

ASX ANNOUNCEMENT

26 June 2023

Global Lithium to take 10% stake in Kairos via A\$4m Share Placement

Kairos to raise a further A\$6.5m via a fully-underwritten Entitlements Offer

Highlights

- Global Lithium Resources (ASX:GL1) will emerge with a 10% stake in Kairos by subscribing for a A\$3.96m Share Placement at A\$0.018 per share, representing a 5.9% premium to Kairos' last traded price of A\$0.017 and a 5.6% premium to the 15-day trading VWAP of A\$0.0171
- Kairos and Global Lithium have signed a Collaboration Agreement to provide for an ongoing strategic relationship in respect of Kairos' Roe Hills Lithium Project
- Roe Hills is located 100km from Kalgoorlie and is adjacent to Global Lithium's Manna lithium project
- Kairos will also undertake a fully-underwritten non-renounceable entitlement offer on a one (1) for five (5) basis to raise up to A\$6.55 million at A\$0.015 per share
- The proceeds of the Placement and Entitlements Issuance will be used primarily for exploration at Roe Hills and the Company's Pilbara gold and lithium projects, as well as working capital

Kairos Minerals (ASX: KAI) is pleased to announce that it has entered into a Cornerstone Investment and Collaboration Deed with Global Lithium Resources Ltd ("**Global Lithium**" or "**GL1**") pursuant to which Global Lithium has committed to invest A\$3.96 million in the Company through a strategic placement ("**Strategic Placement**"). Immediately following the completion of the Strategic Placement, the new shares issued to GL1 will represent approximately 10.0% of the Company's total ordinary shares on issue.

The placement price represents a 5.9% premium to the Company's last close price of A\$0.0170 and a 5.6% premium to the Company's 15-trading day VWAP of A\$0.0171, up to the close of trading on 23 June 2023.

In conjunction with the Strategic Placement, the Company will undertake a fully underwritten non-renounceable rights issue of one (1) new fully paid ordinary share ("**New Share**") for every five (5) existing shares held by eligible shareholders who are registered on the

Company's share register at the record date of 5.00pm WST on 5 July 2023 at an issue price of A\$0.015 per New Share to raise an additional A\$6.55 million ("**Rights Issue**"). Completion of the Strategic Placement to GL1 is scheduled to occur prior to the record date for the Rights Issue.

The Rights Issue Price represents a 11.8% discount to the Company's last close price of A\$0.0170 and a 12.0% discount to the Company's 15-trading day VWAP of A\$0.0171, up to 23 June 2023.

As part of the Cornerstone Investment and Collaboration Deed, GL1 has agreed to take up its pro-rata entitlement in the Rights Issue, subject to the underwriting arrangements in relation to the Rights Issue not being terminated.

Kairos Managing Director, Dr Peter Turner said: "**Attracting a cornerstone investor like Global Lithium is testament to the quality of the Roe Hills Project where we have delivered highly promising lithium targets close to GL1's Manna deposit.**"

"I look forward to working with them over our large tenement holding at Roe Hills, especially as we embark on a major drilling programme at the Black Cat and Crystal Palace lithium prospects within the project."

"Black Cat is a 2,800m long Li-Cs-Be-Rb soil anomaly up to 300m wide where we are planning a significant initial drilling programme."

"Kairos has an outstanding future with a strong balance sheet, a Tier-1 strategic partner and quality assets in the Goldfields and the Pilbara that are highly prospective for lithium."

Kairos Minerals Ltd (ASX: KAI "Kairos" or "the Company") is pleased to announce the details of a Strategic Placement and a Rights Issue in the Company.

Canaccord Genuity (Australia) Limited ("**Canaccord**") and Argonaut Securities Pty Ltd ("**Argonaut**") acted as Joint Lead Managers to the offer and as Joint Underwriters to the Rights Issue (together the "**Joint Lead Managers**"). As partial consideration for the services provided by the Joint Lead Managers, the Company will issue 50,000,000 options to the Joint Lead Managers exercisable at A\$0.05 each, on or before 1 May 2026 ("**Broker Options**"). The Broker Options will be issued pursuant to Company's placement capacity under ASX Listing Rule 7.1.

Details of the Strategic Placement

The Strategic Placement comprises the issue of 220.0 million new fully paid ordinary shares in Kairos ("**Placement Shares**") at A\$0.018 per Placement Share ("**Placement Price**").

25,000,000 of the Placement Shares will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1, and 195,000,000 of the Placement Shares will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A.

Details of the Rights Issue

Further information will be sent to eligible shareholders in a prospectus expected to be announced on 27 June 2023 and made available to eligible shareholders on 10 July 2023 ("**Rights Issue Prospectus**"). The Rights Issue Prospectus and accompanying personalised entitlement and acceptance forms will contain instructions on how to apply to participate in the Rights Issue. Eligible shareholders are encouraged to carefully read the Rights Issue Prospectus for further details relating to the offer.

The underwriters (or sub-underwriters) of the Rights Issue will receive one (1) option for every three (3) shares underwritten (or sub-underwritten) with an exercise price of A\$0.05 each, exercisable on or before 1 May 2026 ("**Underwriting Options**"). The issue of the Underwriting Options is subject to and conditional on the receipt of all necessary prior shareholder approvals.

Refer to the schedule of this announcement for the material terms and conditions of the Underwriting Agreement, including relevant termination events.

Use of Proceeds

The funds raised in the Strategic Placement and Rights Issue will significantly strengthen the Company's balance sheet, putting it in a strong position to advance the Roe Hills exploration programmes for lithium with a large proportion ear-marked for drilling multiple high-quality lithium soil anomalies and exploration activities, including surveys and drilling at its Pilbara tenement portfolio for lithium. The Company anticipates using some of the funds to new business development activities.

The Company's present intention is to use the funds raised under the Strategic Placement and Rights Issue as follows:

Use of funds	Allocation
Exploration Activities	A\$7,500,000
Administration Costs & Working Capital (Including Costs of the Offer)	A\$2,012,280

Business Development	A\$1,000,000
Total	A\$10,512,280

Note: The above table is a statement of current intentions as at the date of this announcement. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, exploration results, the development of new opportunities and/or any number of other factors, and actual expenditure levels, may differ significantly from the above estimates.

Collaboration Agreement

Under the terms of the Collaboration Agreement, Kairos and Global Lithium have agreed to form a strategic relationship in respect of the development of the Roe Hills Project (**Figures 1 & 2**). The Collaboration Agreement includes the following material terms:

- **Technical Committee:** Kairos and Global Lithium will form a Technical Committee responsible for, amongst other things, assessing and reviewing the overall project of the Roe Hills Project, considering technical studies and reports and providing the Kairos Board and management with non-binding recommendations in relation to the Roe Hills Projects.
- **Right of First Refusal:** Kairos has granted Global Lithium a right of first refusal over potential disposals of its interests in any tenements comprising the Roe Hills Project.
- **Infrastructure access, water rights and heritage surveys:** The parties have agreed to collaborate in respect of sharing access to infrastructure over the Roe Hills Project and Global Lithium's Manna Project area, water access over the Roe Hills Project area, and cooperation in respect of heritage and site surveys over the Roe Hills Project or the Manna Project.
- **Other covenants:** Kairos has agreed to provide Global Lithium with advance notice of future equity issues (subject to customary exceptions, such as issues pursuant to employee incentive schemes or on exercise of convertible securities) so as to provide Global Lithium with an opportunity to participate in such raisings on equivalent terms to other subscribers.

The above rights apply for so long as Global Lithium does not voluntarily dispose or dilute its shareholding below 5% of the Kairos shares on issue, subject to certain exceptions. Global Lithium has also agreed to a 12-month standstill on acquiring more than 15% of the voting power in Kairos.

Timetable

Event	Indicative Date
Completion of bookbuild for shortfall for Rights Issue	27 June 2023
Trading halt lifted and announcement of Strategic Placement and Rights Issue	27 June 2023
Settlement of the Strategic Placement	30 June 2023
Allotment and trading of New Shares issued under Strategic Placement	30 June 2023
Right Issue "Ex" date	4 July 2023
Record Date for eligibility to participate in the Rights Issue	5 July 2023
Rights Issue Prospectus made available to eligible shareholders and Rights Issue offer open date	10 July 2023
Rights Issue Closing Date	19 July 2023
Issue of New Shares pursuant to the Rights Issue	26 July 2023
Quotation on ASX of New Shares pursuant to the Rights Issue	27 July 2023

Note: These above dates are indicative only. The Company may vary the dates and times of the Rights Issue by lodging a revised notice with the ASX.

Indicative capital structure

The indicative capital structure on completion of the Strategic Placement and the Rights Issue is set out below:

Securities	Shares	Options	Performance Rights
Existing Securities	1,964,093,491	296,400,000	25,000,000
GL1 Placement Shares	220,000,000	Nil	Nil
New Shares under the Rights Issue	436,818,698	Nil	Nil
Broker Options	Nil	50,000,000	Nil
Underwriting Options	Nil	145,606,233*	Nil
TOTAL	2,620,912,189	492,006,233	25,000,000

Note:* The issue of the Underwriting Options is subject to and conditional on the receipt of prior shareholder approval. The number of Underwriting Options specified above is on the assumption that there is no participation in the Rights Issue by eligible shareholders and is subscribed for by the Underwriters (or Sub-Underwriters) in full.

About Kairos Minerals

Kairos is a lithium-focussed exploration company that owns the **Roe Hills Project** east of Kalgoorlie and a huge tenement portfolio in the **Pilbara** of Western Australia.

Roe Hills is in the shadow of the **Manna Lithium-Tantalum Project** of Global Lithium (ASX:GL1) and has delivered a pipeline of high-quality Li-Cs-Be-Sn drill targets that it intends to drill-test. In addition, Kairos holds the Mt York Project immediately east and south of the giant **Pilgangoora Lithium-Tantalum deposit** of Pilbara Minerals and has discovered spodumene pegmatites across the licence area. Kairos intends to prioritise lithium exploration over its tenements whilst at the same time advance its flagship Mt York Gold Project.

Kairos owns 100% of the 1.6 Mozs **Mt York Gold Project** that was partially mined by Lynas Gold NL between 1994 and 1998. Kairos has recognised that the resource has significant potential to grow further from its current 1.62 Moz base with significant exploration potential existing within the Mt York project area. Pre-feasibility work will progress rapidly underpinned by the resource expansion work that will collect important information for metallurgical testwork, mining and process engineering to determine viability and optimal pathway to develop a sustainable, long-lived mining project. Current resources at a 0.5 g/t Au cutoff grade above 325m depth are shown in the table below.

Deposit	Indicated			Inferred			Total		
	Tonnes (MT)	Au (g/t)	Ounces (kozs)	Tonnes (MT)	Au (g/t)	Ounces (kozs)	Tonnes (MT)	Au (g/t)	Ounces (kozs)
Main Trend	20.25	1.06	690	22.83	0.95	697	43.08	1.00	1385
Iron Stirrup	1.28	1.72	70	0.71	1.54	35	1.99	1.66	106
Old Faithful	2.17	1.07	75	2	0.81	52	4.17	0.95	127
Total	23.7	1.10	835	25.54	0.95	784	49.24	1.02	1618

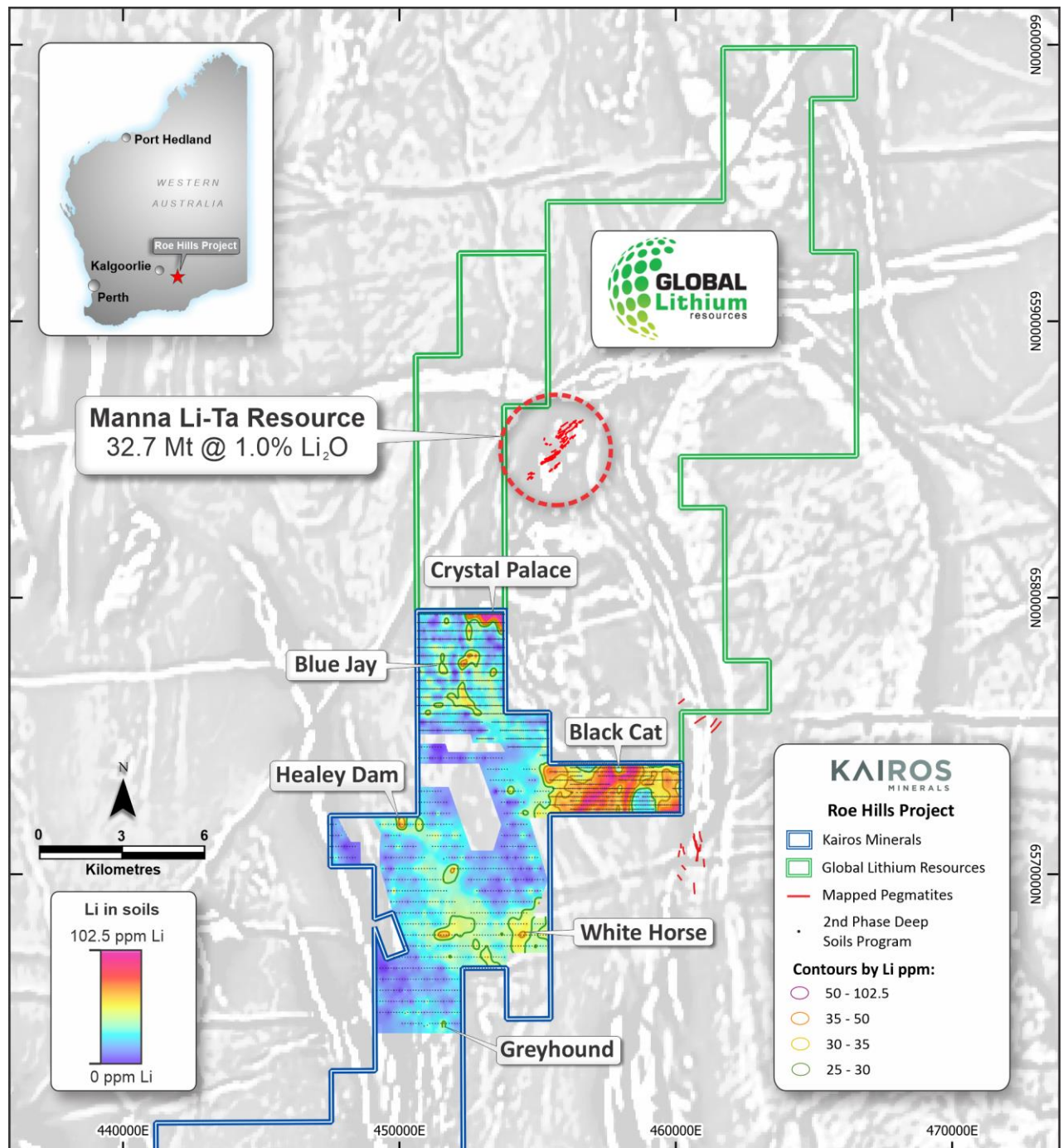


Figure 1. Kairos' lithium results and prospect names over the northern half of the Roe Hills Project in relation to GL1's Manna Lithium deposit. The image backdrop is a greyscale magnetic image.

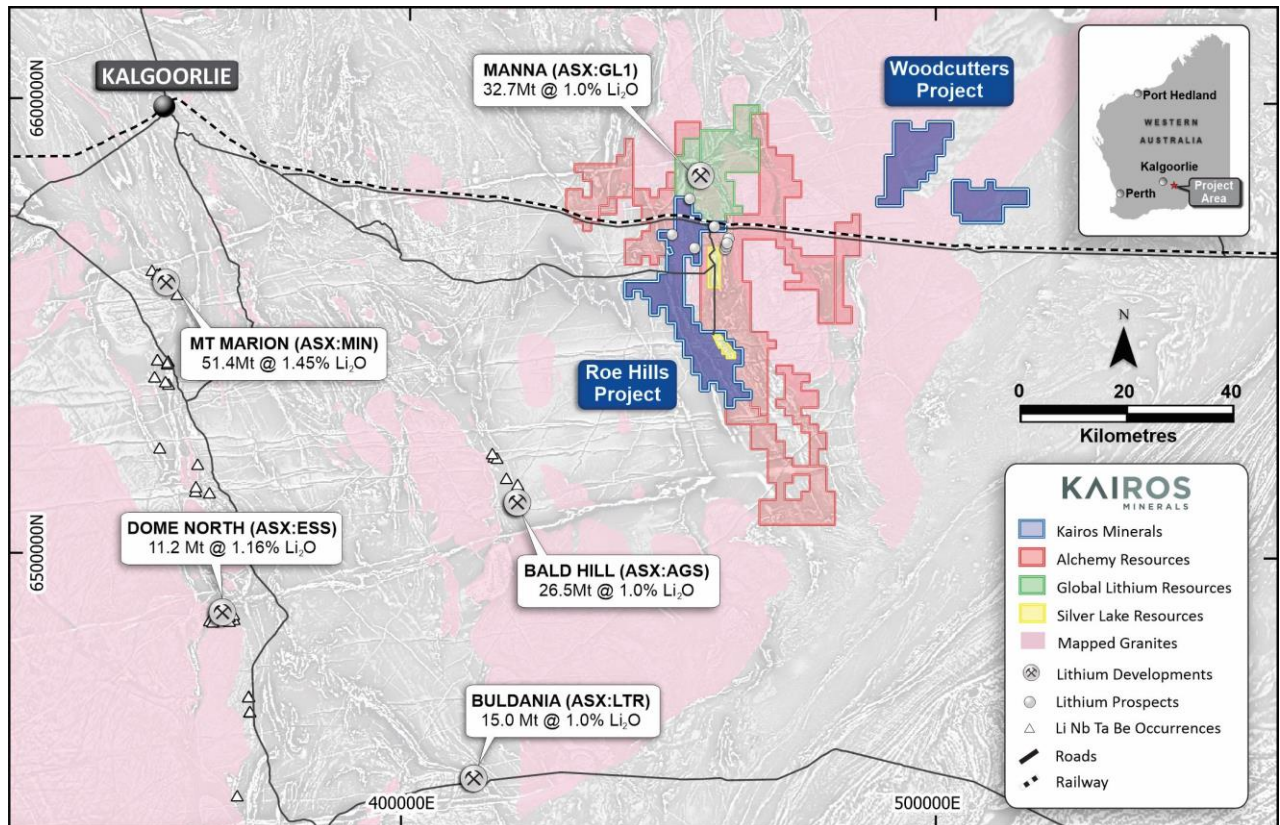


Figure 2. Roe Hills Project in relation to Global Lithium (ASX:GL1) and Alchemy Resources (ASX:ALY) tenements. Note the regional lithium projects and resources.

This announcement has been authorised for release by the Board.

Peter Turner
Managing Director

Zane Lewis
Non Executive Director

For Investor Information please contact:

Paul Armstrong
Read Corporate
0421 619 084

COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled and reviewed by Mr Mark Falconer, who is the Exploration Manager and a full-time employee of Kairos Minerals Ltd and who is also a Member of the Australian Institute of Geoscientists (AIG). Mr Falconer 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 Falconer has consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The Mineral Resources were first reported in the announcement dated 30 August 2022 ('Announcement'). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Announcement and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Material terms and conditions of the Joint Underwriting Agreement

By an agreement between the Joint Lead Managers and the Company (**Joint Underwriting Agreement**), the Joint Lead Managers have agreed to underwrite the Rights Issue.

Fees

The Company has agreed to pay the Joint Lead Managers (or their respective nominees) on completion of the Rights Issue and on a 50/50 basis:

- a management fee of 2% of the gross proceeds received from the Rights Issue;
- an underwriting fee of 4% of the underwritten amount; and
- 50,000,000 options exercisable at A\$0.05 each and expiring on 1 May 2026 at a nominal issue price of A\$0.00001 per option (**Broker Options**),

(collectively, the **Joint Underwriter Fee**).

In addition to the Joint Underwriting Fee, the Company has agreed to issue up to 145,606,233 Options exercisable at A\$0.05 each and expiring on 1 May 2026 to be issued to any sub-underwriters appointed by the Joint Lead Managers, on the basis of 1 Option for every 3 New Shares sub-underwritten (**Underwriting Options**). The issue of the Underwriting Options is subject to and conditional of the receipt of prior shareholder approval.

Termination events

The Joint Lead Managers may terminate their obligations under the Joint Underwriting Agreement if:

- **Indices fall:** as at the close of trading on three consecutive Business Days after the date of the Joint Underwriting Agreement, either of the All Ordinaries Index or the S&P/ASX 200 Index as published by ASX is at a level that is 10% or more below its respective level as at the close of trading on the business day prior to the date of the Joint Underwriting Agreement;
- **Listing:**
 - the Company ceases to be admitted to the official list of ASX or the Company's securities cease trading or are suspended from quotation on ASX;
 - ASX makes any official statement to any person, or indicates to the Company or the Joint Lead Managers that official quotation on ASX of the New Shares will not be granted; or
 - approval is refused or approval is not granted which is unconditional (or conditional only on customary listing conditions which would not, in the reasonable opinion of the Joint Lead Managers, have a material adverse effect on the success of the Rights Issue), to the official quotation of the New Shares on ASX on or before the dates referred to in the Timetable, or if granted, the approval is subsequently withdrawn, qualified or withheld;
 - **Restriction on allotment:** the Company is prevented from issuing the New Shares within the time required by the Joint Underwriting Agreement, the Corporations Act, the

Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or

- **Notifications:** any of the following notifications are made by ASIC in relation to the Rights Issue or Offer Materials (defined in the Joint Underwriting Agreement):
 - applies for an order under section 1324 or 1325, of the Corporations Act, or an order under Part 9.5 of the Corporations Act, in relation to the Rights Issue or any Offer Materials;
 - holds, or gives notice of intention to hold, a hearing or investigation in relation to the Rights Issue or any Offer Materials under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth);
 - prosecutes or gives notice of an intention to prosecute; or
 - commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Rights Issue or any Offer Materials;
- **Authorisation:** any authorisation which is material to anything referred to in the Rights Issue or the Offer Materials is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Joint Lead Managers (acting reasonably; or
- **Prosecution:** any of the following occur:
 - a Director or senior manager is charged with an indictable offence;
 - any Government Agency commences any public proceedings against the Company or any of the Directors in their capacity as a director of the Company, or announces that it intends to take such action;
 - any Director is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- **Fraud:** a Director or officer of the Company or the Company is charged in relation to fraudulent conduct, whether or not in connection with the Rights Issue;
- **Insolvency:** an Event of Insolvency (defined in the Joint Underwriting Agreement) occurs in relation to the Company or a subsidiary of the Company;
- **Illegality:** there is an event or occurrence, including an official directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government Agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under the Joint Underwriting Agreement, or to market, promote or settle the Rights Issue;
- **Certificate:** a certificate signed by two directors or a director and a secretary of the Company, in the form set out in the Joint Underwriting Agreement is not given by the Company at the time it is required to be given under the Joint Underwriting Agreement;

- **Termination Events:** unless, in the reasonable opinion of the Joint Lead Managers reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect (as defined in the Joint Underwriting Agreement) or could give rise to a liability of either of the Joint Lead Managers under the Corporations Act, any of the following events occurs:
 - **Default:** default or breach by the Company under the Joint Underwriting Agreement of any terms, condition, covenant or undertaking which is not remedied by the Company within 5 business days of notification by the Joint Lead Managers;
 - **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Joint Underwriting Agreement is or **becomes** untrue or incorrect in material respect;
 - **Contravention of constitution or applicable law:** a contravention by the Company or a subsidiary of the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable law or any policy or **requirement** of ASIC or ASX or other Government Agency which is applicable to the Rights Issue or the issue of the New Shares;
 - **Adverse change:** an event occurs which gives rise to a Material Adverse Effect on the Company including, if any forecast disclosed to ASX prior to **the** date of the Joint Underwriting Agreement becomes incapable of being met or in the Joint Lead Managers' reasonable opinion, unlikely to be met in the projected time;
 - **Public statements:** without the prior approval of the Joint Lead Managers a public statement is made by the Company in relation to the Rights Issue except where such statement is required by law or the Listing Rules;
 - **Timetable:** any event specified in the Joint Underwriting Agreement (including the Timetable) to occur before the Shortfall Notification Date (as specified in the Timetable) is delayed by more than one Business Day or an event specified in the Joint Underwriting Agreement (including the Timetable) to occur **after** the Shortfall Notification Date is delayed by more than one Business Day, in any such case, without the prior written consent of the Joint Lead Managers;
 - **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Joint Lead Managers in respect of **any** aspect of the Rights Issue or the Issue or the affairs of the Company or any subsidiary of the Company, or any information in the Offer Materials is or becomes misleading or deceptive or likely to mislead or deceive (including by omission);
 - **Change in law or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;

- **Prescribed Occurrence:** an event specified in sections 652C(1) or (2) of the Corporations Act occurs, in relation to the Company or any subsidiary of the Company;
- **Suspension of debt payments:** the Company **suspends** payment of its debts generally;
- **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Joint Underwriting Agreement commenced **against** the Company or any subsidiary of the Company, other than any Claims (as defined in the Joint Underwriting Agreement) disclosed to the Joint Lead Managers or ASX in writing prior to the date of the Joint Underwriting Agreement;
- **Change in shareholdings:** there is a material change in the major or controlling shareholdings of the Company or a subsidiary of the Company or a takeover offer or scheme of arrangement pursuant to **Chapter** 5 or 6 of the Corporations Act is publicly announced in relation to the Company or a subsidiary of the Company;
- **Force Majeure:** a Force Majeure (as **defined** in the Joint Underwriting Agreement) affecting the Company's business or any obligation under the Joint Underwriting Agreement lasting in excess of 7 days occurs;
- **Certain resolutions passed:** the Company or a subsidiary of the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Joint Lead Managers;
- **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United States of America or the United Kingdom;
- **Hostilities:**
 - there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Joint Underwriting Agreement involving one or more of Australia, New Zealand, the United Kingdom, Hong Kong, or Singapore; or
 - a major terrorist attack is perpetrated on any of the countries described in paragraph 1 directly above. or any diplomatic, establishment of any of those countries anywhere in the world.
- **Capital structure:** the Company or any subsidiary of the Company alters its capital structure in any manner not contemplated by the Rights Issue, the Joint Underwriting Agreement or as announced to the ASX prior to the date of the Joint Underwriting Agreement; or

- **New circumstance:** a new obligation arises on the Company to give ASX a corrective statement, or a new circumstance arises which is a matter adverse to investors in New Shares and which would have been required by the Corporations Act to be included in the Offer Materials had the new circumstance arisen before the Offer Materials was given to ASX;
- **Investigation:** any Government Agency (**including**, without limitation, the Takeovers Panel) commences an investigation into the affairs of a member of the Company or any of its subsidiaries;
- **Application:** there is an application to a Government Agency (including, without limitation, the Takeovers Panel) for an order, declaration or other remedy in connection with the Rights Issue (or any part of it), except where such application does not become public and is withdrawn or dismissed within two Business Days after it is commenced or where it is commenced less than two Business Days before completion of the Rights Issue it has not been withdrawn or dismissed by completion of the Rights Issue; or
- **changes to the Company** the Company:
 - varies any term of the Constitution;
 - alters the issued capital or capital structure of the Company other than in connection with the Rights Issue or as envisaged by the Joint Underwriting Agreement or announced to the ASX prior to the date of the Joint Underwriting Agreement; or
 - disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material subsidiary of the Company).