

ASX ANNOUNCEMENT

22 October 2019

KAIROS TO RAISE UP TO \$2.0M TO UNDERPIN NEW PHASE OF EXPLORATION AT 643,000oz¹ PILBARA GOLD PROJECT

RC drilling to commence in November targeting newly-identified high-grade gold targets

Highlights

- Firm commitments received to raise ~\$1.35M through a share placement at 1.1 cents per share.
- Kairos to undertake a Share Purchase Plan (SPP) to raise up to an additional \$650k, allowing eligible shareholders to participate in the capital raising on the same terms.
- Funds to underpin new phase of exploration and resource extension drilling across the Company's flagship 643,000oz¹ Pilbara Gold Project in WA.
- Funds will also be used to complete a review of the current Mineral Resource, commence mining studies and undertake initial exploration activities at the newly-identified gold target at the Croydon Project.

Kairos' Executive Chairman, Terry Topping, said: "We are very pleased with the response from investors to this capital raising, which will allow us to commence an exciting new phase of exploration at our flagship Pilbara Gold Project. At the heart of the Company's value proposition is the current 643,000oz¹ Mineral Resource at the Mt York Project, which sits immediately adjacent to the newly-established Pilgangoora lithium mining centre.

"Following a detailed re-evaluation of the existing resource completed in recent months, the Company has established some exciting new exploration targets – particularly at the higher-grade Iron Stirrup deposit. We believe there is an opportunity to extend the mineralisation at Iron Stirrup beneath and along strike from the existing open pit, which was mined historically in the 1990s.

"We also plan to undertake a review of the overall existing 643,000oz¹ Mineral Resource and commence mining studies. This reflects the substantial increase in the Australian Dollar gold price since the Resource was first published in May last year. The funds raised will also allow us to undertake further exploration of the very large, coherent and high-tenor gold-in-soil anomaly identified recently at the Croydon Project."

Kairos Minerals Ltd (ASX: KAI; "Kairos" or "the Company") is pleased to announce a capital raising of up to \$2.0 million to underpin a new phase of exploration and drilling at the Company's 100%-owned **Pilbara Gold Project**, (Figure 1), located ~100km to south-west of Port Hedland in Western Australia.

The funds raised will allow the Company to commence drill testing of newly identified high-grade gold targets at the Iron Stirrup deposit, located within the previously mined 643,000oz¹ Pilbara Gold Project, complete a review of the existing Mineral Resource (Indicated and Inferred Resource of 14.4Mt at 1.39g/t for 643,000oz) and commence initial mining studies.

¹ Refer KAI ASX Release, 23 May 2018 for details of JORC 2012 compliant Indicated and Inferred Resource of 14.4Mt at 1.39g/t for 643,000oz.

The renewed focus on exploration and evaluation of the Pilbara Gold Project has been prompted by the substantial increase in the Australian Dollar gold price since the Resource was first published in May 2018.

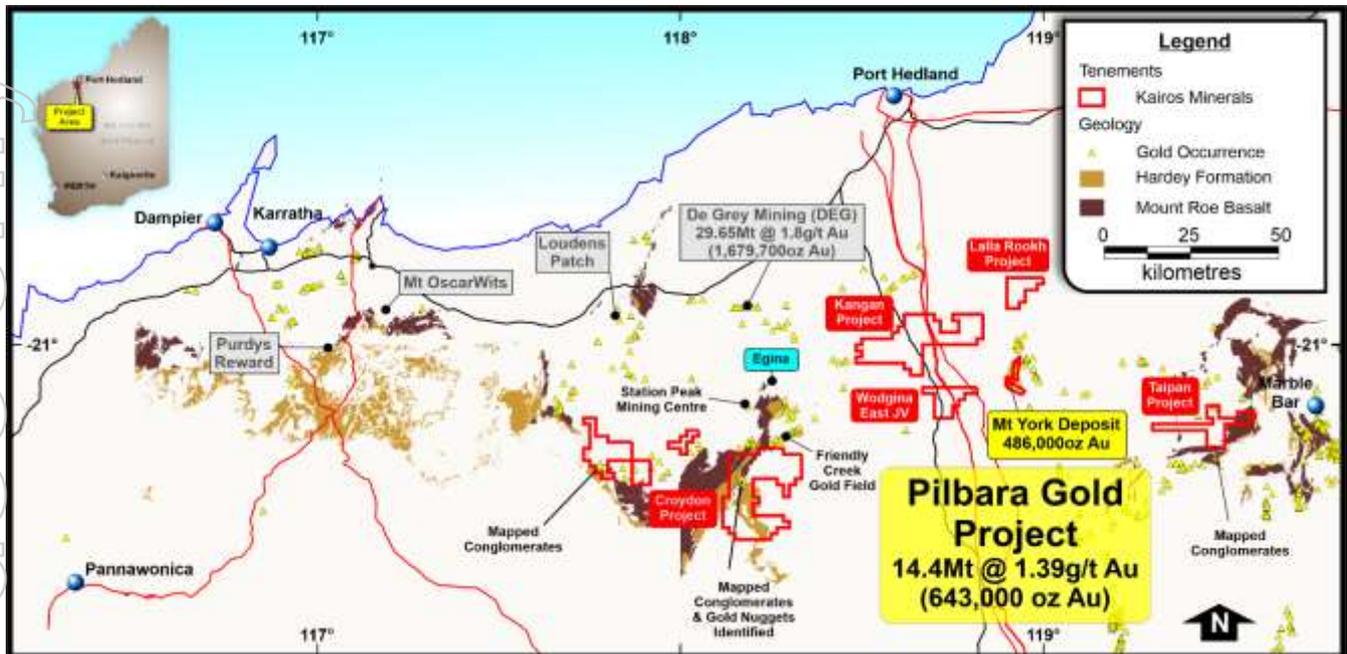


Figure 1: Croydon Project With Regional Geology.

Placement

The Company has received firm commitments from existing and new sophisticated, professional and other institutional investors comprising 122.7 million shares at an issue price of 1.1 cents per share to raise a total of \$1.35 million before costs (**Placement**).

CPS Securities acted as Lead Manager to the Placement.

The Placement will be undertaken within the Company's existing placement capacity under the ASX Listing Rules with 85,227,284 shares to be issued under Listing Rule 7.1A and 37,499,994 shares to be issued under LR 7.1. Accordingly, no shareholder approval is required for the Placement share.

Allotment of the shares pursuant to the Placement is expected to occur on 28 October 2019.

81.3 million options will be issued to CPS and/or their nominees pursuant to the placement, whereby the options will be exercisable at 2.5 cents each on or before 31 December 2021 upon the completion of the Placement. The issue of these options will be subject to shareholder approval that will be sought at the next conveniently convened shareholders meeting.

Share Purchase Plan

The Placement will be followed by an offer to existing Australian and New Zealand shareholders to participate in a share purchase plan (**SPP**) at the same issue price as the Placement (1.1 cents per Share).

Shareholders wishing to participate in the SPP should carefully read the SPP Offer Document and accompanying application form, which are expected to be despatched on or around 30 October 2019.

The Company is targeting to raise up to an additional \$650k from the SPP Offer.

It is presently intended that a maximum of 59,090,909 Shares will be issued pursuant to the Offer, which would raise a maximum of \$650,000. Applications will be accepted on a 'first in, first accepted' basis and will not be able to be withdrawn once made. The Board presently intends that SPP will close after the maximum amount of \$650,000 has been raised, however it reserves the right to accept oversubscriptions.

Use of Funds

- RC drilling program (2-3,000m) predominantly at the Iron Stirrup Project, part of the Pilbara Gold Project, and potentially other deposits – commencing early November.
- Review of the existing 643,000oz Mineral Resource at the Pilbara Gold Project (Q4 2019).
- Commencement of mining studies for the Pilbara Gold Project (Q1 2020).
- Initial exploration activities including drilling at the newly defined large gold-in-soils anomaly at the Croydon Project (Q2 2020).

Indicative timetable

Event	Date
SPP Record Date	21 October 2019
Announcement of Placement and SPP	22 October 2019
Issue of Placement Shares Issue of cleansing notice	28 October 2019
Despatch of SPP Offer Booklet and opening date under the SPP	30 October 2019
SPP closing date	18 November 2019
Issue of SPP Shares	25 November 2019

Please note that with the exception of the SPP Record Date, the dates set out above are indicative only, and are subject to change without notice.

About Kairos Minerals

Kairos Minerals (ASX: KAI) is a diversified West Australian-based exploration company which is focused on the exploration and development of two key project hubs located in WA's premier mining districts.

The Company's 100%-owned Pilbara Gold-Project has its central "hub" located ~100km south of Port Hedland in the world-class Pilgangoora district immediately adjacent to the major lithium-tantalum projects owned by Pilbara Minerals and Altura Mining which are both currently in production.

Since acquiring the project in early 2016, Kairos has rapidly established a JORC Indicated 6.84Mt at 1.3 g/t for 285,000oz and Inferred 7.53Mt at 1.47 g/t for 358,000oz for a Total Mineral Resource of 14.4Mt @ 1.39g/t Au for 643,000oz (ASX announcement, 23 May 2018) by re-evaluating the previously known resources from the historical Lynas Find gold project, which produced over 125,000oz of gold between 1994 and 1998 and by executing highly focussed, cost effective exploration in its own right.

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Kairos's 100%-owned Roe Hills Project, located 120km east of Kalgoorlie in WA's Eastern Goldfields, comprises an extensive tenement portfolio where the Company's recent exploration work has confirmed the potential for significant discoveries of high-grade gold, nickel and cobalt mineralisation. Kairos' tenure adjoins the emerging Lake Roe gold discovery, owned by Breaker Resources (ASX: BRB).

In the Pilbara, Kairos also holds 1,158 square kilometres of tenure which is highly prospective for conglomerate-hosted gold discoveries. The Company's portfolio includes ~100 strike kilometres of prospective lower Fortescue Group rocks including both the base of the Hardey Formation and the basal sequence of the Mount Roe Basalt. Major exploration programs are underway targeting these highly prospective stratigraphic horizons, which have been associated with a number of recent high-profile gold discoveries in the Pilbara.

Kairos has been well recognised for its industry leading technical team that includes its Chairman Terry Topping (Taipan Resources NL, Cauldron Energy Ltd), Technical Director Neil Hutchison (Poseidon Nickel, Jubilee Mines) and consulting specialists.

For further information, please contact:

Investors:

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COMPETENT PERSON STATEMENT:

Competent Person: The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled and reviewed by Mr Terry Topping, who is a Director of Kairos Minerals Ltd and who is also a Member of AusIMM. Mr Topping has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' (the JORC Code 2012). Mr Topping has consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.