

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2018

Outstanding results from regional gold exploration as rising A\$ gold price triggers review of optimum exploration and development pathways for existing 643koz Pilbara Gold Resource

Pilbara Gold Project (Pilbara, WA)

- 447 gold nuggets for 30.3oz of gold recovered from six newly-discovered “patches” at Croydon Project.
- Multiple high-priority gold targets identified over 22km of strike by helicopter-supported reconnaissance stream sediment geochemical sampling.
- Follow-up exploration being planned based on newly-identified vectors to possible sources for the large amount of gold discovered.
- Review of exploration and development pathways underway for the substantial existing Gold Resource at Mt York, prompted by the sustained improvement in the A\$ gold price to over A\$1,800/oz.
- The Company’s Pilbara Gold Project hosts the following JORC 2012 Mineral Resources (see Table 1) and is located in a prime position in an established mining province, immediately adjacent to the newly-commissioned Pilgangoora lithium mines of Pilbara Minerals and Altura:
 - Indicated Resource of 6.8Mt at 1.30 g/t for 285,000 ounces
 - Inferred Resource of 7.6Mt at 1.47 g/t for 358,000 ounces
 - Total Resource of 14.4Mt at 1.39 g/t for 643,000 ounces

Corporate

- Cash reserves at Quarter-end of \$3.1M.



Plate 1. Helicopter supported exploration.



Figure 1. Kairo's Project Locations.

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

In the Pilbara, Kairo's 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, Kairo has rapidly established a substantial JORC compliant Mineral Resource inventory, 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 through 2018.

Mineral Resources:

- Indicated Resource of 6.8Mt at 1.30 g/t for 285,000 ounces
- Inferred Resource of 7.6Mt at 1.47 g/t for 358,000 ounces
- Total Resource of 14.4Mt at 1.39 g/t for 643,000 ounces

In the Pilbara, Kairo 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.

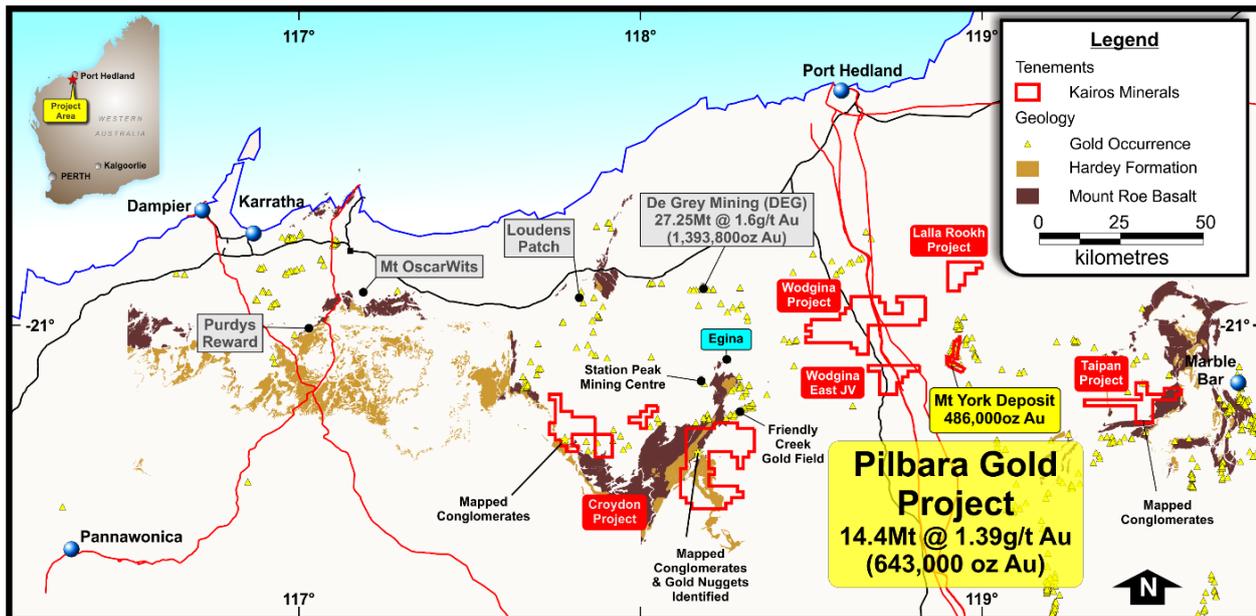


Figure 2. Pilbara Gold Project Location, Tenements and Key Gold Targets.

During the Quarter, the Company completed an extensive helicopter-borne exploration program focused on the unconformity contact between the basal Fortescue Group Mount Roe Basalt, Lower Hardey Formation and older Archean basement along a 22km long corridor within Kairos' 100%-owned tenements E47/3522 & E47/3523 at the Croydon Project (Figures 3 & 4).

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" (Patch #1-6) (see ASX releases from 13 September 2019, 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. With the assistance of the Company's consultant geologist, Pilbara conglomerate gold expert George Merhi, Kairos has been able to discover six nugget patches and highlight a large new regional target area with significant gold mineralisation.



Patch #1

Patch #2

Patch #3



Patch #4/5/6

Plate 3. NUGGET PATCHES.

Patch #1 extensive nugget patch which yielded **256 nuggets with a combined weight of 254 grams (8.2oz)**.

Patch #2 **126 nuggets recovered to date for a total weight of 336.8 grams (10.8 oz)** Further along strike to the south-west in the same stratigraphic position and approximately 2.5 kilometres from the first nugget patch, abundant deflated conglomerate and conglomerate outcrop.

Patch #3 2km to the north-west of Nugget Patch #1, metal detecting has identified a third nugget patch, located within sandstones and deflated conglomerate of the Lower Hardey Formation. Limited metal detecting over an area of some 40m x 20m has to date recovered **9 nuggets for a total weight of 7.4 grams (0.28 oz)**.

Patch #4 (**23 nuggets for 10 ounces of gold**) and Patch #5 (**30 nuggets for 1 ounce of gold**) are located at the basal unconformity of the Mount Roe Basalt mid-way between Kairos' earlier discoveries (Patch#1 & Patch #2), some 0.5 km's and 1km south of Kairos' Patch #1 respectively. The results confirm exceptional gold mineralisation over at least 2.5km of strike with strong gold anomalism extending for over 4km's of strike within this stratigraphic corridor.

Patch #6 totalling **3 gold nuggets**, and a gold bearing conglomerate quartz cobble, **for 7.7 grams of gold** was discovered during limited follow-up metal detecting of stream sediment sample which returned 18 gold “colours” in the pan. Significantly these nuggets were found within conglomerates and sandstones of the Lower Hardey Formation approximately 6 km’s WNW of Nugget Patch #3 (refer ASX release, 20 November 2018), discovered late last year, which yielded **9 nuggets for 7.4g of gold** also within sediments of the Lower Hardey Formation.

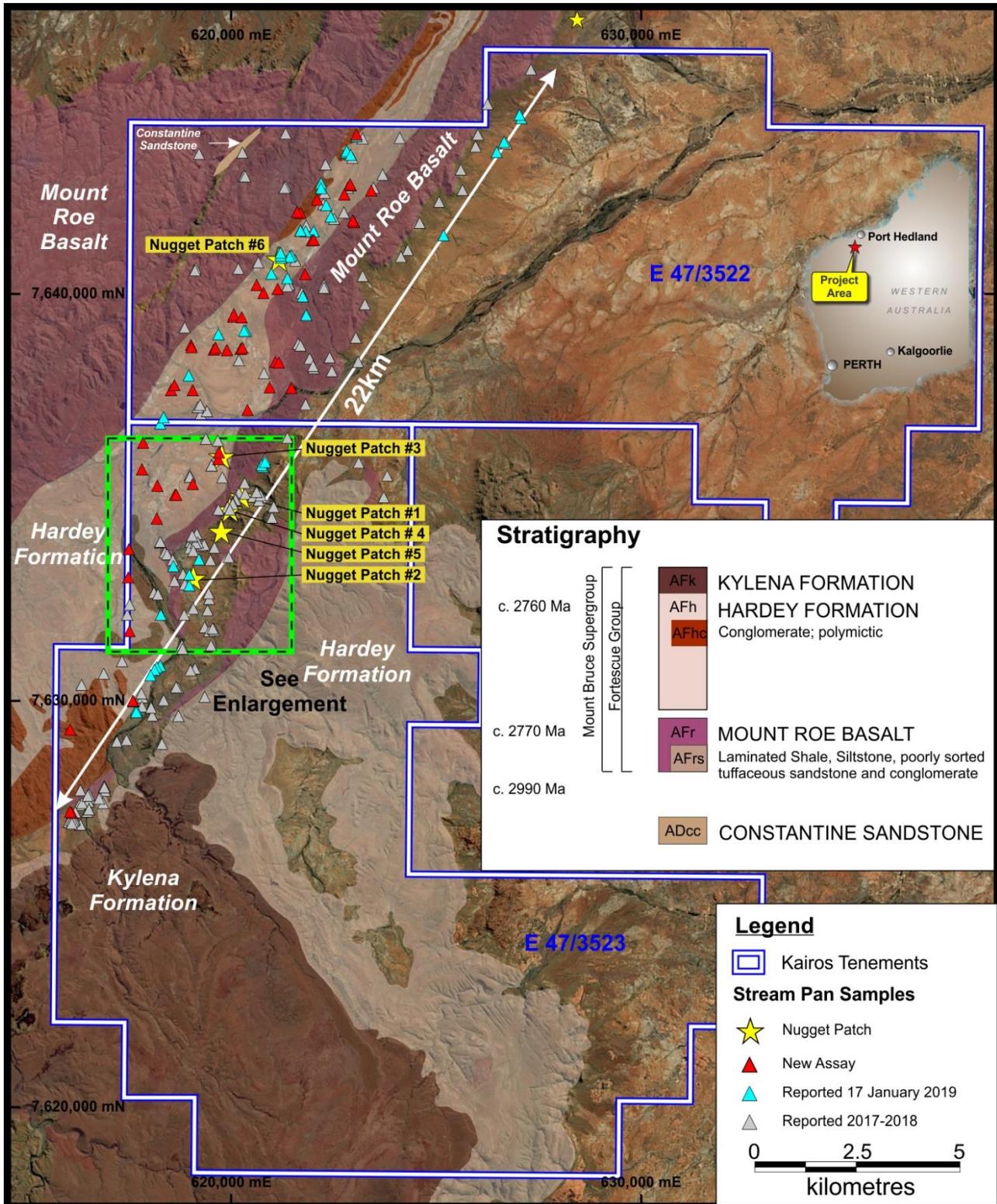


Figure 3: Croydon Project, Stream sediment sampling locations, recent assays.

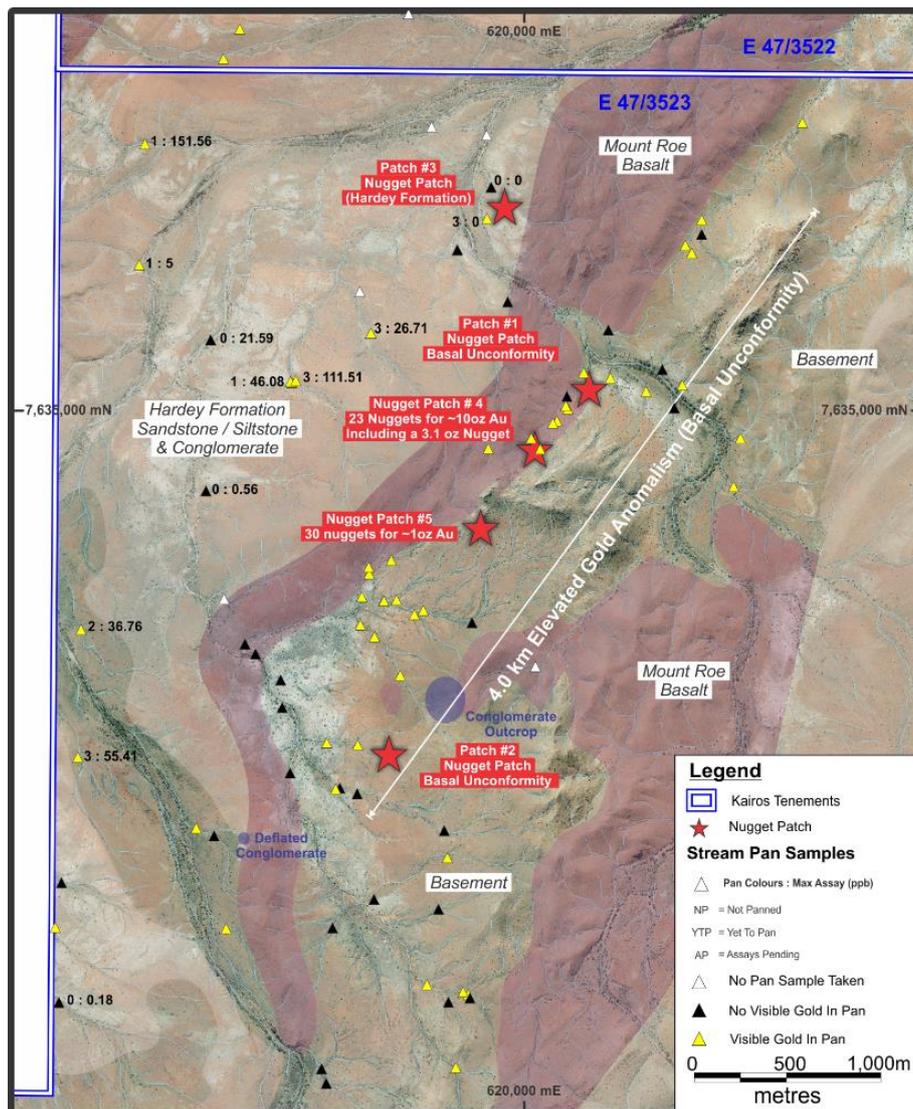


Figure 4: Croydon Project, Recent stream sediment sampling on E47/3523.

STREAM SAMPLING RESULTS

Highly encouraging assay results have been received for 253 stream sediment samples (17 WCT0001-45 and 18WCST00001-235) collected over E47/3522 and E47/3523. See ASX announcements from 20 November 2018, 17 January 2018 and 29 January 2019.

These results, which include a peak gold value of 12,379ppb Au (**12.3g/t Au**), confirm widespread distribution of gold anomalism across the Project and build on the significant nugget discoveries announced towards the end of last year.

The results confirm the widespread distribution of gold across the Project, with over 46% of the samples taken returning a positive result for gold (visible gold in the panned samples). There has been a significant improvement through the sampling campaigns, which returned positive results for 35 then 50% and the most recent at 75% of the samples taken.

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 6), which have recently commenced operations, and comprises 12 Prospecting Licences (P45/2987-2998 inclusive). The Mt York Gold deposit (Main Hill, Breccia Hill and Gossan Hill) is secured by tenements P45/2994 and P45/2991, which occur entirely within the Wallareenya Pastoral Lease.

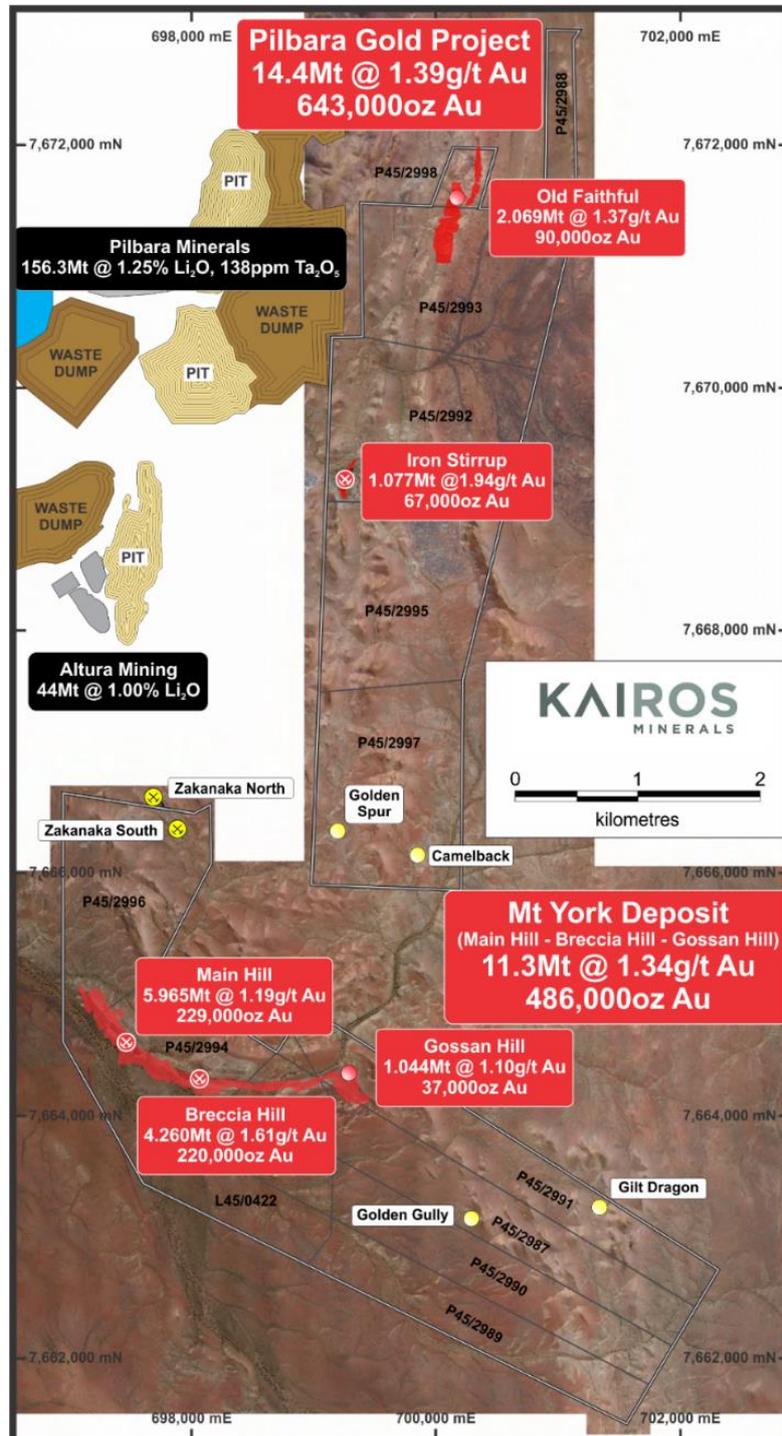


Figure 5. Pilbara Gold Project Showing Mt York and Surrounding Deposits.

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 -

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.

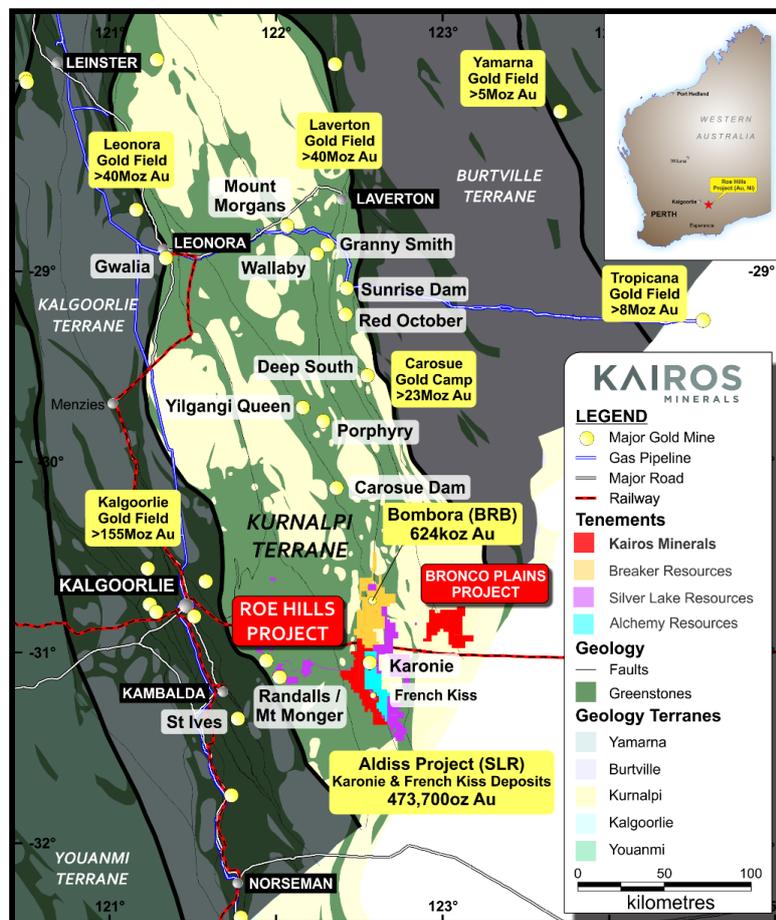


Figure 6. Roe Hills Project regional geological setting and major gold deposits.

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).

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

CORPORATE

The Company had cash reserves of \$3.1 million at the end of the quarter.

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 advanced stages of construction and development.

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 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.

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).

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")

31st December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,045)	(2,753)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(176)	(608)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
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	(1,221)	(3,359)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	(173)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	-	(173)

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	-	139
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(7)
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	-	132

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,327	6,506
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,221)	(3,359)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(173)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	132
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,106	3,106

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	3,106	4,327
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)	3,106	4,327

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	53
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	

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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	

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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	400
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	200
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:



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Date: **31st January 2019****Chairman & CEO**

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					
Fraser Range Project					
E69/3411	WA	100%		100%	0%
E69/3308					
Dingo Range					
E53/1731	WA	100%		100%	0%
E53/1814					
E53/1927					
E53/1928					
Pilbara Lithium-Gold Project (Mt York Project)					
P45/2987	WA	100%			100%
P45/2988					
P45/2989					

+ 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
Pilbara Lithium-Gold Project (Mt York Project)					
P45/2990	WA	100%			100%
P45/2991					
P45/2992					
P45/2993					
P45/2994					
P45/2995					
P45/2996					
P45/2997					
P45/2998					
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%
Taipan Project					
E45/4806	WA	100%			100%
Woodcutters Project					
E28/2646	WA	100%			100%
E28/2647					
E28/2648					
Mooloo Project					
E08/2857	WA	100%			100%