

KAIROS SET TO COMMENCE NEXT PHASE OF GOLD DRILLING AT ROE HILLS AHEAD OF SCHEDULE

5,000m aircore/RC drilling campaign to begin immediately following current cobalt program

Highlights:

- **5,000m aircore/RC drilling to test recently identified gold trends and new priority targets including:**
 - **Lady of the Lake – 0.5 km long, 100m wide, open. Recent results include:**
 - **RHRC009: 21m @ 1.06 g/t gold from 94m, including:**
 - **7m @ 2.70 g/t gold from 106m; and**
 - **1m @ 10.98 g/t gold from 107m**
 - **Terra – 2km long, open. Recent results include:**
 - **RHRC002: 14m @ 2.39 g/t gold from 79m, including**
 - **8m @ 3.48 g/t gold from 80m; and**
 - **1m @ 14.61 g/t gold from 85m**
 - **Talc Lake – 0.5km long x 200m wide. Recent results include:**
 - **RHRC018: 9m @ 1.15 g/t gold from 81m including**
 - **4m @ 2.21 g/t gold from 81m and**
 - **1m @ 5.40 g/t gold from 82m**
- **Multiple high priority structural targets identified from detailed magnetic and gravity surveys.**
- **Surface Fixed-Loop EM (FLEM) and down-hole EM (DHEM) geophysical surveys completed at “Lady of the Lake” highlight extensions to interpreted gold-bearing sequences/structures.**
- **Soil sampling completed highlighting priority areas of gold pathfinder geochemical anomalism. Detailed interpretation and infill sampling in progress.**
- **Extensions to known gold bearing sequences identified on newly acquired Prospecting Licenses (P28/1293-1300) surrounding Silver Lake Resources’ (ASX: SLR) French Kiss Deposit.**
- **Drilling to commence ahead of schedule on priority gold targets in May 2017.**

Kairos Minerals Ltd (ASX: KAI; “Kairos” or “the Company”) is pleased to advise that is on track to commence a new phase of gold exploration drilling at its 100%-owned **Roe Hills Gold-Nickel-Cobalt Project**, located 120km east-south-east of Kalgoorlie in Western Australia (see Figure 1), ahead of schedule following the success of recent geophysical and geochemical programs.

The next campaign of gold-focused drilling at Roe Hills is now planned to commence in May 2017, immediately following completion of the current program of cobalt drilling (refer Figure 2; KAI ASX Announcement 15/05/2017).

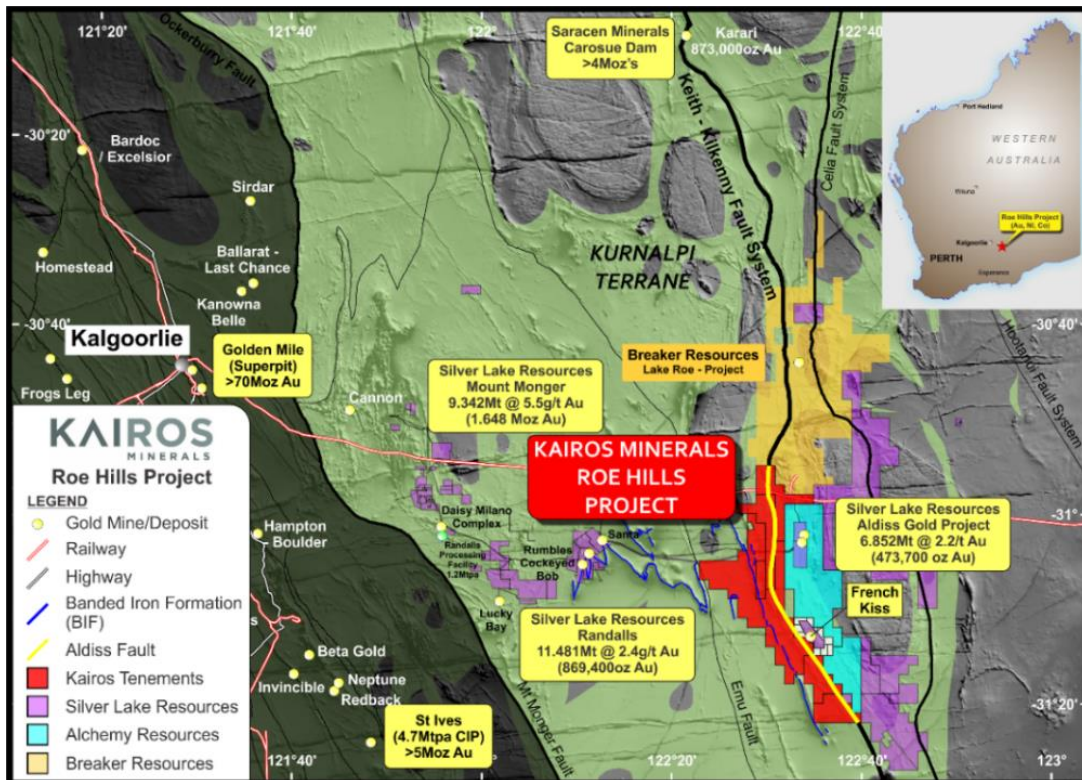


Figure 1. Roe Hills Project Location

During December 2016 Kairos commenced its maiden gold-focused drilling program at Roe Hills.

The program returned strong results across three key prospects – Terra Trend, Lady of the Lake and Talc Lake (refer Figures 2 & 3; KAI ASX Announcement 06/04/2017) confirming the Company’s belief in the prospectivity of the Southern Kurnalpi Terrane and significant potential of the largely unexplored Roe Hills Project.

Significant results from this maiden drilling program included:

TERRA

- RHRC002: 14m @ 2.39 g/t gold from 79m, including
 - 8m @ 3.48 g/t gold from 80m; and
 - 1m @ 14.61 g/t gold from 85m
- RHDD033: 13.44m @ 1.27 g/t gold from 192.6m, including:
 - 3.45m @ 2.23 g/t gold from 195.4m; and
 - 1.62 g/t gold from 203.2m
- RHDD036: 8.21m @ 1.72 g/t gold from 180.79m, including:
 - 1.00m @ 11.32 g/t gold from 188m

LADY OF THE LAKE

- RHRC009: 21m @ 1.06 g/t gold from 94m, including:
 - 7m @ 2.70 g/t gold from 106m; and
 - 1m @ 10.98 g/t gold from 107m
- RHRC011: 54m @ 0.52 g/t gold from 4m, including:
 - 14m @ 0.88 g/t gold from 11m; and
 - 2m @ 1.05 g/t gold from 36m; and
 - 4m @ 1.70 g/t gold from 48m; and
 - 1m @ 2.63 g/t gold from 57m
- RHRC014: 14m @ 0.59 g/t gold from 51m, including:
 - 2m @ 2.65 g/t gold from 52m; and
 - 1m @ 1.01 g/t gold from 64m
- RHDD037: 3.78m @ 4.08 g/t gold from 125.39m, including:
 - 1.24m @ 10.09 g/t gold from 125.39m

TALC LAKE

- RHRC017: 16m @ 0.87 g/t gold from 106m, including
 - 4m @ 2.3 g/t gold from 106m; and
 - 1m @ 7.17 g/t gold from 108m
- RHRC018: 9m @ 1.15 g/t gold from 81m including
 - 4m @ 2.21 g/t gold from 81m and
 - 1m @ 5.40 g/t gold from 82m

Following on from this early success, Kairos' technical team has worked in collaboration with the Company's key geoscientific consultants to undertake a detailed multi-disciplinary evaluation of each prospect. This includes a comprehensive assessment of the gold-bearing potential of the broader project area utilising historical data, together with recently acquired detailed aeromagnetic and gravity surveys.

Most recently, a Surface Fixed Loop EM (FLEM) survey and a down-hole (DHEM) survey (RHDD0037) were completed at the 'Lady of the Lake' Prospect, where recent drilling returned highly encouraging gold results associated in-part with Fe-sulphide bearing alteration zones within sheared mafic host rocks (basalt-dolerite), beneath shallow transported lake sediments.

The FLEM survey has successfully mapped potential extensions to the gold bearing sequences/structures identified at 'The Lady of The Lake'. Detailed interpretation is in progress by the Company's Geophysical Consultants to refine targets for immediate drill testing. The DHEM survey of hole RHDD0037 reported no response indicating that sulphide content within the gold bearing sequence proximal to this hole is relatively low and as a consequence, electrically discontinuous. (refer Figure 4)

In addition, a soil sampling programme has recently been completed over selected areas displaying residual soils. Analysis using portable XRF has been completed. Detailed interpretation by the Company's Consultant Geochemist is in progress, preliminary results are highly encouraging. Infill sampling is in planned to refine/guide drill testing of priority targets.

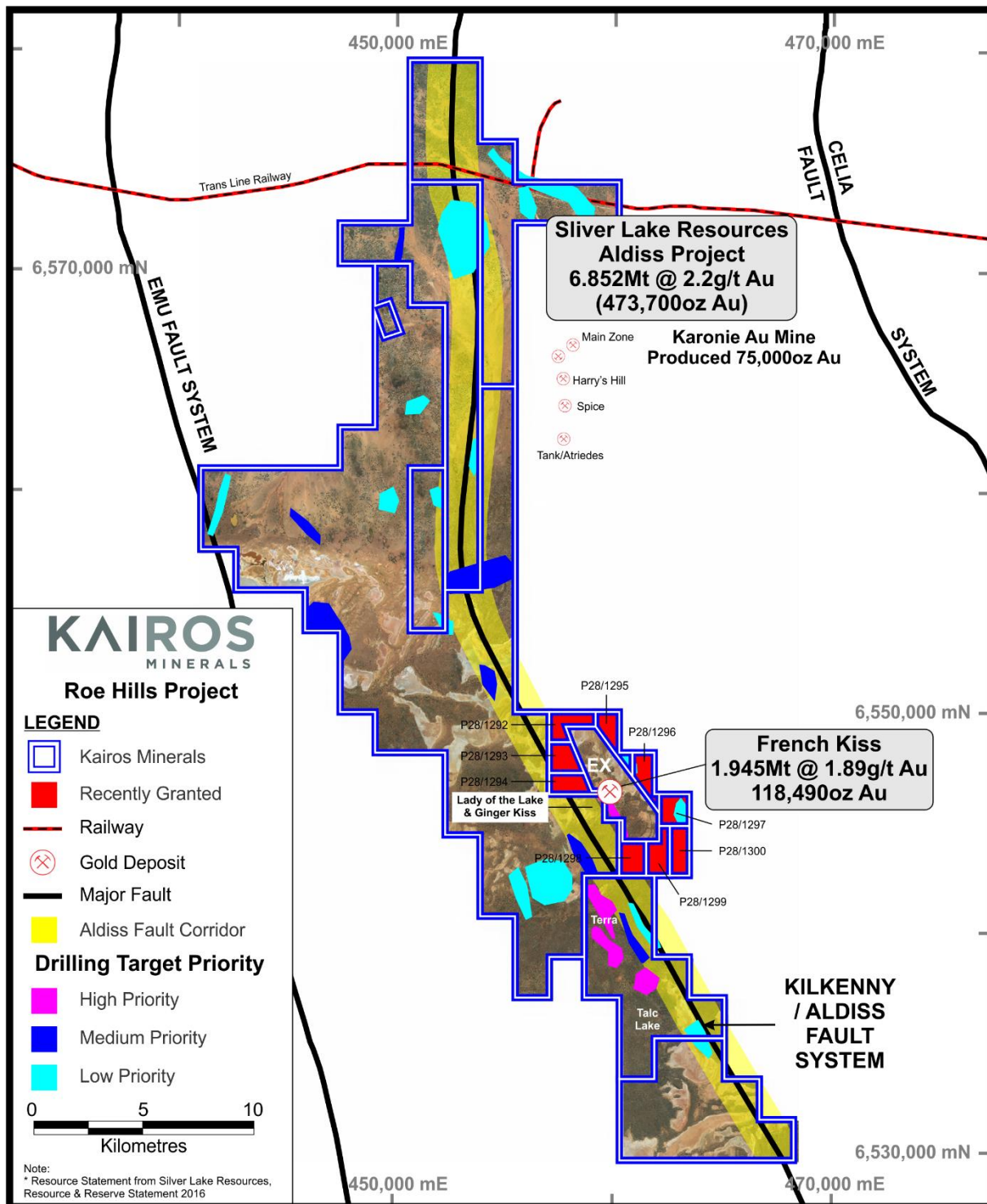


Figure 2. Reginal Gold Targets

The Company has also commenced an evaluation of eight strategic Prospecting Licences P28/1293-1300 surrounding Silver Lake Resources' French Kiss Gold Deposit (JORC 2014 Resource of 1,945Mt @ 1.89g/t Au for 118,490oz Au).

Extensions to the known gold-bearing sequences have been identified and preparations are underway to have drill targets included in the upcoming round of drilling (see Figure 3).

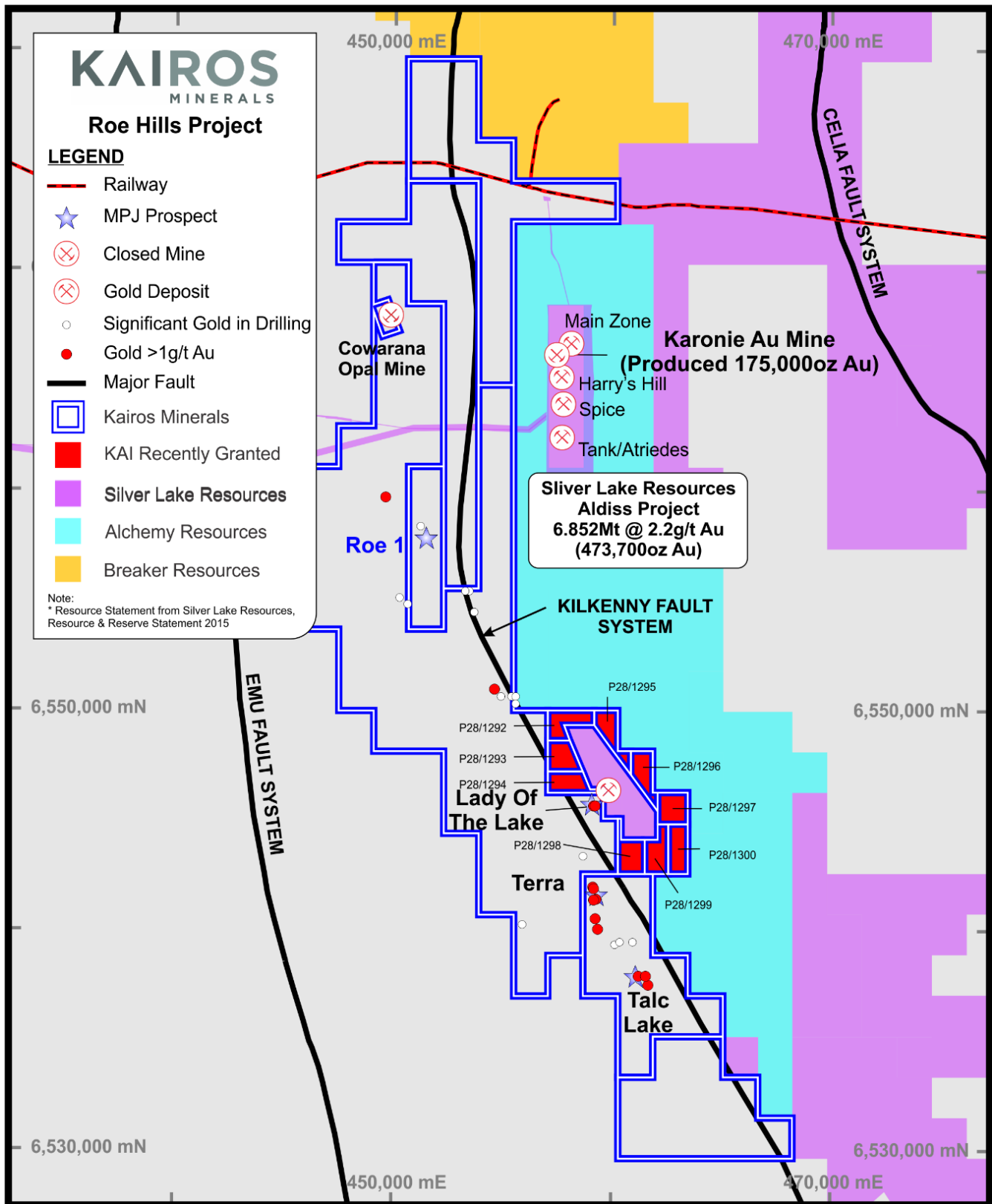


Figure 3: Roe Hills Project Recently Granted Tenements

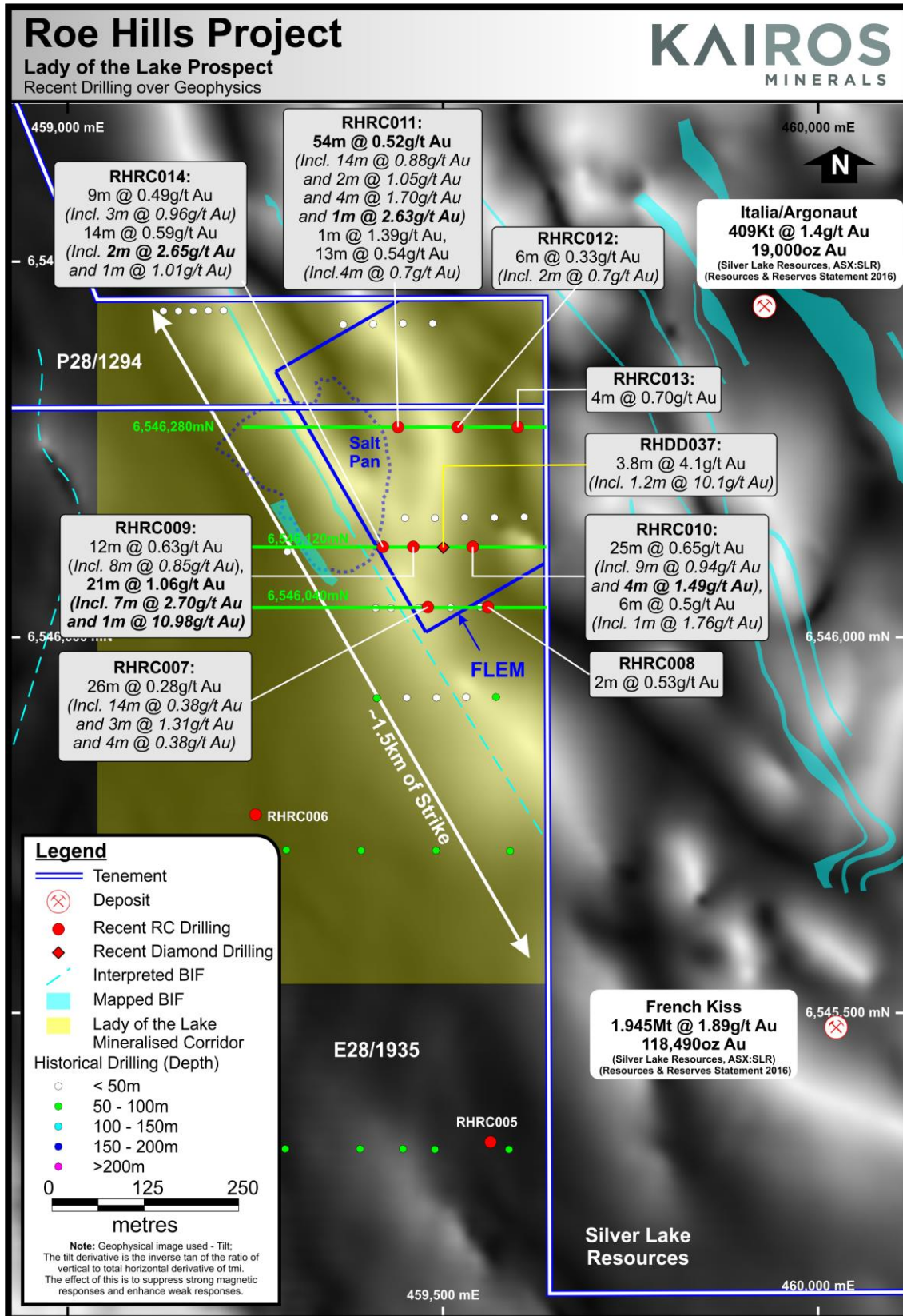


Figure 4: Lady of the Lake Prospect, recent gold drilling results & FLEM Survey

Management Comment

Kairos' Managing Director, Mr Joshua Wellisch, said the Company's geological team had been able to make the most of the time between the completion of the last drilling program and the restart of drilling at Roe Hills last week.

"We've made excellent progress on a number of fronts and, as a result of the success of these geophysical and geochemical programs, we are now able to roll straight from the cobalt-focused drilling into our next program of gold drilling," he said.

"This means that we should have news flowing from both exploration initiatives in the coming weeks, making this a very busy and exciting time for the Company."

ENDS

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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. The information was also reviewed by Mr Neil Hutchison, who is a Non Exec Director of Kairos Minerals Ltd and who is also a Member of The Australian Institute of Geoscientists. Both Mr Vallance and Mr Hutchison have 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 Vallance and Mr Hutchison have 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.