure 6: Pilbara Gold Project Location, Mineral Resources.**

**ROE HILLS PROJECT, EASTERN GOLDFIELDS, WA (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.

Kairos has completed four gold-focused exploratory drilling campaigns at the Roe Hills Project, located approximately 120km east of Kalgoorlie.



**Figure 7: Roe Hills Project prospect locations.**

The Black Cat gold prospect lies at the northern end of Kairos' 100% owned Roe Hills Gold Project. The prospect is located in a structurally and geologically complex area, adjacent to the Regionally significant Keith-Kilkenny Shear zone, host to Breaker Resources Ltd (ASX: BRB) Bombora Gold Project, 23.21MT at 1.3 g/t Au for 981koz and Silver Lake Resources (ASX:SLR) Aldiss Project, 8.715Mt at 2.1 g/t Au for 579koz), which includes the operating Harrys Hill and French Kiss open cut mines, located along strike to the south of the Black Cat prospect (see Figure 7).

Soil sampling conducted by the Company at Black Cat, returned regionally anomalous gold values extending over 400m (> 20 ppb Au, max 64 ppb Au) strike, associated with elevated pXRF arsenic anomalism.

**CORPORATE**

During the June quarter, Kairos completed a placement to sophisticated and professional investors to raise \$2.5 million and also initiated a non-renounceable rights issue to raise \$1.7 million (refer ASX announcement on 25 May 2020). Subsequent to the end of the June quarter, the rights issue was successfully closed and raised the full amount of \$1.7m. Approval was received by Kairos shareholders at the general meeting of shareholders on 28 July 2020 to issue Tranche 2 shares to largest shareholder, Mr Eric Sprott which will raise \$200,000. The company has cash, and investments in listed entities to the value of \$3.5 million at the end of the quarter.

In line with its obligations under ASX Listing Rule 5.3.5, the Company has advised in the Appendix 5B for the period ended 30 June 2020 that payments of \$144,000, to related parties of the Company pertain to payments to Directors for fees, salary and superannuation.

This announcement has been authorised for release by the Board.

**Terry Topping**  
**Executive Chairman****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 1,547 square kilometres of tenure which is highly prospective for gold and copper discoveries. The Company's portfolio includes ~100 strike kilometres of prospective lower Fortescue Group rocks including both 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 873,000oz 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 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 Project, owned by Breaker Resources (ASX: BRB) and Silver Lake Resources' (ASX: SLR) Aldiss Gold Project

## 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
<b>Roe Hills</b>	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					
<b>Wodjina Project</b>					
E45/4715	WA	100%		JV Altura	100%
E45/4780				JV Altura	
E45/4740					
E45/4731					
L45/505	WA	100%		100%	0%

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
<b>Mt York Project</b>					
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					
<b>Croydon Project</b>					
E47/3519	WA	100%			100%
E47/3520					
E47/3521					
E47/3522					
E47/3523					
E47/4384 E47/4385	WA	0%	100%		100%
<b>Lalla Rookh Project</b>					
E45/4741	WA	100%			100%
E45/5486	WA	100%			100%
E45/5487					
<b>Taipan Project</b>					
E45/4806	WA	100%			100%
<b>Woodcutters Project</b>					
E28/2646	WA	100%			100%

E28/2647					
E28/2648					

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kairos Minerals Limited (ASX:KAI)

ABN

84 006 189 331

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(135)	(1130)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	33	33
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(101)</b>	<b>(1,091)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)	(494)	(1,932)
(e) investments	-	(23)
(f) other non-current assets		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) 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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(494)</b>	<b>(1,955)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,519	4,235
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	127	127
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(90)	(208)
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,556</b>	<b>4,154</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	644	1,497
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(101)	(1,091)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(494)	(1,955)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,556	4,154

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,605</b>	<b>2,605</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,605	644
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,605</b>	<b>644</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
89
63

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments 6.1 Consists of director's fees.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(101)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(494)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(595)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,605
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,605
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	4

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Kairos completed a capital raising by way of a placement of equity securities of \$2.5m as announced on 25 May 2020.

Subsequent to the end of the June quarter, Kairos also completed a pro-rata offer to shareholders to raise \$1.7m as announced on 27 July 2020.

Kairos also received shareholder approval on 28 July 2020 for a placement of shares to major shareholder – Mr Eric Sprott to raise \$200,000.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. Kairos expects that it will be able to continue its operations and to meet its business objectives based on the responses outlined in section 2 above.

## 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.

Date: ....31 July 2020.....

Authorised by: .....  
 Terence Topping – Executive Chairman  
 Authorised for release by the board of directors.

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.