

ASX ANNOUNCEMENT

22 November 2017

KAIROS WELCOMES ERIC SPROTT AS A CORNERSTONE INVESTOR AFTER COMPLETING \$7.3M CAPITAL RAISING

Highlights:

- **Kairos completes \$7.3M share placement after its placement capacity was refreshed at yesterday's Annual General Meeting.**
- **Placement shares comprising 132.8M shares have been allotted to investors. A 1-for-1 free attaching option exercisable at 10c will also be issued subject to shareholder approval.**
- **Leading global investor Eric Sprott, through Sprott Capital Partners, will join the Kairos share register as a significant holder after collectively subscribing for \$5M.**
- **Funds raised to underpin ongoing aggressive exploration programs at the Pilbara Gold Project, including the expanded conglomerate gold program which is continuing on multiple fronts.**

Kairos Minerals Ltd (ASX: KAI) is pleased to advise that it has completed the recently announced \$7 million private to sophisticated and professional investors (**Placement**) after receiving shareholder approval to refresh its placement capacity at the Company's Annual General Meeting in Perth yesterday.

The Placement, comprising the issue of 132.8 million new shares 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, was undertaken to sophisticated and professional investor clients of CPS Capital and Patersons Securities.

Allotment of the securities under the placement was completed today (see attached Appendix 3B for further information).

The raising sees leading global resource investor Eric Sprott, through Sprott Capital Partners in Canada, join the Kairos share register as a substantial shareholder after subscribing for \$5 million of the placement.

The proceeds of the raising will underpin ongoing gold exploration programs in the Pilbara and Eastern Goldfields of Western Australia, including an expanded conglomerate gold exploration program at the Pilbara Gold Project which is continuing on multiple fronts.

Kairos Executive Chairman Terry Topping said:

"This highly successful capital raising represents a strong endorsement of the quality and potential of our West Australian gold projects, and puts us in a fantastic position to unlock the value of these assets over the next 12 months. We are delighted to welcome Eric Sprott as a cornerstone shareholder, and we look forward to his continued support as we accelerate our conglomerate gold exploration campaign in the Pilbara – which is already delivering some exciting results."

“With further results expected from the Pilbara Gold Project in the coming weeks, assays awaited from recently completed drilling at Mt York, and drilling about to kick off again at the Roe Hills Project, this is a very exciting time for Kairos as we deliver results and new-flow on several fronts.”

ENDS

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 100%-owned Mt York Gold-Lithium Project is located ~100km south of Port Hedland in the world-class Pilgangoora district. Since acquiring the project in early 2016, Kairos has rapidly established a 258,000oz JORC 2012 compliant Mineral Resource inventory at Mt York by re-evaluating the known resources from the historical Lynas Find gold mine, which produced over 125,000oz between 1994 and 1998.

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’ tenure adjoins the emerging Lake Roe gold discovery, owned by Breaker Resources (ASX: BRB).

Kairos has completed maiden drilling programs across both projects over the past 12 months, delivering impressive results which have highlighted the significant potential of both projects to deliver significant new discoveries and host economic mineral deposits.

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.

Kairos has been well recognised for its industry leading technical team that includes its Chairman Terry Topping (Taipan Resources NL, Cauldron Energy Ltd and Orinoco Gold Ltd), Technical Director Neil Hutchison (Poseidon Nickel, Jubilee Mines, Technical Manager Steve Vallance (WMC, ACM, Jubilee Mines, Xstrata, Kagara, LionOre), and consulting specialists Dr Robin Hill, Sarah Dowling, Dr Nigel Brand, Adrian Black and Bill Amman.

For further information, please contact:

Investors:

Mr Terry Topping
Managing Director
Kairos Minerals Limited

Media:

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

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Kairos Minerals Limited

ABN

84 006 189 331

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | 1. Ordinary shares
2. Unlisted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 167,712,917
2. 12,000,000; |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. The fully paid ordinary shares are of the same class and rank with all other shares on issue;
2. Exercisable at 2.6 cents on or before 31 December 2019; |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1. Yes;</p> <p>2. Exercisable at 2.6 cents on or before 31 December 2019;</p>
<p>5 Issue price or consideration</p>	<p>1. 132,818,181 issued at \$0.055 per share, 7,000,000 issued for consideration for consulting fees under contractual arrangement, 17,394,736 issued upon exercise of options; and 10,500,000 upon conversion of Series J performance rights;</p> <p>2. 12,000,000 forms part of the consulting agreement</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Refer to 5 above</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>15 November 2017</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>1. 76,253,192</p> <p>2. 12,000,000</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>1. 63,564,989</p> <p>2. N/a</p>

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	1. N/a 2. N/a	
6f	Number of securities issued under an exception in rule 7.2	1. 27,894,736 2. N/a	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/a	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/a	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1 below	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	22 November 2017	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number 778,191,881	+Class Ordinary shares (KAI)

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	1,500,000	Options exercisable at \$0.10 on or before 30 December 2017
	84,605,264	Options exercisable at \$0.026 on or before 31 December 2019
	31,500,000	Performance rights, per this Appendix 3B
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	

+ See chapter 19 for defined terms.

- | | | |
|----|---|--|
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7. | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |

+ See chapter 19 for defined terms.

- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(*tick one*)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
To be provided after completion of rights issue
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
To be provided after completion of rights issue

+ See chapter 19 for defined terms.

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

1. the date from which they do
2. the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
3. the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<input type="text"/>	<input type="text"/>

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

+ See chapter 19 for defined terms.

- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 22 November 2017

Print name:

Adrien Wing
Company secretary

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	389,102,033
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	246,547,858 shares
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	635,649,891

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	95,347,484
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>2,723,809 securities per previous Appendix 3B dated 19 May 2017</p> <p>2,000,000 options and 76,253,192 shares per this Appendix 3B</p>
“C”	90,977,001
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	95,347,484
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	90,977,001
Total [“A” x 0.15] – “C”	4,370,483 [Note: this is the remaining placement capacity under rule 7.1]

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	635,649,891
Step 2: Calculate 10% of “A”	
“D” <i>Note: this value cannot be changed</i>	0.10
Multiply “A” by 0.10	63,564,989
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	63,564,989 per this Appendix 3B
“E”	63,564,989
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	63,564,989
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	63,564,989
Total [“A” x 0.10] – “E”	- <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

22 November 2017

To: Australian Securities Exchange

Cleansing Statement

On 22 November 2017, Kairos Minerals Ltd (ASX:KAI) ("KAI" or the "Company") issued 167,712,917 fully paid ordinary shares (KAI) to persons who come within one of the exemptions set out in Section 708 of the Corporations Act.

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The Shares were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (b) Section 674 of the Corporations Act.

There is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.

Information under ASX Listing Rule 3.10.5A

The Company provides the following information in accordance with ASX Listing Rule 3.10.5A in relation to the shares issued under ASX Listing Rule 7.1A

- (a) Dilution to existing holders of ordinary shares as a result of the issue made under ASX Listing Rule 7.1A

The percentage of the Company's issued capital represented by the issue under ASX Listing Rule 7.1A is 8.17%. 63,564,989 of the placement shares were issued under 7.1A. The holders of ordinary shares before the issue under ASX Listing Rule 7.1A will hold 91.83% of the issued capital following the issue under of Listing Rule 7.1A.

- (b) The Company conducted the placement rather than a pro-rata issue or other type of issue in which existing security holders would have been eligible to participate as it was considered a more efficient and expedient manner to raise capital given the Company's circumstances.
- (c) There was no underwriting.
- (d) A fee of up to 6% was payable on the placement.

For and on behalf of Kairos Minerals Limited



Adrien Wing
Company Secretary