

## MARCH 2016 QUARTERLY ACTIVITIES REPORT

**Transformational quarter for Kairos as it secures a leading position in WA's premier lithium district, attracts a new cornerstone investor group and prepares for a new chapter of growth**

### HIGHLIGHTS

#### CORPORATE

- **Implementation of new growth strategy centred on a portfolio of premier lithium and gold assets** in the emerging East Pilbara region of Western Australia.
- **Company name changed to Kairos Minerals (ASX Code: KAI)** to reflect the start of a new growth chapter for the Company.
- **Completion of 10-for-1 share consolidation** provides the Company with a significantly strengthened capital base to underpin its growth initiatives.
- **Highly credentialed Australian mining executive Ian Finch** appointed as Chairman.

#### BUSINESS DEVELOPMENT – WA LITHIUM PROJECTS

- **Acquisition of the strategically located Mt. York<sup>1</sup> Lithium-Gold Project** from Tyranna Resources (ASX: TYX) and Tribal Mining Pty Ltd. The project abuts the world-class Pilgangoora Lithium-Tantalum Project being developed by Pilbara Minerals (ASX: PLS), as well as the Altura Mining (ASX: AJM) and Dakota Minerals (ASX: DKO) lithium projects.
- **Acquisition of the Wodgina East Lithium-Tantalum Project**, located adjacent to Global Advanced Metals' Wodgina Tantalum Mine, 17km from the Pilgangoora mining centre. Wodgina East contains extensive pegmatite swarms previously mapped by Atlas Iron over a strike length of ~4km, with grades of up to 1.6% Li<sub>2</sub>O from reconnaissance sampling.
- **Applications lodged for a further eight new Exploration Licences totalling ~700km<sup>2</sup>** and prospective for lithium within the preferred East Pilbara Granite Greenstone terrane following an extensive regional targeting exercise by the Company's Technical Team.

#### EXPLORATION – LITHIUM AND GOLD

- **Initial exploration program commenced at the Mt. York Lithium-Gold Project**, comprising reconnaissance field evaluation, mapping/rock chip sampling, airborne geophysics and interrogation of the project's extensive drilling database.
- **Presence of outcropping and buried pegmatites confirmed** as being widely distributed across the Mt. York Project area by historical mapping and numerous intercepts recorded in the geological logs of historical gold-focused drill-holes. **Preparations underway for maiden drill program.**
- **Review of existing historical gold resources at the Mt. York Lithium-Gold Project** underway to upgrade to JORC 2012 compliance.
- **Assessment of the gold potential at the Roe Hills Project in WA** identifies numerous historical gold occurrences, including drill results of up to 181g/t Au.

<sup>1</sup> For the purpose of clarity, Kairos will refer to this project, located immediately adjacent to the Pilgangoora Lithium-Tantalum Project, as the Mt. York Project. It was previously referred to as the Pilbara Lithium-Gold Project.

## SUMMARY

The March 2016 Quarter was a landmark period in the Company's history, signalling the start of a new chapter of growth underpinned by the addition of a highly prospective portfolio of lithium and gold assets in the emerging East Pilbara region – now widely regarded as Australia's "lithium hot-spot" – to its existing suite of high quality nickel and gold projects in Western Australia.

The Company became one of the first-movers in this rapidly emerging district by securing the acquisition of the Mt. York Lithium-Gold Project from Tyranna Resources (ASX: TYX) and private company Tribal Mining Pty Ltd in January (previously referred to as the Pilbara Lithium-Gold Project). This transaction reflected the Company's decision to strategically diversify its commodity base into lithium and gold while maintaining an attractive option on nickel sulphide exploration via its 100%-owned nickel assets at Roe Hills (Kambalda district), Dingo Range (NE Goldfields) and the Fraser Range (Albany – Fraser Province) (see Figure 1).

The Mt. York Project is located in the heart of the now globally-recognised lithium hotspot of WA's East Pilbara region, lying adjacent to both Pilbara Minerals' (ASX: PLS) world-class Pilgangoora lithium-tantalum project (80.2Mt @ 1.26% Li<sub>2</sub>O and 42.3Mt @ 0.02% Ta<sub>2</sub>O<sub>5</sub>)<sup>2</sup> and Altura Mining's (ASX: AJM) Pilgangoora lithium project (35.7Mt @ 1.05% Li<sub>2</sub>O)<sup>3</sup>.

The Project is also on the doorstep of Dakota Minerals' (ASX: DKO) Lynas Find Lithium Project, where recent outstanding exploration results have returned intercepts including 35m @ 2.1% Li<sub>2</sub>O, 35m @ 1.75% and 40m @ 1.52% Li<sub>2</sub>O.<sup>4</sup>

Initial exploration commenced at Mt. York during the Quarter including reconnaissance field evaluation, mapping/rock chip sampling, airborne geophysics and interrogation of the Project's extensive drilling database. Ultra-detailed, low-level airborne magnetics/radiometric surveys were also completed over the entire project tenure to underpin target identification and prioritisation.

Later in the Quarter, the Company further strengthened its strategic position in the East Pilbara lithium province after reaching agreement to acquire the Wodgina East Lithium-Tantalum Project. Located 90km south-east of Port Hedland, Wodgina East is strategically situated immediately adjacent to Global Advanced Metals' Wodgina Tantalum Mine, one of the world's largest hard rock tantalum resources, and ~17km to the south-west of Pilbara Minerals' world-class Pilgangoora Project. Subsequent to the end of the Quarter, the Company lodged applications for a further eight highly prospective tenements in the region.



Figure 1 – Kairos Minerals Project Locations

<sup>2</sup> See PLS ASX Announcement 1 February 2016

<sup>3</sup> See AJM ASX Announcement 11 February 2016

<sup>4</sup> See DKO ASX Announcement 26 April 2016

In light of this significant change in its strategic focus, the Company received shareholder approval during the Quarter to change its name to Kairos Minerals Limited (ASX Ticker: KAI) to reflect the start of a new growth chapter, and to undertake a 10-for-1 share consolidation.

A shareholder meeting was held on 14 April 2016, with all resolutions passed. The Company's name was changed to Kairos Minerals Limited and trading commenced under the code KAI on the Australian Securities Exchange on 29 April 2016. Following completion of the share consolidation the Company now has ~254.2 million shares on issue, providing a strong platform for future growth.

## **WA LITHIUM PROJECTS**

### **Mt. York Project (acquiring 100%)**

*Previously referred to as 'The Pilbara Lithium-Gold Project'*

The acquisition of the Mt. York Project was completed during the Quarter.

The Mt. York Project adjoins both Pilbara Minerals' (ASX: PLS) world-class Pilgangoora lithium-tantalum project (80.2Mt @ 1.26% Li<sub>2</sub>O and 42.3Mt @ 0.02% Ta<sub>2</sub>O<sub>5</sub>)<sup>5</sup> and Altura Mining's (ASX: AJM) Pilgangoora lithium project (35.7Mt @ 1.05% Li<sub>2</sub>O)<sup>6</sup> (see Figure 2). The Project also adjoins Dakota Minerals' (ASX: DKO) Lynas Find Lithium Project, where recent outstanding exploration results have returned intercepts including 35m @ 2.1%, 35m @ 1.75% and 40m @ 1.52% Li<sub>2</sub>O.<sup>7</sup>

The project's north-central tenements border Pilbara Minerals' deposit, where recent drilling is testing pegmatite development at the tenement boundary. The main host mineral to lithium mineralisation in the area is spodumene, a pyroxene mineral comprising lithium aluminium inosilicate LiAl(SiO<sub>3</sub>)<sub>2</sub>. Pilbara and Altura's spodumene-bearing deposits are now internationally recognised and have defined an emerging "hard rock" lithium region.

The Mt. York Project covers an area of 29km<sup>2</sup>, ~100km south of Port Hedland. In 2008, ASX-listed Trafford Resources published a JORC (2004) gold resource of 49,515oz comprising 933,400t at 1.65gpt. Historical gold production totalled 125,493oz over the 4-year period between 1994 and 1998.

The project lies in the Pilgangoora greenstone belt, which is dominated by the Pilgangoora syncline. The syncline is stoped out by regional granite. Where this granite wanes, pegmatite sills intrude the greenstone sequence. These pegmatite sills are the source of the tantalum-lithium mineralisation in the area.

<sup>5</sup> See PLS ASX Announcement 1 February 2016

<sup>6</sup> See AJM ASX Announcement 11 February 2016

<sup>7</sup> See DKO ASX Announcement 26 April 2016



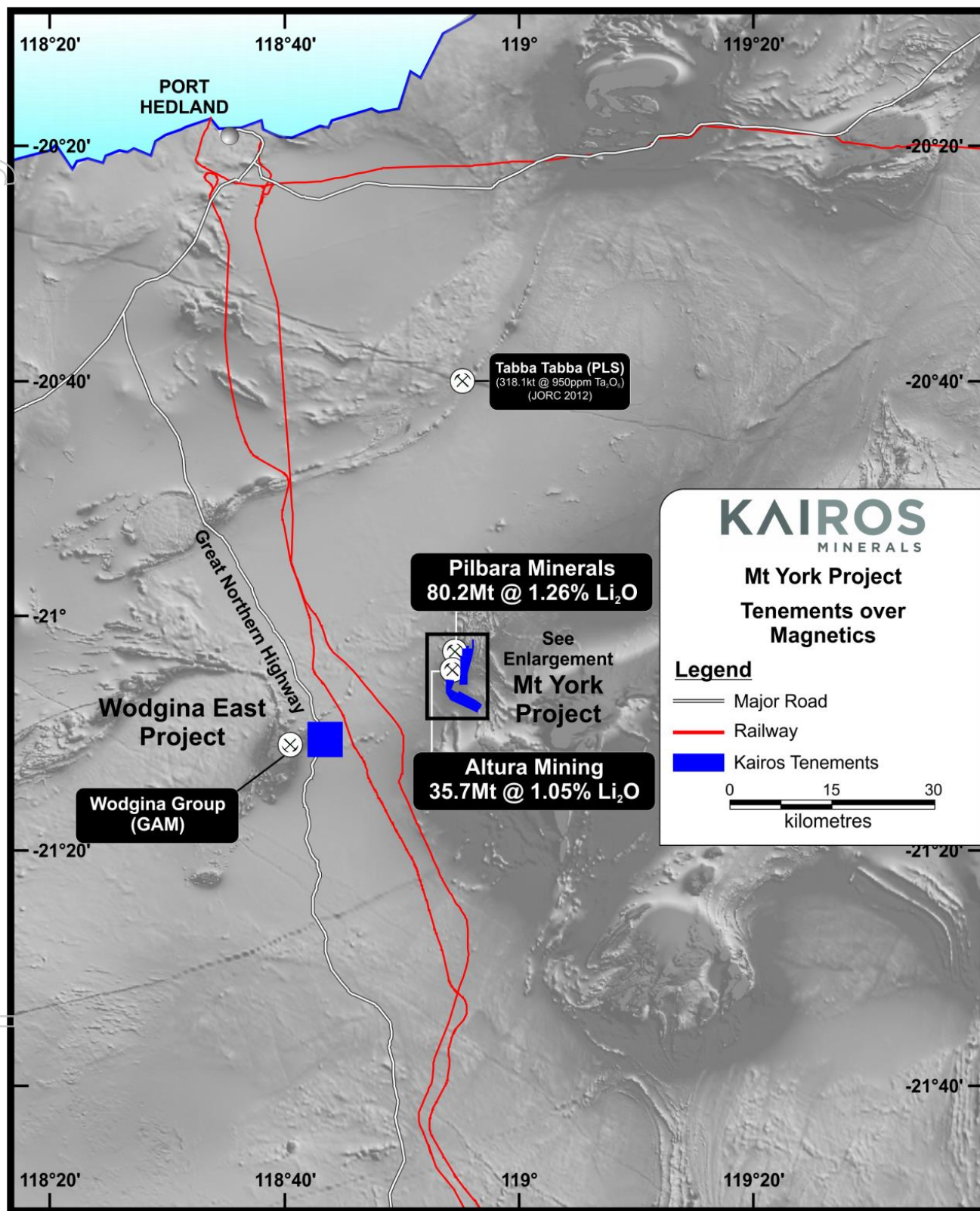


Figure 2 – Kairos Minerals' Mt York and Wodgina East Projects locations

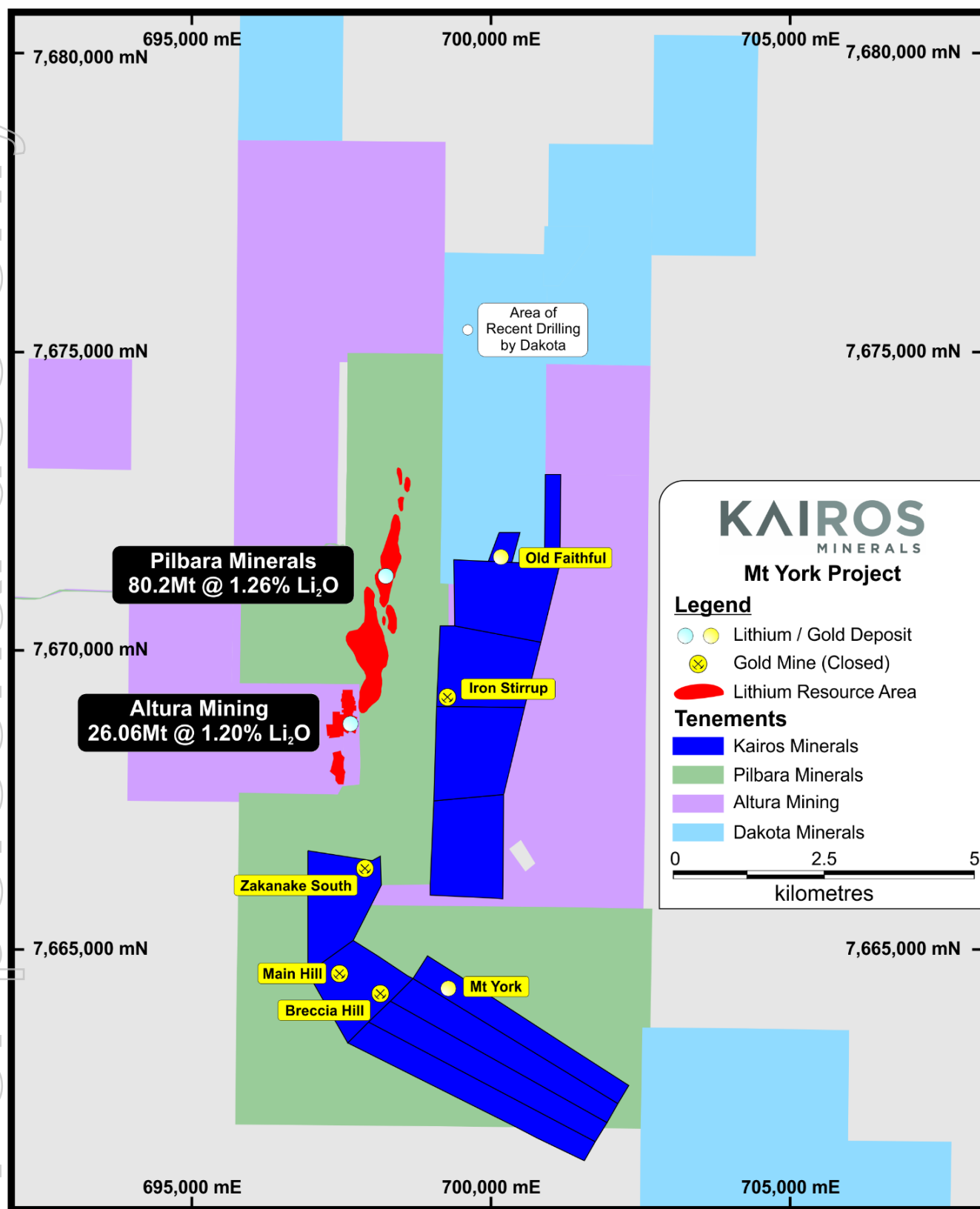


Figure 3 – Kairos Minerals, Mt. York Project, tenements and historical gold deposits

## Exploration

Work undertaken at the Mt. York Project during the Quarter included reconnaissance field evaluation, mapping/rock chip sampling, airborne geophysics and interrogation of the Project's extensive drilling database.

Ultra-detailed, low-level airborne magnetics/radiometric surveys were also completed over the entire project tenure to underpin target identification and prioritisation. Radiometrics in the East Pilbara Granite Greenstone Terrane of WA can map potassium feldspar-rich zones of pegmatites near surface and/or beneath thin cover.

Figure 4 below shows radiometric anomalism associated with Pilbara's and Altura's lithium discoveries, and several similar high-priority anomalies which have been outlined within and immediately adjacent to Kairos' tenure and earmarked for immediate follow-up.

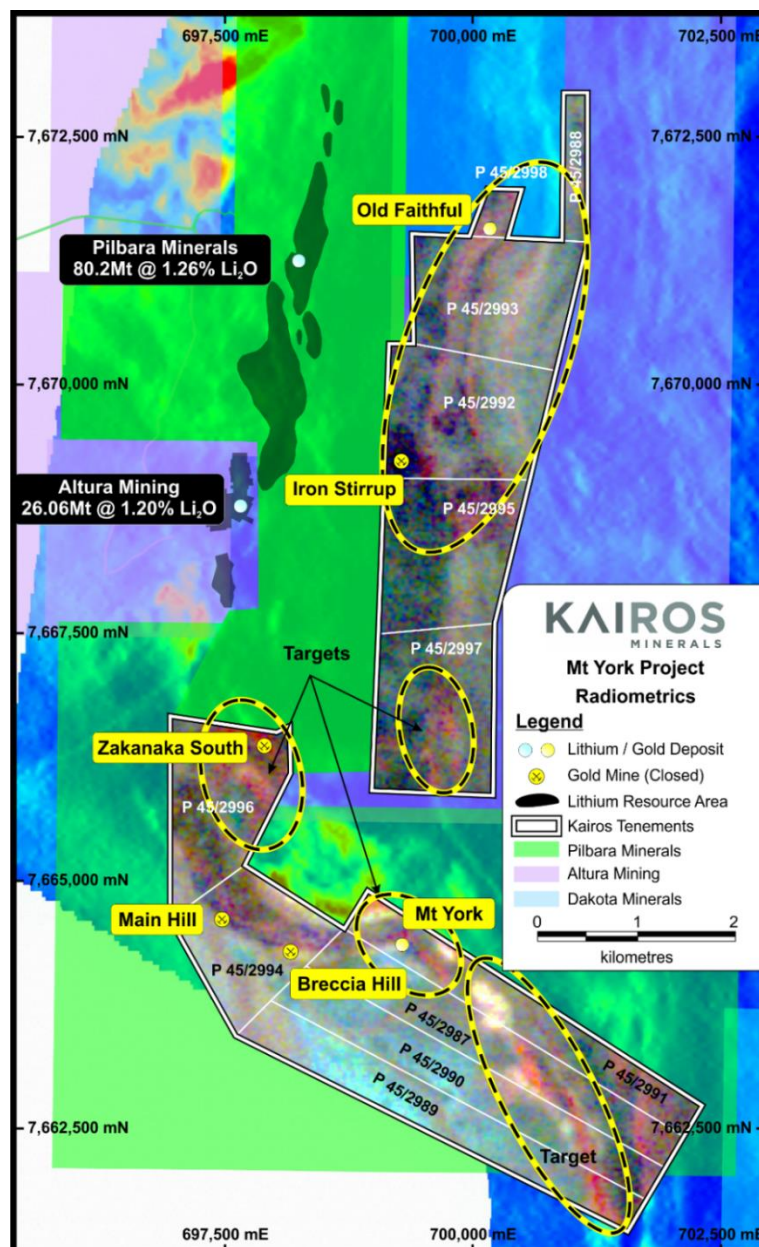


Figure 4 – Kairos Minerals Mt York Project showing radiometric survey anomalism



Figure 5 below shows detailed and regional aeromagnetics showing strike extensions and multiple fold and fault repeats to the sequences hosting Pilbara's, Altura's and Dakota's lithium-bearing pegmatites.

The presence of both outcropping and blind or buried pegmatites within Kairos' tenure is confirmed by historical mapping in the Iron Stirrup area and in the geological logs of historical gold-focused drill-holes which record pegmatites widely distributed throughout the project. Whilst the lithium-bearing nature of these pegmatites has not been confirmed due to a paucity of sampling, geological interpretation of the occurrences will provide targets for immediate follow-up.

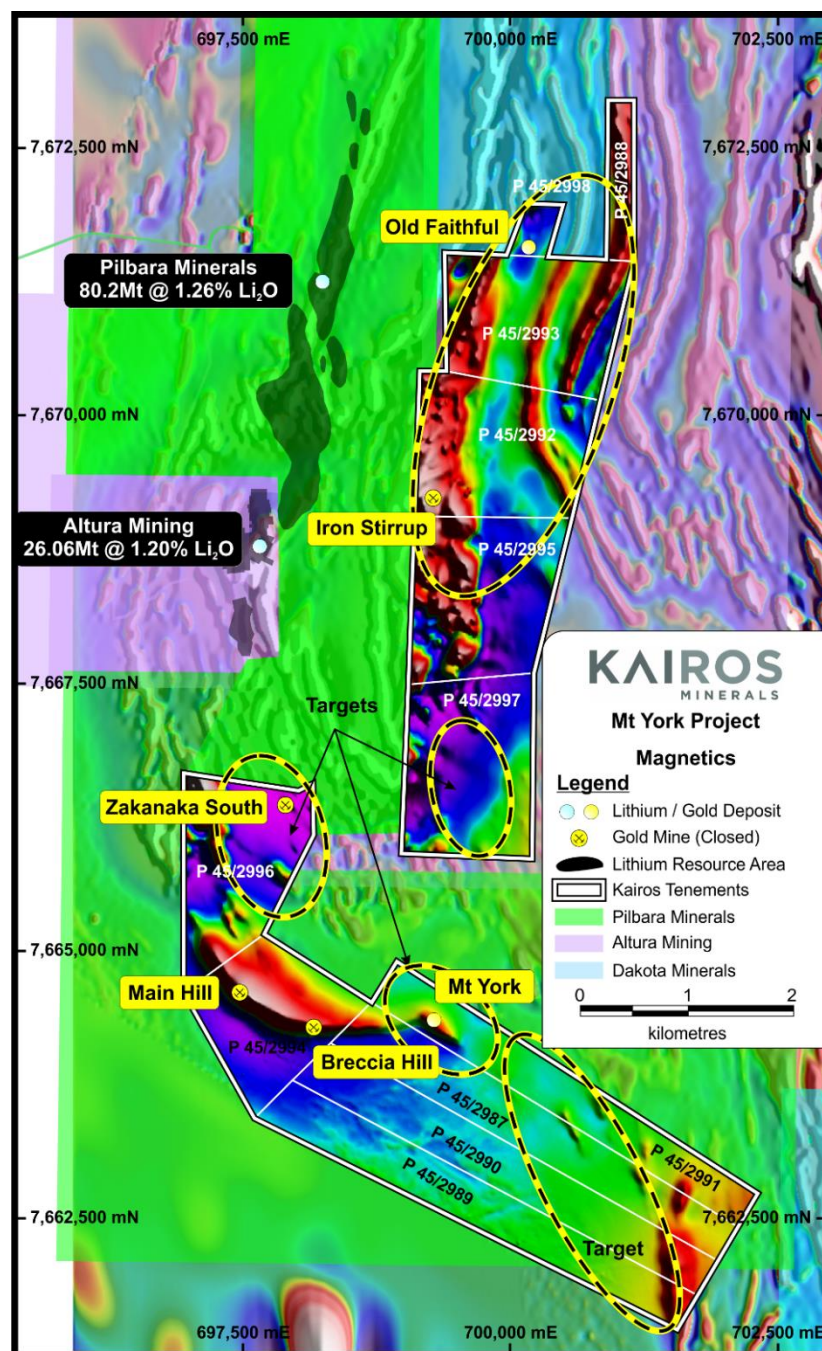


Figure 5 – Kairos Minerals Mt. York Project showing regional magnetics

## **Wodgina East Project (acquiring 100%)**

Following the completion of an extensive regional targeting exercise by the Company's technical team, Kairos expanded its lithium portfolio late in the Quarter with the successful acquisition of the Wodgina East Project from a private prospector.

Located 90km south-east of Port Hedland, the Wodgina East Project lies in the heart of one of the world's most significant emerging mining centres for lithium and tantalum, in close proximity to several existing and emerging strategic metals operations (see Figure 2 above).

It is strategically situated immediately adjacent to Global Advanced Metals' Wodgina Tantalum Mine, one of the world's largest hard rock tantalum resources, and is located ~17km to the south-west of the lithium projects held by Pilbara Minerals and Altura Mining.

Previous mapping in the area by Atlas Iron has identified extensive pegmatite swarms on the project tenements extending over a strike length of approximately 4km. Recent rock chip sampling by KAI during a reconnaissance field trip to the southern margin of the project has confirmed the lithium-bearing nature of the pegmatites with preliminary assays of up to 1.6% Li<sub>2</sub>O (for full details see the Company's ASX Announcement dated 29 March 2016).

(Note: while lithium mica minerals, e.g. lepidolite, have not been observed in hand specimens taken from these samples, detailed mineralogy to determine lithium residency has not yet been undertaken).

Project evaluation including field reconnaissance, geological mapping, rock chip sampling and geoscientific data compilation is ongoing.

## **Other New Pilbara Lithium Projects**

During the Quarter, the Company further strengthened its strategic position in the world-class East Pilbara lithium province of WA with applications lodged for eight highly prospective tenements.

The new tenements, which cover ~700km<sup>2</sup>, will give Kairos access to advanced exploration opportunities within what the Company recognises as the preferred geologic corridor of the East Pilbara Granite Greenstone terrane (EPGG).

The corridor is defined to the east and west by NNE trending craton-scale tectono-stratigraphic domain boundary structures. Major parallel faults, including the Wodgina-Strelley Lineament, control the distribution of many of the largest known rare element pegmatite-hosted deposits in the area, e.g. Strelley, Tabba Tabba, Wodgina, Mt. Cassiterite, Mt. Francisco and Pilgangoora (see Figure 6).



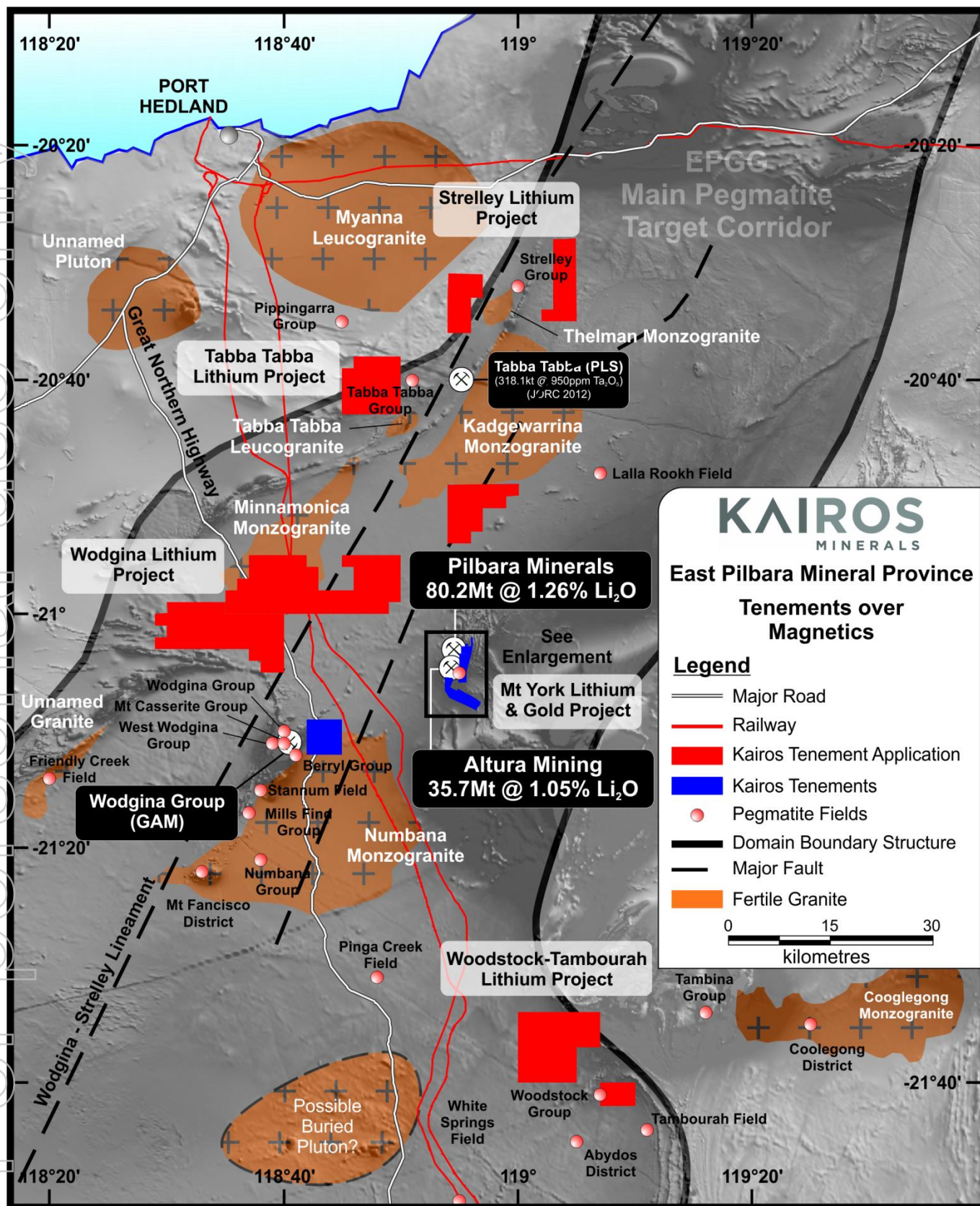


Figure 6 – East Pilbara mineral province showing the main Pegmatite Target Corridor

Importantly the new tenements secure positions on or adjacent to these major structures and proximal to confirmed fertile parental granite plutons with proven rare element LCT pegmatite occurrences.

The new additions to Kairos Minerals' Pilbara lithium portfolio complement both the Mt. York Project and the recently acquired Wodgina East Project.

Further details on the newly acquired tenure are provided below together with activities either currently underway or planned:

**Strelley Lithium Project (under application, 100%)**

- Covers 87 km<sup>2</sup>
- Project review
- Data compilation
- Targeting
- Field evaluation planned to commence in coming weeks

**Tabba Tabba Lithium Project (under application, 100%)**

- Covers 77 km<sup>2</sup>
- Project review
- Data compilation
- Targeting
- Field evaluation planned to commence in coming weeks

**Wodgina North Lithium Project (under application, 100%)**

- Covers 327 km<sup>2</sup>
- Project review
- Data compilation
- Targeting
- Field evaluation planned to commence in coming weeks

**Woodstock-Tambourah Lithium Project (under application, 100%)**

- Covers 137 km<sup>2</sup>
- Project review
- Data compilation
- Targeting
- Field evaluation planned to commence in coming weeks

**WA GOLD PROJECTS**

**Mt. York Project (acquiring 100%)**

The newly acquired Mt. York Project covers an area of 29km<sup>2</sup> ~100km south of Port Hedland and encompasses the historical Lynas Find gold mines/deposits including Iron Stirrup/Main Hill/Breccia Hill/ Zakanaka/Old Faithful. In 2008, ASX-listed Trafford Resources published a JORC (2004) gold resource for the project of 933,400t at 1.65gpt gold for a total of 49,515oz gold. The project produced



125,493oz of gold between 1994 and 1998 when it was closed due to a protracted period of record low gold prices.

Kairos' key geological/geophysical consultants, Newexco, have been engaged to undertake a full review of the gold potential of the project with the immediate aim of upgrading all known resources to JORC 12 compliance.

This work is well advanced and updated resource estimates are expected to be reported in the coming months. As a part of this review, potentially significant depth and/or strike extensions to the known lodes have been identified for each deposit which may expand the global resources at the project. Planning of drilling programs to test these positions is currently in progress.

### Roe Hills Project (100% Owned)

During the Quarter, the Company commenced an assessment of the gold potential at its 100%-owned Roe Hills Project, located 120km east - southeast of Kalgoorlie in Western Australia (see Figures 7-8 below).

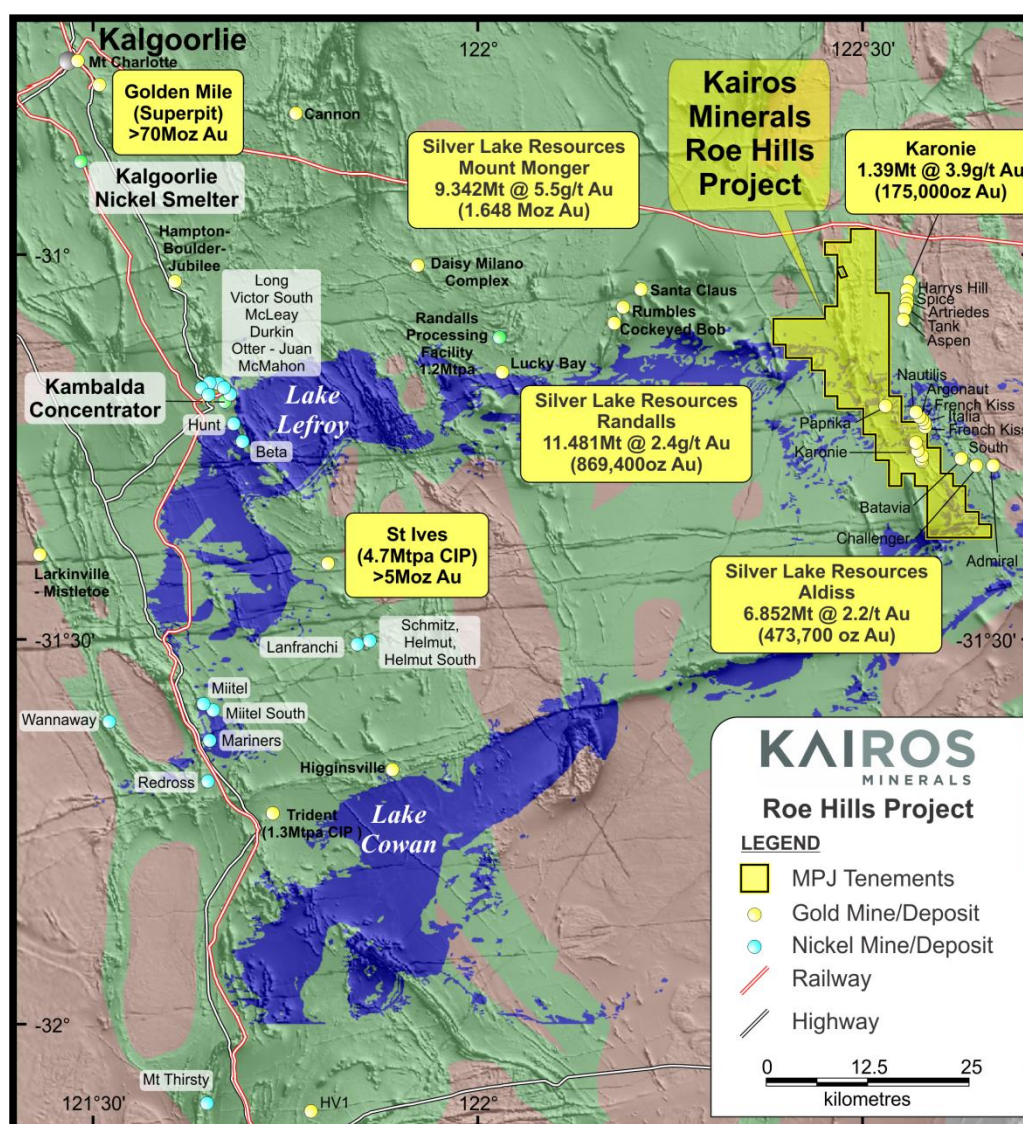


Figure 7 – Simplified geology and major gold/nickel deposits of the Eastern Yilgarn Craton



The Roe Hills Project is located 120km east-southeast of Kalgoorlie's "Golden Mile" within the Eastern Goldfields of the Eastern Yilgarn Craton (EYC) of WA. The Eastern Goldfields is a world-class gold province that has produced in excess of 130Moz of gold with more than 20 deposits containing >1Moz Au (Wyche et al 2012). The Golden Mile has produced in excess of 70Moz of gold over a continuous production period since discovery of some 120 years.

The Company's tenure comprises a total area of 324km<sup>2</sup> and secures a 40km continuous strike length of the interpreted southern extensions of the highly prospective Leonora-Laverton greenstone belts – a major gold bearing terrane of WA.

The project area is flanked by Silver Lake Resources' Mt. Monger/Randalls Gold Operations to the west and the Aldiss Gold Project to the immediate east (9.342Mt @ 5.5g/t for 1.648Moz Au; 11.481Mt @ 2.4g/t for 869,400 oz Au and 6.852 Mt @ 2.2g/t for 473,700 oz Au respectively) (Silver Lake Annual Report Dec 2015).

The Karonie Gold Mine, located just 5km to the north-east of the project, was discovered and operated by Freeport in the late 1980's. The mine produced 175000oz of gold from 1.4Mt at an average grade of 4g/t Au. Exploitation of the deposit was via open pit mining methods.

Most recently, Breaker Resources Limited (ASX: BRB) has announced the discovery of a potentially significant new field at its Lake Roe Project, only ~10km to the NNE of the project within the same tectono-stratigraphic corridor, further highlighting the gold potential of the region (for details refer Breaker Resources website ASX: BRB).

Western Mining Corporation's (WMC) Exploration Division – St. Ives Gold Division identified the Roe Hills Belt as a high priority gold-nickel project during the mid- 1990's to early 2000's. Although numerous potentially significant occurrences were outlined (e.g., Ginger Kiss, Eucalyptus, Sheehans Well, Terra) exploration effectively ceased in 2001 during a protracted period of historically low commodity prices (in 2001 the spot gold price was US\$250-300/oz).

No follow-up evaluation or methodical modern exploration for gold has been undertaken during the past 15 years.

The recent world-class gold discoveries at Tropicana (>8Moz) and Gruyere (>6Moz) to the east-north-east of the project demonstrate the opportunities available with the application of modern exploration methodologies within historically under-explored regions such as that of Roe Hills.

The immediate objectives of the new gold exploration program at Roe Hills are to:

- A. Continue geological/geochemical/structural interpretation of known gold occurrences;
- B. Assess historical data;
- C. Identify new target areas;
- D. Commence soil sampling; and
- E. Commence drill testing – utilising Aircore/RC/Diamond drilling

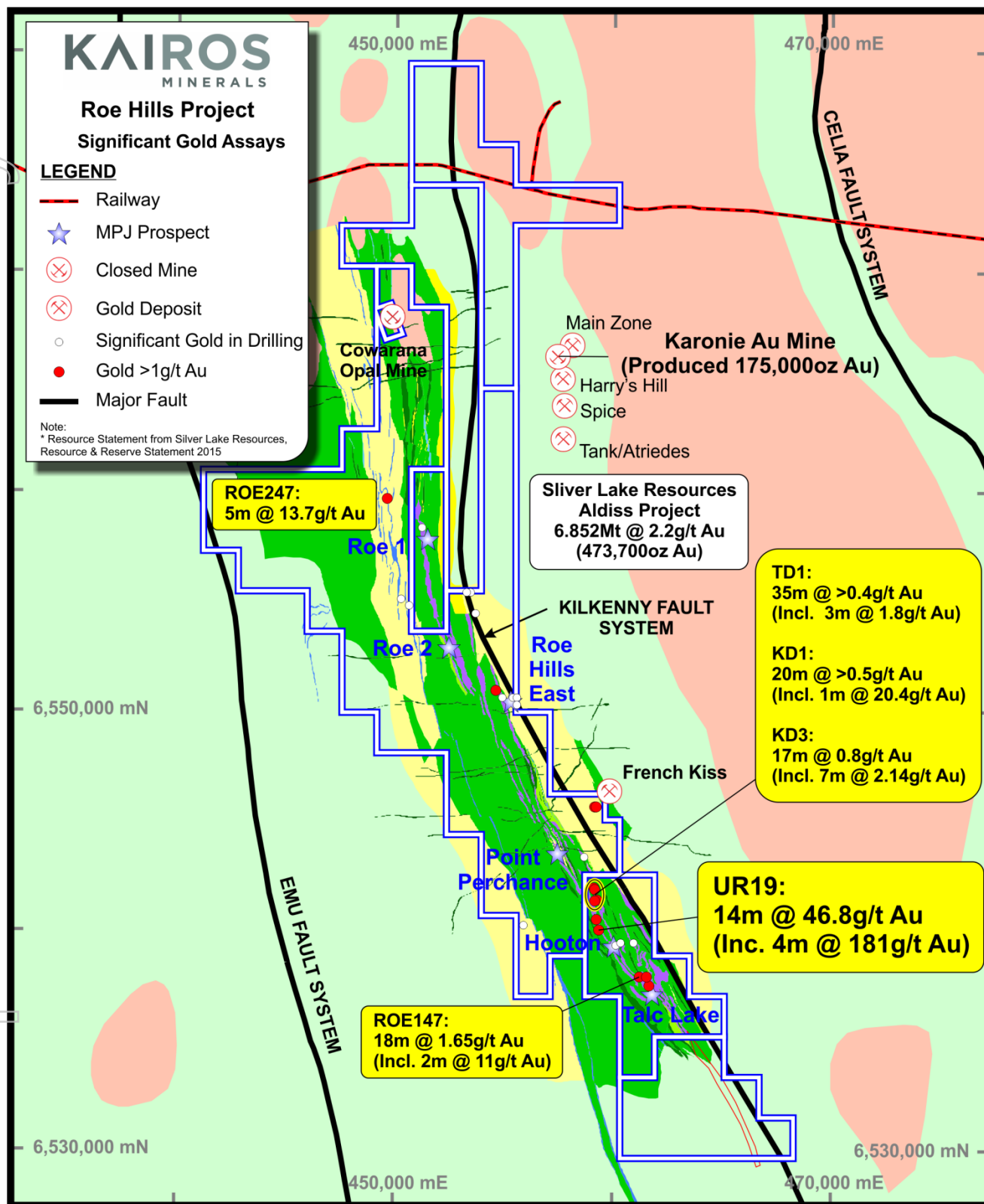


Figure 8 – Roe Hills Project - local geology and significant gold occurrences

Table 1. Presents a preliminary summary of significant historical gold intercepts at the Roe Hills Project:

Hole	MGA_E	MGA_N	Dip	Az	From	To	Width	g/t Au
UR19	459380	6540097	-90	0	38	52	14	46.8
				incl	38	42	4	181.4
TD1	459277.3	6541464.3	-60	065	117	152	35	>0.4
				incl	117.1	120.1	3	1.8
KD1	459131.47	6541995.37	-60	062	160	180	20	>0.5
				incl	165	166	1	20.4
KD3	459190.39	6541436.91	-60	060	237	254	17	0.8
				incl	237	244	7	2.14
ROE147	461237.1	6537957.2	-60	090	138	156	18	1.65
				incl	138	140	2	11.0
ROE247	449597.1	6559697.2	-90	0	50	55	5	13.7
GKRC1	459152	6545686	-59	090	75	78	3	2.15
GKRC2	459242	6545686	-60	270	74	76	2	2.2
GKRC3	459454	6545286	-59	089	76	77	1	1.1
TD3	459155.863	6541996.56	-58	065	86	88	2	1.31

## WA NICKEL PROJECTS

### Eastern Goldfields

#### **Roe Hills Project (100% Owned)**

The Roe Hills Project encompasses approximately 40 strike kilometres of highly prospective volcano-sedimentary terrane comprising at least five separate ultramafic sequences. 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 during 2015 was successful in identifying 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 during surface MLEM/FLEM and down-hole (DHEM) surveys undertaken during the 2015 field season remain untested.

Work completed during the March Quarter included:

- Ongoing evaluation of all geoscientific data sets, geology/geochemistry/geophysics;
- Ongoing petrographic studies;
- Prioritisation of nickel sulphide targets; and
- EIS application submitted for government co-funding support.



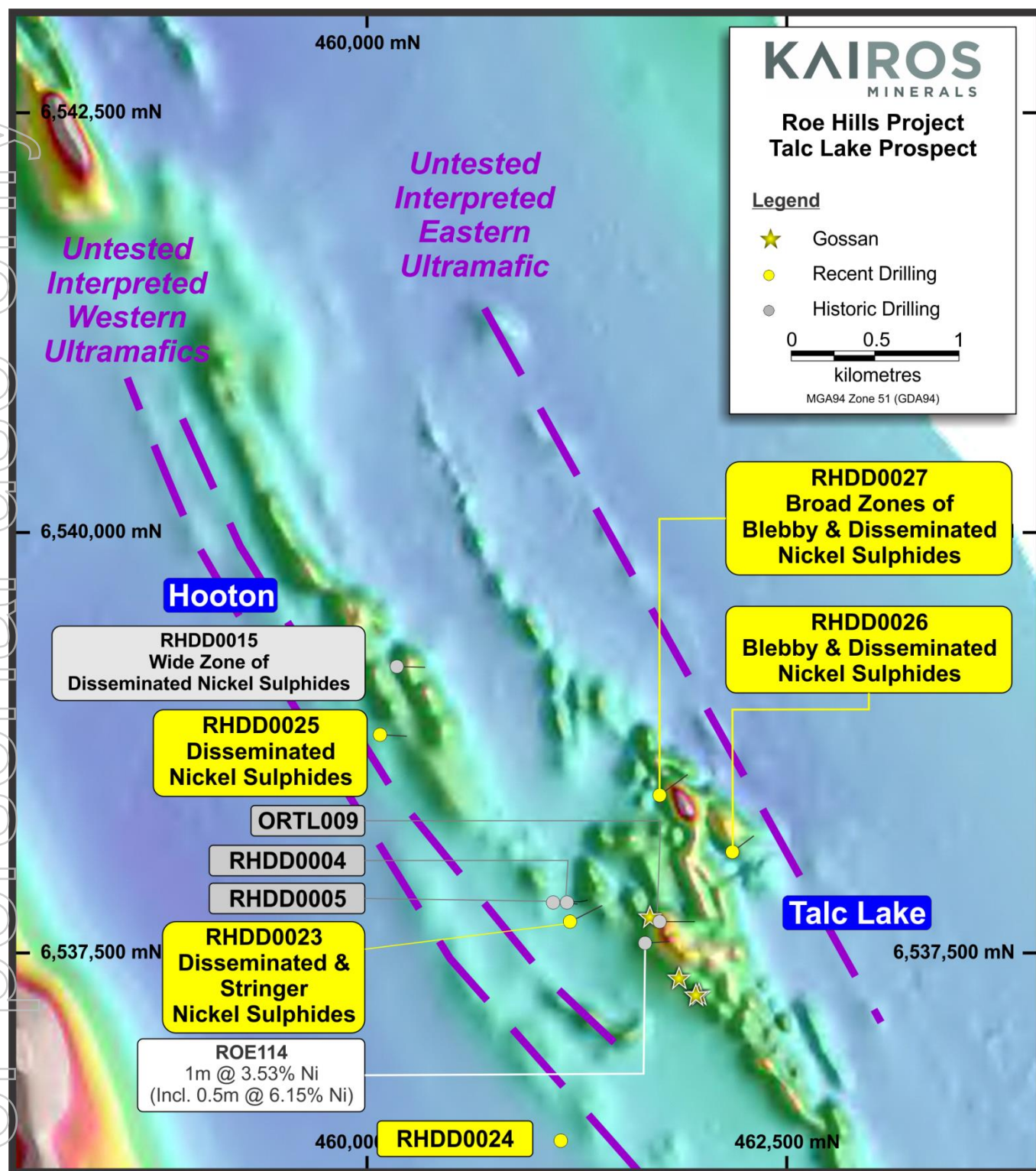


Figure 9 – Roe Hills Project – Talc Lake Prospect, recent drilling over magnetics

## Northeastern Goldfields

### Dingo Range Project – Nickel\Gold (100% Owned)

The Dingo Range Project comprises tenements bordering Rox Resources Ltd's Mt. Fisher/Mt. Fisher East Projects, which include the Camelwood and Musket Nickel Sulphide deposits with a combined Mineral Resource of 3.6Mt @ 2.0% Ni for 72,100 nickel tonnes and the Mt. Fisher Gold Deposit totaling 973,800 tonnes @2.75 g/t for 86,080 ounces of gold.

Work undertaken during the quarter included:

- Project review;
- Data compilation; and
- Targeting.

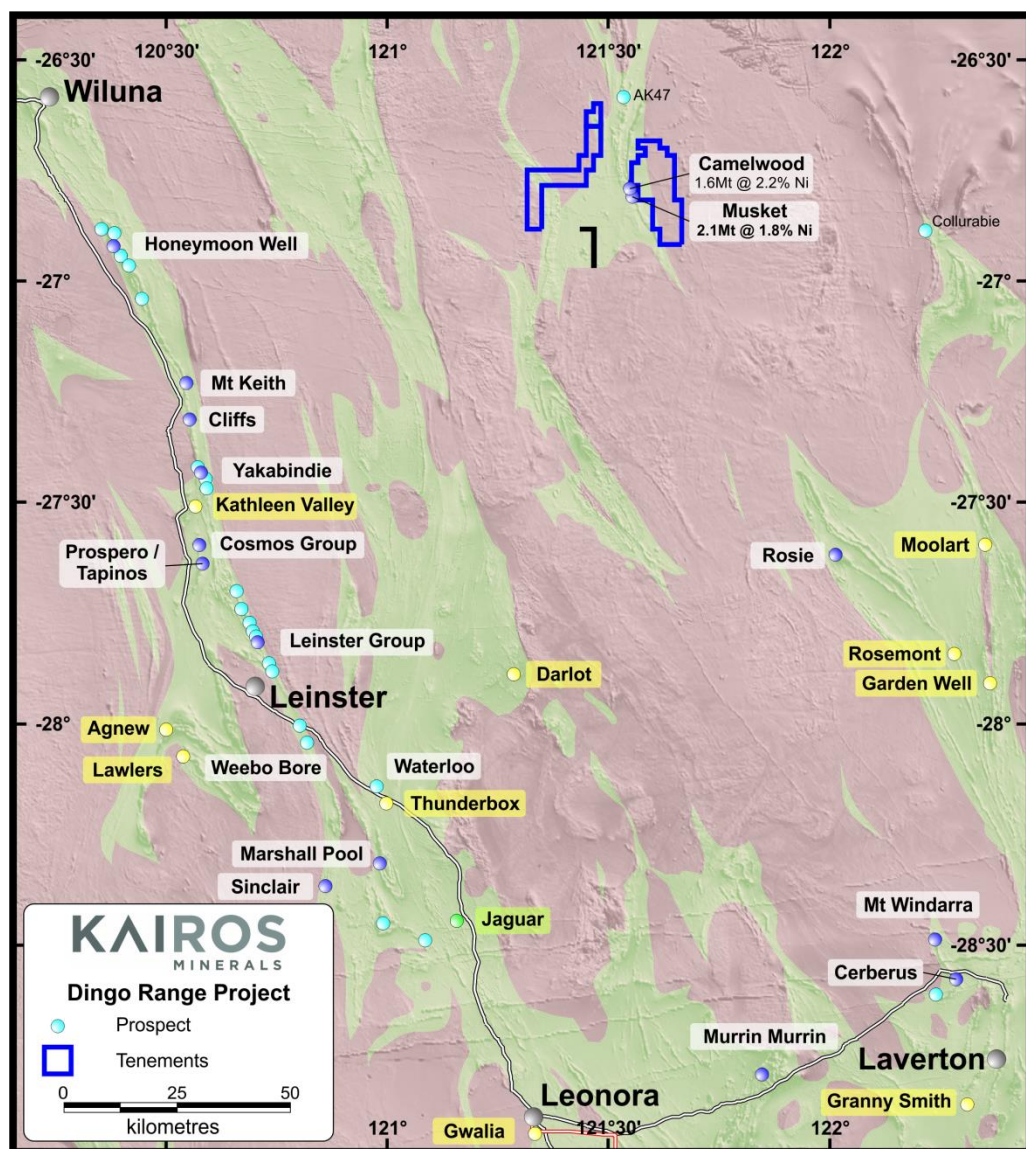


Figure 10 – Dingo Range Project, simplified geology and major gold/nickel deposits



## Albany-Fraser Range Province

### Fraser Range East Project – Nickel\Copper\Gold (100% Owned)

The Fraser Range East Project comprises largely unexplored, extensive tenure of ~840km<sup>2</sup>, covering possible strike extensions and/or structural repetitions to the sequences which host the Nova/Bollinger Nickel-Copper-Cobalt sulphide deposits owned by Independence Group, located ~70km to the north-west.

The combined Ore Reserve for the Nova Project is currently reported as 13.1Mt @ 2.1% Ni, 0.9% Cu, 0.07% Co for a total of 273,000 tonnes of nickel, 112,000 tonnes of copper and 9,000 tonnes of cobalt.

Work undertaken during the quarter included:

- Project review;
- Data compilation; and
- Targeting.

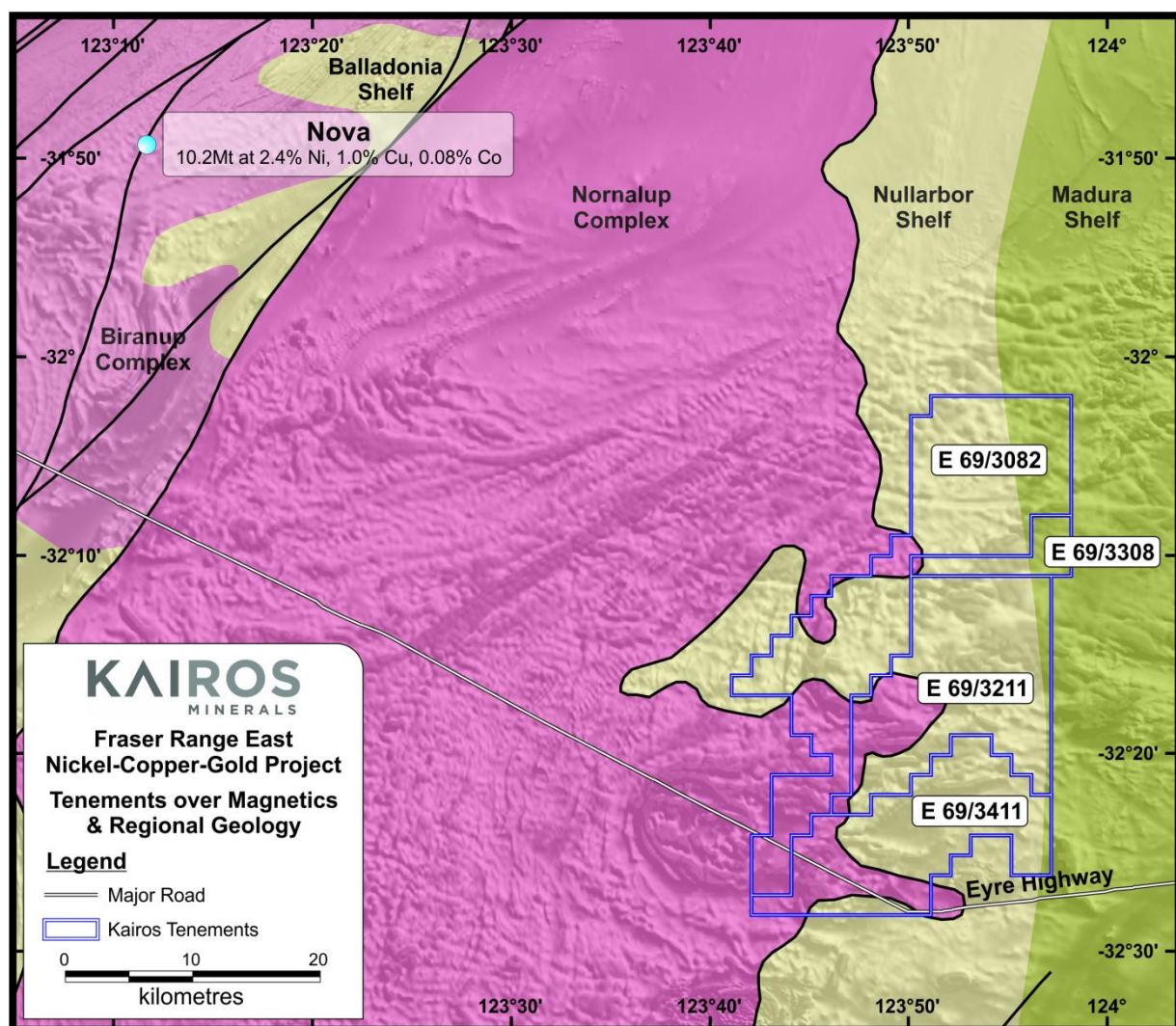


Figure 11 – Fraser Range East Project, simplified geology & regional magnetics



## CORPORATE

On 14<sup>th</sup> April 2016, the Company held a shareholders meeting, whereby all shareholder resolutions were passed without amendment, including the change of Company name to Kairos Minerals Limited (**ASX: KAI**) (previously Mining Projects Group, ASX: MPJ) and the share consolidation on the basis of 10:1.

The Company's new ASX issuer code is "**KAI**".

The Company's new website will be available and can be accessed at [www.kairosminerals.com.au](http://www.kairosminerals.com.au).

The change of name reflects the start of growth chapter for the Company as it focuses on the exploration and evaluation of its premier lithium and gold assets in the emerging East Pilbara region of Western Australia.

### Acquisition of Mt York Project

KAI paid the vendors a non-refundable deposit of \$20,000 and \$200,000 in cash and issued 200 million shares and 100 million unlisted options exercisable at 1c by June 30, 2017 (pre consolidated).

In addition, the Company has agreed to issue a further 10 million shares (post consolidation basis) when the tenements are granted. All these shares and options will be escrowed for 12 months.

Kairos has also agreed to issue the vendors "Milestone Shares" if certain JORC Resources of lithium or gold are established at Pilbara Lithium-Gold Project. These will be issued as follows:

- (i) 8 million shares (First Milestone Shares) on a mineral resource:
  - a. of at least 5 million tonnes at 1.2% Li<sub>2</sub>O (lithium oxide); or
  - b. containing at least 500,000 ounces of gold, being identified within three years of the Completion Date on any or all of the Tenements and;
- (ii) 8 million shares (Second Milestone Shares) on a mineral resource:
  - a. of at least 15 million tonnes at 1.2% Li<sub>2</sub>O; or
  - b. containing at least 1,000,000 ounces of gold, being identified within five years of the Completion Date on any or all of the Tenements.

### Placement

In February 2016, the Company placed 300 million (pre-consolidated) new fully paid ordinary shares at \$0.004 (0.4 cents) per share to raise \$1.2 million before associated costs to strategic and sophisticated investors (Placement). The Placement was issued with a 1:3 free attaching MPJO option. All securities under the offer were issued pursuant to Chapter 7 of the ASX Listing Rules.

### Appointment of director

In March 2016, the Company appointed Mr Ian Finch to its Board as Chairman. The appointment of Mr Finch complimented its investment into key lithium-gold assets in Australia.

Mr Finch is a geologist with over 45 years' experience in mining, exploration and corporate management and has worked extensively throughout Southern Africa, Indonesia and Australia. He is Chairman of Tyranna Resources Ltd (ASX: TYX), which was the principal vendor of the Mt. York Project currently being acquired by KAI (see ASX Announcements of 28 January 2016 and 1 March 2016).

Mr Finch is also a non-executive Director of emerging Brazilian gold producer Orinoco Gold Ltd (ASX: OGX), which is scheduled to commence commissioning of its Cascavel Gold Project later this month. In the early part of his career, Mr Finch worked as a mining and exploration geologist for Anglo American in Zambia, Zimbabwe and South Africa, and was principal geologist for CRA Exploration (Rio Tinto) based in South Australia, driving major exploration programs.

He later established and listed Taipan Resources Ltd, which pioneered exploration for large gold deposits in the Ashburton District of Western Australia, as well as Trafford Resources, which discovered large deposits of high-grade iron ore in the northern Eyre Peninsula of South Australia. He was previously founding Chairman of ASX-listed Robust Resources Ltd, Bannerman Resources Ltd and President of Canadian-listed Goldminco Corporation.

Mr Finch has an Honours Degree in Geology from the University of Birmingham in England and has been a member of the Australasian Institute of Mining and Metallurgy for the past 35 years.

### **Acquisition of Wodgina East Project**

In continuation with the Board's strategy, the Company acquired the Wodgina East Project under the following terms:

- issue 40 million shares upon execution (pre-consolidated).
- issuing a further 2 million shares (post consolidated) when the Tenement Area is granted and completion takes place.

The Company has also agreed to issue the vendors "Milestone Shares" if certain Mineral Resources in accordance with the JORC 2012 Edition Guidelines of lithium are established within the Tenement Area. These will be issued as follows:

- (i) 1.5 million shares (First Milestone Shares) (consolidated) upon delineation of a Mineral Resource in accordance with JORC 2012 Edition Guidelines of no less 1.2% contained lithium established by or on behalf of the Purchaser within the Tenement Area; and
- (ii) 1.5 million shares (Second Milestone Shares) (consolidated) upon delineation of a Mineral Resource in accordance with JORC 2012 Edition Guidelines of no less than 10,000,000 tonnes of lithium oxide at a minimum grade of no less 1.2% contained lithium established by or on behalf of the Purchaser within the Tenement Area.

**\*\* The denunciation to issue shares in the future are all denominated in consolidated figures.**

**ENDS**

**For further information, please contact:**

**Investors:**

Mr Joshua Wellisch  
Managing Director  
Mining Projects Group 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 N Hutchison, who is a Non-Exec Director for Mining Projects Group and who is a Member of The Australian Institute of Geoscientists. Mr Hutchison 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 Hutchison 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.

**Kairos Minerals Ltd**
**Tenement Schedule**

Project/Tenements	Location	Held at the start of quarter	Acquired during the quarter	Disposed during the quarter	Held at end of Quarter
Roe Hills Project E28/1935 E28/2117 E28/2118 E28/2495 E28/2548 E28/2585	W.A., Australia	100%	E28/2585		100%
Fraser Range Project E69/3082 E69/3211 E69/3411 E69/3308	W.A., Australia	100%			100%
Dingo Range E53/1731 E53/1732 E53/1733 P53/1624	W.A., Australia	100%			100%
Mt York Project (Formerly known as the Pilbara Lithium Gold Project) P45/2987 P45/2989 P45/2996 P45/2998 P45/2988 P45/2992 P45/2993 P45/2994 P45/2990 P45/2991 P45/2997 P45/2995	W.A., Australia	N/a	Refer to Note 1 below	N/a	Refer to Note 1 below
Wodjina Project E45/4715	W.A., Australia	N/a	Refer to Note 2 below	N/a	Refer to Note 2 below

**Note 1.** The Company entered into an acquisition arrangement with the vendors to acquire 100% of the tenements described. Refer to further details in ASX Announcement lodged "28 January 2016 – Mining Projects to acquire Pilbara Lithium-Gold Project"

**Note 2.** The Company entered into an acquisition arrangement with the vendors to acquire 100% of the tenement described. Refer to further details in ASX Announcement lodged "29 March 2016 – MPJ expands East Pilbara Lithium Portfolio"



Rule 5.5

## 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, 01/05/2013

**Name of Entity:**

Mining Projects Group Limited (ASX:MPJ)

**ABN:**

84 006 189 331

**Quarter Ended ('Current Quarter')**

31<sup>st</sup> March 2016

#### Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities		Current Quarter \$A'000	Year-to-Date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(770)	(2,525)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(76)	(326)
	(e) contract services	(122)	(425)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other –Rental Income & R&D Rebate 2015	749	756
<b>Net Operating Cash Flows</b>		<b>(219)</b>	<b>(2,519)</b>
Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:		
	(a) prospects	(242)	(242)
	(b) equity investments	-	-
	(c) other fixed assets	-	-
	(d) physical non-current assets	-	(2)
	(e) other non-current assets	-	-
1.9	Proceeds from sale of:		
	(a) business	-	-
	(b) equity investments	44	129
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net Investing Cash Flows</b>		<b>(198)</b>	<b>(115)</b>
<b>1.13</b>	<b>Total Operating and Investing Cash Flows</b>	<b>(417)</b>	<b>(2,634)</b>

		<b>Current Quarter \$A'000</b>	<b>Year-to-Date (9 months) \$A'000</b>
<b>1.13</b>	<b>Total Operating and Investing Cash Flows (Carried Forward)</b>	<b>(417)</b>	<b>(2,634)</b>
<b>Cash Flows Related to Financing Activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,203	2,391
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19a	Other – Capital Raising Costs	(88)	(182)
1.19b	Other – Share Buy-back	-	-
<b>Net Financing Cash Flows</b>		<b>1,115</b>	<b>2,209</b>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>698</b>	<b>(425)</b>
1.20	Cash at beginning of quarter/year to date	191	1,314
1.21	Exchange rate adjustments to item 1.20	-	-
<b>1.22</b>	<b>Cash at End of Quarter</b>	<b>889</b>	<b>889</b>

**Payments to Directors of the Entity and Associates of the Directors**  
**Payments to Related Entities of the Entity and Associates of the Related Entities**

		<b>Current Quarter \$A'000</b>
1.23	Aggregate amount of payments to the parties included in item 1.2	70
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Salaries, Directors' fees, corporate advisory & consulting fees at normal commercial rates	

**Non-Cash Financing and Investing Activities**

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
	-
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
	-

### Financing Facilities Available

Add notes as necessary for an understanding of the position.

		Amount Available \$A'000	Amount Used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

### Estimated Cash Outflows for Next Quarter

		\$A'000
4.1	Exploration and evaluation	400
4.2	Development	-
4.3	Production	-
4.4	Administration	120
4.5	Contract Services	-
<b>Total:</b>		<b>520</b>

### Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current Quarter \$A'000	Previous Quarter \$A'000
5.1	Cash on hand and at bank	889	191
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: Cash at End of Quarter (item 1.22)</b>		<b>889</b>	<b>191</b>

### Changes in Interests in Mining Tenements

		Tenement Reference	Nature of Interest (note (2))	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-	-

Refer to schedule above



### Issued and Quoted Securities at End of Current Quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

		<b>Total Number</b>	<b>Number Quoted</b>	<b>Issue Price Per Security (cents)</b> (see note 3)	<b>Amount Paid Up Per Security (cents)</b> (see note 3)
7.1	<b>Preference +Securities</b> <i>(Description)</i>	-	-	-	-
7.2	Changes During Quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	<b>+Ordinary Securities</b>	2,229,529,086	2,229,529,086	-	-
7.4	Changes during quarter				
	(a) Increases through issues	300,000,000	300,000,000	\$0.004	\$0.004
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	<b>+Convertible debt securities</b> <i>(Description)</i>	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> <i>(Description and Conversion Factor)</i>	1,348,814,833 90,000,000	1,348,814,833 90,000,000	Exercisable @ \$0.010 Exercisable at \$0.01, \$0.02 and \$0.03	- - -
7.8	Issued during quarter	100,000,000	100,000,000	Exercisable @ \$0.010	-
7.9	Consolidation during quarter	-	-	-	-
	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-	-	-
7.12	Unsecured notes (totals only)	-	-	-	-

## Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign Here:   
Managing Director

Date: 29 April 2016

Print Name: **Joshua Wellisch**

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities**  
The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards**  
ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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