

KAIROS COMPLETES HEAVILY OVERSUBSCRIBED \$1.71M SHARE PLACEMENT TO FAST-TRACK PILBARA GOLD EXPLORATION

Exploration to commence shortly at key locations targeting conglomerate-hosted gold potential

Highlights

- Heavily oversubscribed \$1.71M share placement now completed with 90M shares issued with a free 1-for-1 attaching option.
- Funds to be used to fast-track upcoming exploration programs across Kairos' extensive West, Central and East Pilbara tenement portfolio for conglomerate-hosted gold potential.
- An initial recently completed field review has confirmed the presence of prospective lower Fortescue Group Rocks, including the basal Mount Roe Basalt, over at least ~100km of strike within Kairos' extensive tenement package.
- The target stratigraphy is considered to be the same as that which hosts the recent gold discoveries announced by Novo Resources (TSX-V: NVO), which has reported a significant new "Witwatersrand style" conglomerate-hosted gold discovery at its joint venture project with Artemis Resources (ASX: ARV) in the West Pilbara.
- Quad bike and/or helicopter-assisted stream sediment and rock chip sampling programs to commence across key locations within the coming weeks. Assays are also awaited from recently completed surface sampling programs.

Kairos Minerals Ltd (ASX: KAI; "Kairos" or "the Company") is pleased to advise that it has completed the recently announced \$1.71 million share placement. The placement, comprising the issue 90 million new shares at an issue price of 1.9c to sophisticated and professional investors, was heavily oversubscribed.

The shares have now been issued and an Appendix 3B and Section 708 cleansing notice is attached to this announcement. 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 was undertaken to sophisticated wholesale investor clients of CPS Capital and Patersons Securities, and has been completed within the Company's existing 15% placement capacity under ASX Listing Rule 7.1 and 7.1A.

In addition to progressing activities at the Company's 100%-owned Roe Hills Project, located 120km south-east of Kalgoorlie in WA, the proceeds will also be used to fast-track upcoming exploration programs targeting the conglomerate-hosted gold potential across the Company's extensive Pilbara gold-lithium tenement package, as outlined in recent announcements.

The identification of the gold potential on its Pilbara tenements is an important and exciting new development for the Company which will be progressed as a priority over the coming weeks.

Background

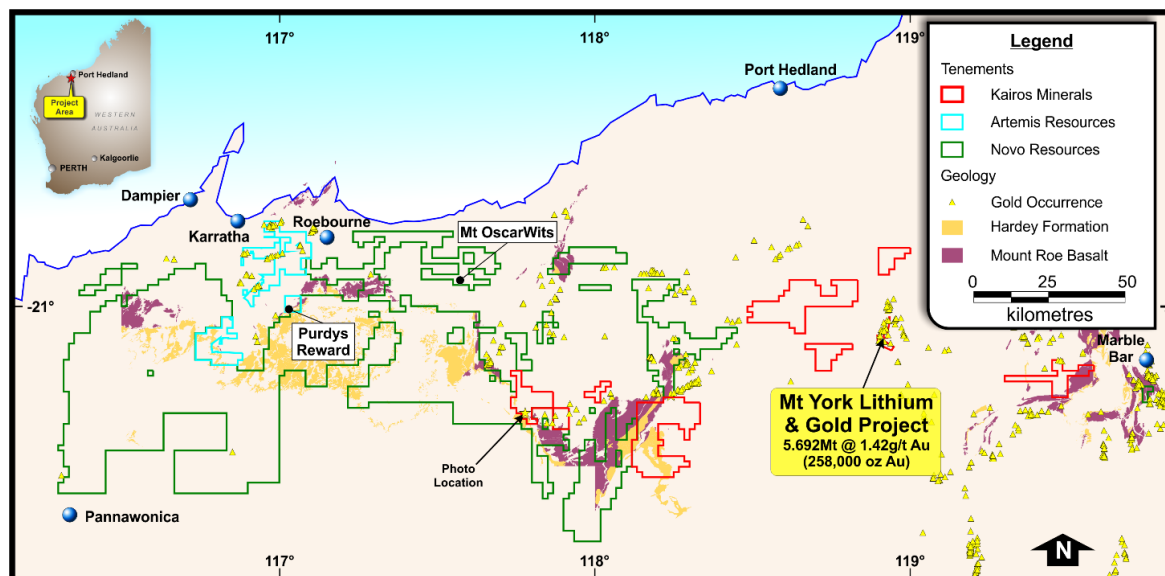
As announced yesterday, Kairos has completed an initial field assessment of its extensive Pilbara lithium-gold tenement portfolio in Western Australia (see Figure 1). This review has both confirmed and enhanced its prospectivity for Paleo-Placer “Witwatersrand-style” conglomerate-hosted gold mineralisation similar to the discoveries reported recently in the region by Novo Resources Limited (TSX-V: NVO) and Artemis Resources (ASX: ARV).

Kairos 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 and Artemis. The recent field assessment, along with results from a review of available geological information for Kairos’ tenements, has highlighted the presence of at least ~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.

Gold has been mined from conglomerates associated with both of these horizons historically at several locations in the Pilbara, including at Marble Bar and Nullagine. No recorded detailed sampling for gold has been undertaken along these horizons within Kairos’ tenements, although significant alluvial gold nugget occurrences are reported in the historical record in close proximity at several locations including Croydon, Friendly Creek and Marble Bar. Significant historical gold production from strike (stratigraphical) equivalent conglomerate host rocks is well documented from Marble Bar and Nullagine (Refer: Hickman 1983; Geology of the Pilbara Block and its Environs, GSWA Bulletin 127)

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 including the lower Hardey Formation and the Mount Roe Basalt. Importantly, the presence of these sequences has now been verified extensively throughout Kairos’ tenements.

In light of the positive results from the field assessment, Kairos has decided to fast-track further field evaluation including stream sediment and rock chip sampling programs, which are set to commence within the coming weeks. Because of the nature of the terrain, this initial sampling program will be undertaken with the use of quad bikes and/or helicopter assistance.



Kairos cautions investors that further work is required to confirm the gold bearing nature of the prospective conglomerate sequences which have been identified within Kairos Minerals tenure.

Figure 1. Prospective regional geology and tenure

ENDS

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:

Mr Terry Topping
Executive Chairman
Kairos Minerals Limited

Media:

Nicholas Read/Paul Armstrong
Read Corporate
Ph: 08 9388 1474

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.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Kairos Minerals Limited

ABN

84 006 189 331

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 90,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The fully paid ordinary shares are of the same class and rank with all other shares on issue |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	Issue of 90m shares @ 1.9 cents to raise \$1.71m with a free 1:1 attaching option (subject to shareholder approval). Issued under LR 7.1A (47,351,160 shares) and LR7.1(42,648,840 shares).
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Funds will be allocated towards the further development of its existing exploration assets (refer to ASX announcement 15 September 2017).
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	28 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	42,648,840
6d	Number of +securities issued with security holder approval under rule 7.1A	47,351,160

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of securities issued under an exception in rule 7.2	Nil	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes Issue date: 22 September 2017 VWAP: \$0.0186 75% of VWAP: \$0.0139 (NB: issue price above 75% of 15 trading day VWAP) Source:iRess	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/a	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1 below	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	22 September 2017	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		582,568,745	Ordinary shares (KAI)

+ See chapter 19 for defined terms.

	Number	+Class
9	6,916,668	Performance Rights (Issued 2015)
	13,400,000	Performance Rights (Issued 2016)
	1,500,000	Options exercisable at \$0.10 on or before 30 December 2017
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Unchanged	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	

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17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	

+ See chapter 19 for defined terms.

- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

To be provided after completion of rights issue

- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

To be provided after completion of rights issue

+ See chapter 19 for defined terms.

- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought		
39	Class of +securities for which quotation is sought		
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: 1. the date from which they do 2. the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment 3. the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment		
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)		
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

+ See chapter 19 for defined terms.

- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 22 September 2017

Print name:

Adrien Wing
Company secretary

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	379,102,033
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	94,409,569 shares
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	473,511,602

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	71,026,740
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 Note: <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	12,005,296 securities per previous Appendix 3B dated 19 June 2017 7,051,847 securities per previous Appendix dated 28 August 2017 42,648,840 shares per this Appendix 3B
“C”	61,705,983
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	71,026,740
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	61,705,983
Total [“A” x 0.15] – “C”	9,320,757 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	473,511,602
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	47,351,160
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	47,351,160 shares per this Appendix 3B
“E”	47,351,160
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	47,351,160
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	47,351,160
Total [“A” x 0.10] – “E”	Nil <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

22 September 2017

To: Australian Securities Exchange

Cleansing Statement

On 22 September 2017, Kairos Minerals Ltd (ASX:KAI) ("KAI" or the "Company") issued 90,000 fully paid ordinary shares (KAI) to persons who come within one of the exemptions set out in Section 708 of the Corporations Act.

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The Shares were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (b) Section 674 of the Corporations Act.

There is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.

Information under ASX Listing Rule 3.10.5A

The Company provides the following information in accordance with ASX Listing Rule 3.10.5A in relation to the shares issued under ASX Listing Rule 7.1A

- (a) Dilution to existing holders of ordinary shares as a result of the issue made under ASX Listing Rule 7.1A

The percentage of the Company's issued capital represented by the issue under ASX Listing Rule 7.1A is 8.13%. 47,351,160 of the placement shares were issued under 7.1A. The holders of ordinary shares before the issue under ASX Listing Rule 7.1A will hold 91.4% of the issued capital following the issue under of Listing Rule 7.1A.

- (b) The Company conducted the placement rather than a pro-rata issue or other type of issue in which existing security holders would have been eligible to participate as it was considered a more efficient and expedient manner to raise capital given the Company's circumstances.
- (c) There was no underwriting.
- (d) A fee of up to 6% was payable on the placement.

For and on behalf of Kairos Minerals Limited



Adrien Wing
Company Secretary