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**KAIROS MINERALS LIMITED  
ACN 006 189 331**

**NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at the Offices of the Company, at Level 1, 14 Outram Street West Perth, Western Australia on Thursday, 28 November 2019 at 12pm (WST).**

*The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.*

*Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 9226 1141.*

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

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# KAIROS MINERALS LIMITED

ACN 006 189 331

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Kairos Minerals Limited (**Company**) will be held at the Offices of the Company, at Level 1, 14 Outram Street West Perth, Western Australia on Thursday, 28 November 2019 at 12pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 26 November 2019 at 5:00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

## AGENDA

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### 1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

*"That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### Voting Prohibition

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### 3. Resolution 2 - Re-election of Director - Neil Hutchinson

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That Mr Neil Hutchinson, who retires by rotation in accordance with Article 22.1 of the Constitution and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### 4. Resolution 3 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, an issue under the 10% Placement Facility (except a benefit solely by reason of being a holder of Shares) or any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 5. Resolution 4 - Ratification of prior issue of Placement Shares

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of Placement Shares at \$0.011 per Share:*

- (a) *up to 85,227,284 Placement Shares under Listing Rule 7.1A; and*
- (b) *up to 37,499,994 Placement Shares under Listing Rule 7.1,*

*on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **6. Resolution 5 - Approval to issue Broker Options**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 61,300,000 Options to CPS Capital (or its nominees) and other eligible AFSL holders (or their respective nominees) on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of CPS Capital (and its nominees), other eligible AFSL holders (and their respective nominees and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **7. Resolution 6 - Approval to issue Badging Options**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 20,000,000 Options to CPS Capital (or its nominees) on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of CPS Capital (and its nominees) and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'Adrien Wing', with a horizontal line underneath.

**Adrien Wing**  
**Company Secretary**  
**Kairos Minerals Limited**  
Dated: 28 October 2019

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# KAIROS MINERALS LIMITED

ACN 006 189 331

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Offices of the Company, at Level 1, 14 Outram Street West Perth, Western Australia on Thursday, 28 November 2019 at 12pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 - Remuneration Report
Section 5	Resolution 2 - Re-election of Director - Neil Hutchinson
Section 6	Resolution 3 - Approval of 10% Placement Facility
Section 7	Resolution 4 - Ratification of prior issue of Placement Shares
Section 8	Resolution 5 - Approval to issue Broker Options
Section 9	Resolution 6 - Approval to issue Badging Options
Schedule 1	Definitions
Schedule 2	Securities issued in the previous 12 months
Schedule 3	Terms and conditions of Broker Options and Badging Options

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

## 2.2 Proxies

### (a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

### (b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### (c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and

- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### 2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, votes on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

### 2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [www.kairosminerals.com.au](http://www.kairosminerals.com.au);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.



In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2018 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2020 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

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## 5. Resolution 2 - Re-election of Director - Neil Hutchinson

### 5.1 General

Article 22.1 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third, rounded down). Article 22.3 of the Constitution requires that the Directors to retire are those who have held their office

as Director for the longest period since their last election or appointment to that office. In the event two or more Directors have held office for equal periods of time, the retiring Directors are to be determined by lot, unless otherwise agreed by those Directors.

Article 22.4 of the Constitution provides that a Director who retires in accordance with Article 22.1 is eligible for re-election.

As at the date of this Notice, the Company has three Directors and accordingly, one Director must retire.

Non-Executive Director Mr Neil Hutchinson was last elected at the annual general meeting held on 15 November 2017 and has held office the longest since being last elected. Accordingly, Mr Hutchinson retires by rotation at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

The Board considers Mr Hutchinson to be an independent Director.

Resolution 2 is an ordinary resolution.

The Board (other than Mr Hutchinson) recommends that Shareholders vote in favour of Resolution 2.

## **5.2 Mr Neil Hutchinson**

Mr Neil Hutchison is a geologist with over 25 years' experience in conducting regional exploration, target generation, resource drill out, project reviews and evaluations, as well as managing the nickel exploration group at the highly successful Cosmo Nickel Project.

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## **6. Resolution 3 - Approval of 10% Placement Facility**

### **6.1 General**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(e) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(b) below).

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

## 6.2 Listing Rule 7.1A

### (a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$12.7 million, based on the closing price of Shares \$0.013 on 16 October 2019.

### What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

### (b) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval; and
- (D) less the number of fully paid Shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(c) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(d) **At what price can the Equity Securities be issued?**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

**(Minimum Issue Price).**

(e) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

(f) **What is the effect of Resolution 3?**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

### **6.3 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Minimum issue price**

If the Company issues Equity Securities for cash consideration under the 10% Placement Facility, then the issue price will be not less than the Minimum Issue Price.

If the Company issues Equity Securities for non-cash consideration under the 10% Placement Facility, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

(b) **Risk of economic and voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows:

- (i) the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for "A" calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(b)) as at the date of the Notice (**Variable A**);
- (ii) two examples where Variable A has increased, by 50% and 100%; and
- (iii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue Variable A in Listing Rule 7.1A.2	Dilution			
	Issue price per Share	\$0.007 50% decrease in Issue Price	\$0.013 Issue Price	\$0.026 100% increase in Issue Price
975,000,117 Shares Current Variable A	10% Voting Dilution	97,500,012 Shares	97,500,012 Shares	97,500,012 Shares
	Funds raised	\$633,750	\$1,267,500	\$2,535,000
1,462,500,176 Shares 50% increase in current Variable A	10% Voting Dilution	146,250,018 Shares	146,250,018 Shares	146,250,018 Shares
	Funds raised	\$950,625	\$1,901,250	\$3,802,500
1,950,000,234 Shares 100% increase in current Variable A	10% Voting Dilution	195,000,023 Shares	195,000,023 Shares	195,000,023 Shares
	Funds raised	\$1,267,500	\$2,535,000	\$5,070,00

**Notes:**

1. The table has been prepared on the following assumptions:
  - (a) the issue price is \$0.013 being the closing price of the Shares on ASX on 16 October 2019, being the last day that the Company's Shares traded on the ASX before this Notice was printed;
  - (b) Variable A is 975,000,117, comprising:
    - (i) 852,272,839 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in

Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4; and

- (ii) a total of 122,727,278 Shares ratified if Resolutions 4(a) and 4(b) are passed at the Meeting;
  - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
  - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
  - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
  3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

(c) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period.

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(d) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for cash consideration, in which case the Company intends to use funds raised for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

The Company will comply with the disclosure obligations under the Listing Rules upon issue of any Equity Securities.

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 21 November 2018.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued 122,727,278 Equity Securities. This represents 12% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in Schedule 2.

(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## 7. Resolution 4 - Ratification of prior issue of Placement Shares

### 7.1 General

On 22 October 2019, the Company announced that it had received binding commitments for a placement to raise approximately \$1.35 million before costs (**Placement**) by the issue of Shares at \$0.011 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

Settlement of the Placement is anticipated to occur on or about 28 October 2019, after the date of this Notice but before the date of the Meeting.

The Placement Shares are expected to be issued as follows:

- (a) up to 85,227,284 Placement Shares under Listing Rule 7.1A; and
- (b) up to 37,499,994 Placement Shares under Listing Rule 7.1.

Resolution 4 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue the Placement Shares.

Each of the resolutions which form part of Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of each of the resolutions which form part of Resolution 4.

### 7.2 Listing Rules 7.1, 7.1A and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 21 November 2018.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A, as applicable.

The effect of the resolutions which form part of Resolution 4 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.



### 7.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) a maximum of 122,727,278 Placement Shares are to be issued as follows:
  - (i) 85,227,284 Placement Shares are to be issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval; and
  - (ii) 37,499,994 Placement Shares are to be issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval;
- (b) the Placement Shares will be issued at \$0.011 per Share;
- (c) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares will be issued to the Placement Participants, none of whom is a related party of the Company. CPS Capital acted as lead manager to the Placement;
- (e) the proceeds from the issue of the Placement Shares are intended to be used towards:
  - (i) undertaking a drilling program at the Company's Mt York Gold Project;
  - (ii) progressing exploration activities at the Croydon Gold Project;
  - (iii) the commencement of mining studies on the Mt York Gold Project;
  - (iv) general working capital; and
  - (v) costs of the Placement; and
- (f) a voting exclusion statement is included in the Notice.

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## 8. Resolution 5 - Approval to issue Broker Options

### 8.1 General

The Company engaged CPS Capital as its lead manager for the Placement.

As part consideration for the facilitation of the Placement, the Company has agreed to issue CPS Capital and the other eligible AFSL holders who facilitated the Placement 61,300,000 unquoted options (**Broker Options**).

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Broker Options to CPS Capital (or its nominees) and other eligible AFSL holders (or their respective nominees).

Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

## 8.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 7.2 above.

The effect of Resolution 5 will be to allow the Company to issue the Broker Options during the period of 3 months after the Meeting without using the Company's 15% annual placement capacity under Listing Rule 7.1.

## 8.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Broker Options:

- (a) a maximum of 61,300,000 Options are to be issued as Broker Options;
- (b) the Broker Options will be issued no later than 3 months after the date of the Meeting;
- (c) the Broker Options will be issued for nil cash consideration as part consideration for the facilitation of the Placement;
- (d) the Broker Options will be issued to CPS Capital (or its nominees) and other eligible AFSL holders (or their respective nominees);
- (e) any Shares issued on the exercise of the Options will be fully paid ordinary Shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) the Broker Options will be exercisable at \$0.025 each and expiring on 31 December 2021, with a nominal issue price of \$0.00001 each (with the full terms and conditions set out in Schedule 3);
- (g) a nominal amount of up to \$682 will be raised by the issue of the Broker Options, which will be applied towards the costs of the issue;
- (h) it is intended that the issue of the Broker Options will occur shortly after the Meeting; and
- (i) a voting exclusion statement is included in the Notice.

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## 9. Resolution 6 - Approval to issue Badging Options

### 9.1 General

The Company has agreed to issue CPS Capital (or its nominees) up to 20,000,000 unquoted options (**Badging Options**) as part consideration for the services provided in connection with the Placement.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of Badging Options to CPS Capital (or its nominees).

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

## 9.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 7.2 above.

The effect of Resolution 6 will be to allow the Company to issue the Badging options during the period of 3 months after the Meeting without using the Company's 15% annual placement capacity under Listing Rule 7.1.

## 9.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of Badging Options:

- (a) a maximum of 20,000,000 Options are to be issued as Badging Options;
- (b) the Badging Options will be issued no later than 3 months after the date of the Meeting;
- (c) the Badging Options will be issued for nil cash consideration as part consideration for the facilitation of the Placement;
- (d) the Badging Options will be issued to CPS Capital (or its nominees);
- (e) any Shares issued on the exercise of the Badging Options will be fully paid ordinary Shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) the Badging Options will be exercisable at \$0.025 each and expiring on 31 December 2021, with a nominal issue price of \$0.00001 (with the full terms and conditions set out in Schedule 3);
- (g) a nominal amount of up to \$200 will be raised by the issue of the Badging Options, which will be applied towards the costs of the issue;
- (h) it is intended that the issue of the Badging Options will occur shortly after the Meeting; and
- (i) a voting exclusion statement is included in the Notice.

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**10% Placement Facility** has the meaning given in Section 6.1.

**10% Placement Period** has the meaning given in Section 6.2(e).

**\$ or A\$** means Australian Dollars.

**AFSL** means Australian Financial Services Licence.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2019.

**Article** means an article of the Constitution.

**ASX** means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report on the Financial Report.

**Badging Options** means 20,000,000 unquoted Options issued to CPS Capital (or its nominees) on the terms and conditions set out in Schedule 3 which are the subject of Resolution 6.

**Board** means the board of Directors.

**Broker Options** means 81,300,000 unquoted Options issued to CPS Capital (or its nominees) and other eligible AFSL holders (or their respective nominees) on the terms and conditions set out in Schedule 3 which are the subject of Resolution 5.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Kairos Minerals Limited (ACN 006 189 331).

**Constitution** means the constitution of the Company as at the date of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Minimum Issue Price** has the meaning given in Section 6.2(d).

**Notice** means this notice of annual general meeting.

**Option** means an option to acquire a Share.

**Placement** has the meaning given in Section 7.1.

**Placement Participants** means the sophisticated and professional investors introduced to the Company through CPS Capital or the Directors, who participated in the Placement.

**Placement Shares** means the 122,727,278 Shares which are the subject of Resolution 4.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

**Securities** means any Equity Securities of the Company (including Shares, Options and Performance Rights).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**Trading Day** has the meaning given in the Listing Rules.

**VWAP** means volume weighted average market price.

**WST** means Western Standard Time being the time in Perth, Western Australia.

## Schedule 2 - Securities issued in the previous 12 months

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price <sup>1</sup>	Consideration and Use of funds
Expected to be issued on or about 28/10/2019	122,727,278	Shares	Sophisticated and professional investors under the Placement	\$0.011 per Share. The discount to the Market Price on the date of issue will be announced separately.	<p>\$1,350,000 (before costs) was raised, of which none has been expended as at the date of this Notice. The funds are intended to be applied as follows:</p> <ul style="list-style-type: none"> <li>• to undertake a drilling program at the Company's Mt York Gold Project;</li> <li>• to progress exploration activities at the Croydon Gold Project;</li> <li>• the commencement of mining studies on the Mt York Gold Project;</li> <li>• general working capital; and</li> <li>• costs of the Placement.</li> </ul>

**Note:**

1. "Market Price" means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

### Schedule 3 - Terms and conditions of Broker Options and Badging Options

The terms of the Broker Options and the Badging Options (together, **Options**) are as follows:

1. **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price):** Each Option will have an issue price of \$0.00001 each.
3. **(Exercise Price):** The amount payable upon exercise of each Option will be \$0.025.
4. **(Expiry Date):** Each Option will expire at 5.00pm (WST) on 31 December 2021. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period):** The Options are exercisable at any time on or prior to the Expiry Date.
6. **(Notice of Exercise):** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
7. **(Exercise Date):** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds.
8. **(Quotation):** The Options are unquoted. An application for quotation of the Options may be made by the Company in the future at the sole discretion of the Company.
9. **(Quotation of Shares issued on exercise):** Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
10. **(Timing of issue of Shares on exercise):** Within 15 Business Days after the Exercise Date, the Company will:
  - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (c) if admitted to the official list of ASX at the time, subject to any restriction or escrow arrangements imposed by ASX, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 10(a) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the

Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

11. **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
12. **(Reconstruction of capital):** In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the Options, all rights of the Option holder will be varied in accordance with the Listing Rules.
13. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
14. **(Change in exercise price):** There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
15. **(Adjustment for bonus issues):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder of the Options had exercised the Option before the record date for the bonus issue; and
  - (b) no change will be made to the Option exercise price.
16. **(Transferability):** The Options are transferable with prior written consent of the Board, which consent may be withheld in its sole discretion.



**KAIROS MINERALS LIMITED**  
ACN 006 189 331  
**PROXY FORM**

The Company Secretary  
Kairos Minerals Limited

**By post:** Level 1, 14 Outram Street West Perth, Western Australia, 6005  
**By hand delivery:** Level 1, 14 Outram Street West Perth, Western Australia, 6005  
**By facsimile:** +61 3 9614 0550

Number of Shares  
entitled to vote:

Please mark  to indicate your directions. Further instructions are provided overleaf.

**STEP 1 - APPOINT A PROXY TO VOTE ON YOUR BEHALF**

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

I/We being Shareholder/s of the Company hereby appoint:

The Chair of  
the Meeting  
(mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

Or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at the Offices of the Company, at Level 1, 14 Outram Street West Perth, Western Australia on Thursday, 28 November 2019 at 12pm (WST), and at any adjournment or postponement of that Meeting.

**CHAIR'S VOTING INTENTIONS IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intentions on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

**Important:** If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

**STEP 2 - INSTRUCTIONS AS TO VOTING ON RESOLUTIONS**

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Remuneration Report			
Resolution 2	Re-election of Director - Neil Hutchinson			
Resolution 3	Approval of 10% Placement Facility			

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		For	Against	Abstain*
Resolution 4(a)	Ratification of prior issue of Placement Shares under Listing Rule 7.1A			
Resolution 4(b)	Ratification of prior issue of Placement Shares under Listing Rule 7.1			
Resolution 5	Approval to issue Broker Options			
Resolution 6	Approval to issue Badging Options			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**Authorised signature/s** This section *must* be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Sole Director/Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

<sup>1</sup>Insert name and address of Shareholder      <sup>2</sup> Insert name and address of proxy      \*Omit if not applicable

**PROXY NOTES**

A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting. If the Shareholder is entitled to cast 2 or more votes at the Annual General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting, the representative of the body corporate to attend the Annual General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Annual General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be provided to the Company Secretary at an address provided above (by post, hand delivery or facsimile) not less than 48 hours prior to the time of commencement of the Annual General Meeting (WST).