

28 September 2017

Ms Cheng Tang
ASX Compliance Pty Ltd
Level 4, North Tower Rialto
525 Collins Street
MELBOURNE VIC 3000

By Email: cheng.tang@asx.com.au

Dear Cheng

Re: Kairos Minerals Limited Price Query

Further to your correspondence dated today, 28 September 2017 regarding the change in the price of the securities of Kairos Minerals Limited (“KAI” and “the Company”) from a low of 5.2 cents to an intra-day high of 8.9 cents today, and reference to the volume of shares traded, I wish to respond as follows:

1. Is KAI aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

No.

2. If the answer to question 1 is yes:

N/a

3. If the answer to 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?

No

4. Please confirm that KAI is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1

5. Please confirm that KAI's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of KAI with delegated authority from the board to respond to ASX on disclosure matters.

The Company notes significant recent investor interest in companies exploring for conglomerate-hosted gold mineralisation in the Pilbara region. This follows a recent presentation by Novo Resources (TSX-V: NVO) at the Denver Gold Forum on its Purdy's Reward discovery, part of its joint venture with Artemis Resources (ASX: ARV) and the announcement of a new conglomerate gold discovery at the Loudens Patch prospect by De Grey Mining (ASX: DEG).

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Kairos has previously advised the market that its extensive 1,158 sq km tenement portfolio in the Pilbara region contains an estimated ~100km strike length of the prospective lower Fortescue Group Rocks including both the base of the Hardey Formation and the basal sequence of the Mount Roe Basalt. This stratigraphic package is similar to that which hosts the discoveries reported by Novo and De Grey.

The Company has also previously advised that it is planning to commence a field exploration program in the near future to further evaluate the potential of its tenements for conglomerate-hosted gold mineralisation. Kairos will continue to provide regular updates on this program as exploration activities progress.

Please do not hesitate to contact the writer with any queries relating to this matter during office hours on 03 9614 0600

Yours sincerely

For and on behalf of Kairos Minerals Limited



Adrien Wing
Kairos Minerals Ltd
Company Secretary

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28 September 2017

Adrien Wing
Company Secretary
Level 17, 500 Collins Street
MELBOURNE VIC 3000

By email: amwing@northernstargroup.com.au

Dear Mr Wing

Kairos Minerals Limited (“KAI”): price query

We note the change in the price of KAI’s securities from a low of 5.2 cents at close yesterday to an intraday high of 8.9 cents today.

We also note the significant increase in the volume of KAI’s securities traded today.

In light of this, ASX asks KAI to respond separately to each of the following questions and requests for information:

1. Is KAI aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether KAI is aware of any information that its earnings for the 12 month period ending on 30 June 2017:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
- b) if KAI has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if KAI is not covered by analysts, its earnings for the prior corresponding period)?

2. If the answer to question 1 is “yes”:

- a) Is KAI relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in KAI’s securities would suggest to ASX that such information may have ceased to be confidential and therefore KAI may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).

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- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that KAI may have for the recent trading in its securities?
 4. Please confirm that KAI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 5. Please confirm that KAI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of KAI with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 am AEST) on 29 September 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in KAI’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, KAI’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at cheng.tang@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to KAI’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that KAI’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in KAI’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;

- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)
P: (03) 9617 8706
E: cheng.tang@asx.com.au

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