

ASX ANNOUNCEMENT

12 December 2016

KAIROS SECURES \$150,000 IN EIS FUNDING FOR ROE HILLS NICKEL-COPPER EXPLORATION

Highlights

- **Kairos awarded a co-funding grant of \$150,000 under the WA Government's Exploration Incentive Scheme (EIS) for nickel-copper focused drilling at the Roe Hills Project, WA.**
- **Drilling proposed for next year will target nickel and copper sulphide mineralisation within the highly prospective Roe Hills greenstone belt.**
- **While Kairos' main focus remains on evaluating the gold potential at the Roe Hills Project, the significant nickel potential of the greenstone belt presents a valuable future opportunity for the Company in an improving nickel price environment.**

Kairos Minerals Ltd (ASX:KAI – "Kairos") is pleased to announce that it has secured a co-funding grant of \$150,000 under the Western Australian Government's Exploration Incentive Scheme (EIS) for future nickel-copper focused drilling at the Company's Roe Hills Project, located 70km east of Kambalda in Western Australia (Figure 1).

The Company plans to undertake drilling next year to further evaluate the significant nickel and copper potential of the highly-prospective Roe Hills greenstone belt. The Roe Hills Project encompasses approximately 40 strike kilometres of highly prospective volcano-sedimentary terrane comprising at least five separate ultramafic sequences.

The proposed drilling campaign for next year will comprise a combination of diamond and Reverse Circulation drilling totalling 11 holes for approximately 3,700m of drilling.

Kairos is exploring the belt for Kambalda-style komatiite/ultramafic hosted primary and structurally re-mobilised high-grade massive nickel sulphide mineralisation.

Structural repetition of the target sequences via folding and faulting is interpreted to have significantly increased the amount of prospective ultramafic contact available to explore.

Exploration completed by Kairos in 2015 identified broad widths of low grade disseminated, blebby and narrow massive nickel sulphides in numerous holes throughout the project area, all of which require further evaluation. In addition, numerous high-priority conductors identified by surface (MLEM/FLEM) and down-hole (DHEM) electromagnetic surveys remain untested.

The exploration program at Roe Hills will be completed by one of Australia's most highly-credentialed nickel exploration teams, led by Technical Manager Steve Vallance (who played a key role in several of Jubilee Mines' nickel discoveries at the Cosmos Nickel Project) and internationally-acclaimed komatiite nickel sulphide specialist and geoscientific consultant, Dr Robin Hill.

Kairos' technical team also includes Neil Hutchison, Sarah Dowling and Newexco (Adrian Black, Bill Aman). Collectively, the members of Kairos' Technical Team have played key roles in the discovery and delineation of more than \$10 billion worth of nickel in Western Australia.

Kairos' Managing Director, Mr Joshua Wellisch, said the Company was delighted to have secured the EIS co-funding grant to help unlock the outstanding nickel prospectivity within the Roe Hills project area.

"Our past exploration indicates that the Roe Hills Project has the potential to emerge as a major new nickel field, with many important similarities to other world-class komatiite nickel deposits in Western Australia," he said.

"This drilling will test a number of high priority targets, all of which offer the potential for a major new nickel discovery," Mr Wellisch continued. "In addition, deeper drilling for new nickel deposits will also provide invaluable geoscientific data for further exploration not only for nickel and copper, but also for other minerals including gold.

The award of the EIS funding for nickel-focused drilling at Roe Hills coincides with a period of upward momentum in the nickel price, which has increased by almost 30% over 2016. Kairos will continue to monitor the nickel market and finalise the timing for the drilling next year, most likely against the backdrop of further positive improvements in the nickel price.

ENDS

For further information, please contact:

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COMPETENT PERSON STATEMENT:

Competent Person: The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled and reviewed by Mr Steve Vallance, who is the Technical Manager for Kairos Minerals Ltd and who is a Member of The Australian Institute of Geoscientists. Mr Vallance has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' (the JORC Code 2012). Mr Vallance has consented to the inclusion in the report of the matters based on his 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.

Contributing Technical Team:

Dr Nigel Brand
Mr Neil Hutchison
Mr Ian Finch

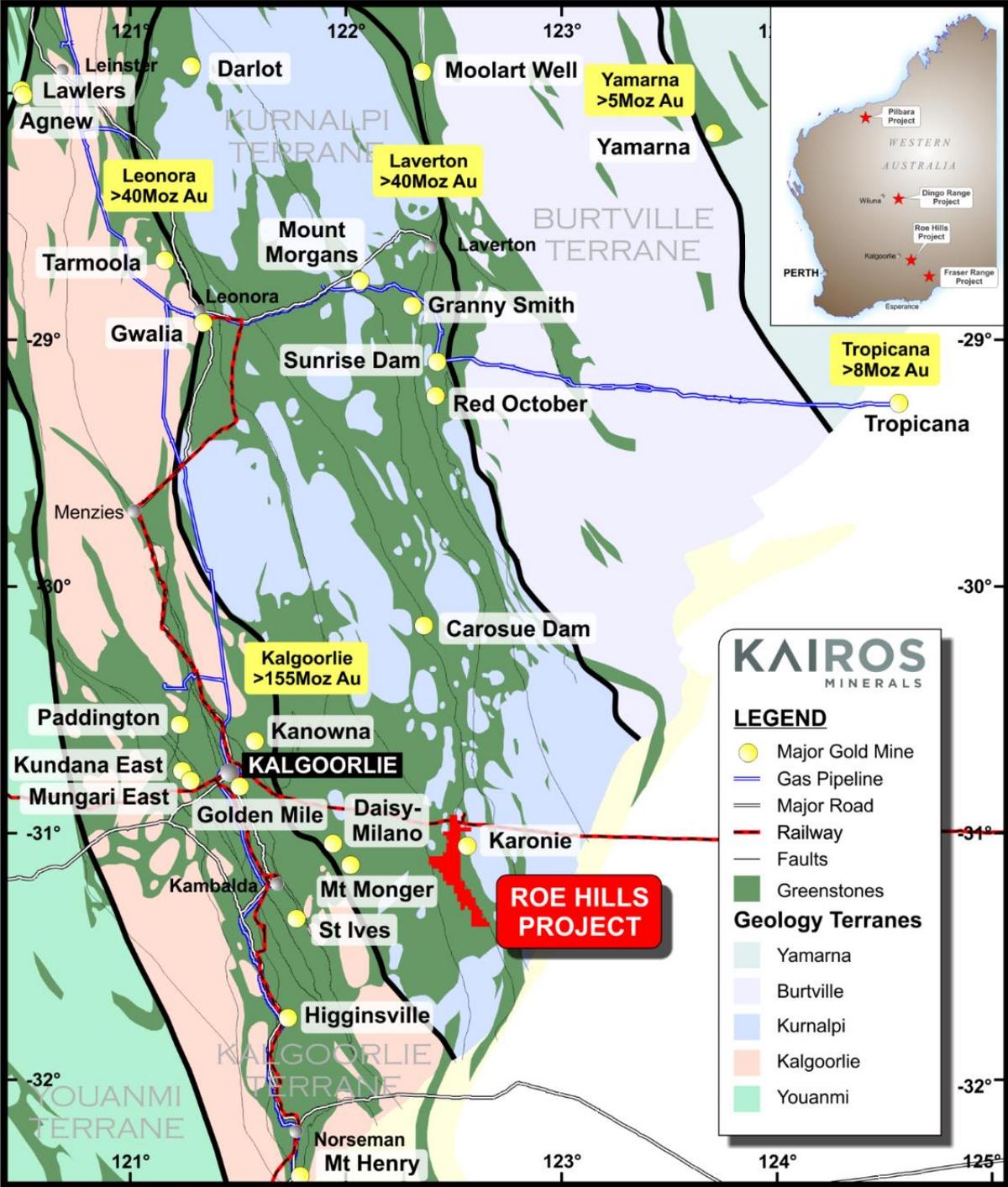


Figure 1. Location of the Roe Hills Gold-Nickel Project, WA