

ASX ANNOUNCEMENT

15 September 2017

KAIROS RAISES \$1.71M TO FAST-TRACK EVALUATION OF PILBARA CONGLOMERATE-HOSTED GOLD POTENTIAL AND ADVANCE ROE HILLS PROJECT

Initial field assessment of conglomerate-hosted gold potential currently underway

Highlights

- **Heavily oversubscribed share placement comprising 90M shares at 1.9c to raise \$1.71M, with a free 1-for-1 attaching option.**
- **Funds to be used to fast-track the recently commenced review of Kairos' extensive West, Central and East Pilbara tenement portfolio for conglomerate-hosted gold potential.**
- **Field assessment currently underway across this extensive package, which adjoins the large ground position accumulated recently by Novo Resources (TSX-V: NVO), which has reported a conglomerate-hosted gold discovery at its JV project with Artemis Resources (ASX: ARV).**
- **Initial results from Kairos's initial site visit and review, which was undertaken this week, are expected shortly.**
- **Funds will also be used to advance the next stage of gold exploration at Kairos' 100%-owned Roe Hills Gold Project, which is located immediately south of the highly prospective Lake Roe gold discovery, currently being drilled out by Breaker Resources (ASX: BRB).**

Kairos Minerals Ltd (ASX: KAI; "Kairos" or "the Company") is pleased to announce that it has successfully raised a total of \$1.71 million after receiving firm commitments from sophisticated and professional investors to subscribe for a share placement comprising 90 million new shares at an issue price of 1.9c.

The new shares will be issued with a 1-for-1 free attaching option exercisable at 2.6c by 31 December 2019 subject to shareholder approval.

The placement is being undertaken to sophisticated wholesale investor clients of CPS Capital and Patersons Securities, and will be completed within the Company's existing 15% placement capacity under ASX Listing Rule 7.1 (42,648,840 shares) and 7.1A (47,351,160 shares).

Use of Funds

The proceeds of the raising will be used for the following purposes:

- To progress exploration activities at the Company's 100%-owned Roe Hills Project, located 120km south-east of Kalgoorlie in WA, where it has reported a number of significant drilling results over the course of the year. Planning is currently underway for the next phase of drilling at Roe Hills;
- To fast-track the recently commenced evaluation of the conglomerate-hosted gold potential across the Company's extensive Pilbara gold-lithium tenement package (see below); and
- For general working capital purposes.

Background

As announced recently, Kairos has decided to fast track a geological review of its extensive Pilbara lithium-gold tenement portfolio for conglomerate-hosted gold potential (Refer Figure 1). Kairos targeted key areas of the West, Central and East Pilbara district last year, primarily for lithium and gold potential, following the Company's acquisition and detailed review of the Mt York Gold-Lithium Project at the beginning of 2016.

As a result, the Company now holds 1,158 square kilometres of tenure in this region, which has recently experienced a significant increase in exploration activity as a result of the announcement of a new conglomerate-hosted gold discovery by Novo Resources Corporation (TSX-V: NVO) at its joint venture project with Artemis Resources (ASX: ARV).

The Novo/Artemis discoveries, including a significant quantity of gold nuggets found at surface, are associated with a regionally extensive geological formation known as the Fortescue Group of rocks. These new discoveries have resulted in a significant pegging rush in the area, with Novo and other companies securing tenements which traverse the Fortescue Group formation across the broader Pilbara region.

As a result of joint venture approaches and observations of this peer company activity, Kairos has undertaken a preliminary desktop review of its Pilbara land package (see Figure 1.) This preliminary review has confirmed that several of its tenements are contiguous with tenements pegged by Novo Resources. In addition, a preliminary geological review indicates that part of its tenure secures significant strike lengths of the Fortescue Group Formation (Refer Figure 1).

An initial site visit and field assessment of these projects commenced this week, with results expected shortly.

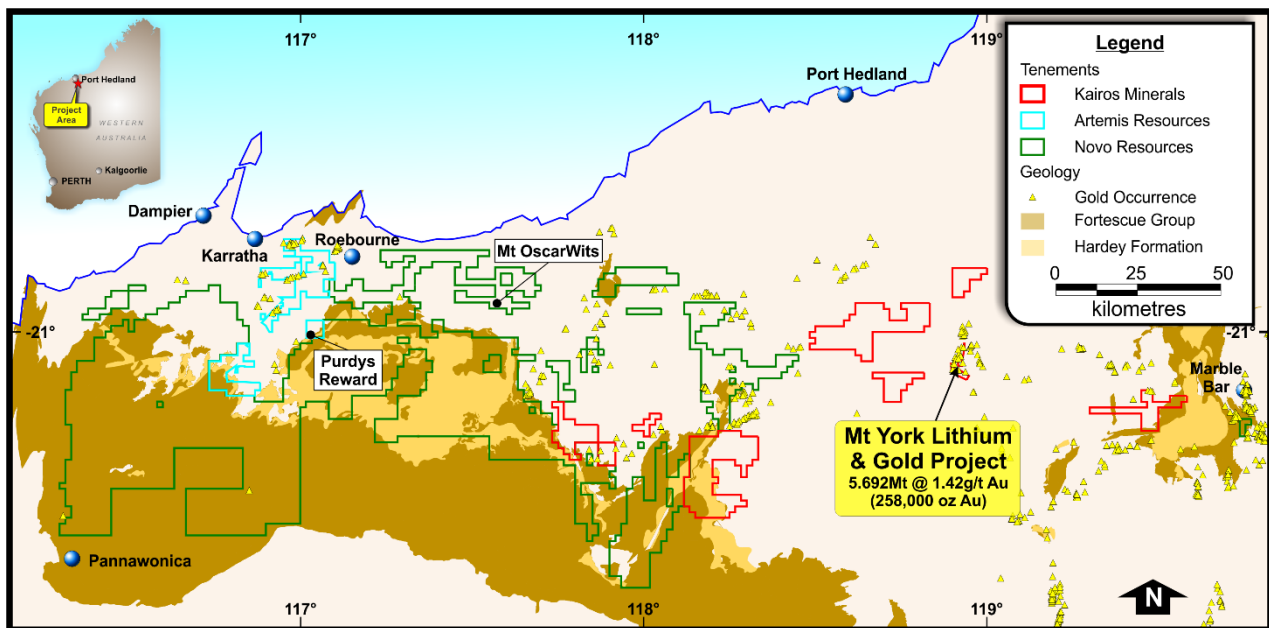


Figure 1. Prospective regional geology and tenure

Kairos cautions investors that further work is required to confirm that its tenements are prospective for the conglomerate-hosted style of gold mineralisation reported by Novo and Artemis.

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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 100%-owned Mt York Gold-Lithium Project is located ~100km south of Port Hedland in the world-class Pilgangoora district. Since acquiring the project in early 2016, Kairos has rapidly established a 258,000oz JORC 2012 compliant Mineral Resource inventory at Mt York by re-evaluating the known resources from the historical Lynas Find gold mine, which produced over 125,000oz between 1994 and 1998.

The 100%-owned Roe Hills Project, located 120km east of Kalgoorlie in WA's Eastern Goldfields, comprises an extensive tenement portfolio which is highly prospective for gold, nickel and cobalt discoveries. Kairos' tenure adjoins the emerging Lake Roe gold discovery, owned by Breaker Resources (ASX: BRB).

Kairos has completed maiden drilling programs across both projects over the past six months, delivering impressive results which have highlighted the significant potential of both projects to deliver significant new discoveries and host economic mineral deposits.

Kairos also holds a dominant 1,158.7km² lithium exploration footprint in the Pilbara region including the highly prospective Mt York and Wodgina east projects.

Kairos has been well recognised for its industry leading technical team that includes its Chairman Terry Topping (Taipan Resources NL, Cauldron Energy Ltd and Orinoco Gold Ltd), Technical Director Neil Hutchison (Poseidon Nickel, Jubilee Mines), Technical Manager Steve Vallance (WMC, ACM, Jubilee Mines, Xstrata, Kagara, LionOre), and consulting specialists Dr Robin Hill, Sarah Dowling, Dr Nigel Brand, Adrian Black and Bill Amman.

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 Steve Vallance, who is the Technical Manager for Kairos Minerals Ltd and who is a Member of The Australian Institute of Geoscientists. The information was also reviewed by Mr Terry Topping, who is a Director of Kairos Minerals Ltd and who is also a Member of AusIMM. Both Mr Vallance and Mr Topping have 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 Vallance and Mr Topping have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.