

ASX ANNOUNCEMENT

20 February 2018

NEW DRILLING PROGRAM UNDERWAY AT ROE HILLS

New phase of drilling designed to follow-up key mineralised zones and deliver a first-pass assessment of exciting new geochemical and structural targets

Highlights

- **New 3,000m program of Reverse Circulation and Aircore drilling underway at Kairos' 100%-owned Roe Hills Gold Project in the Eastern Goldfields, WA.**
- **Drilling to focus on previously defined gold mineralisation at Lady of the Lake, Lingering Kiss, Terra and Caliburn targets, as well as provide first-pass testing of new geochemical and structural targets.**

Kairos Minerals Ltd (ASX: KAI; "Kairos" or "the Company") is pleased to advise that a new program of Reverse Circulation (RC) and Aircore drilling has commenced at its 100%-owned **Roe Hills Project**, located 120km east of Kalgoorlie in Western Australia (Figure 1).

The program will comprise approximately 3,000m of combined Aircore/RC drilling, and will follow-up on results from the recently-completed drilling at the Lady of the Lake, Lingering Kiss, Terra and Caliburn targets (see ASX Announcements: 19 December 2017 and 30 January 2018), as well as providing a first-pass assessment of several previously untested geochemical and structural targets including Avalon, Moriarty, Nautilus, Nemo and Hyde.

In addition, the Company is pleased to advise that it commenced a detailed review of the structural framework of the entire Roe Hills Project area to assist with targeting of key gold-bearing structures, particularly in areas where the prospective basement geology that is obscured beneath transported cover.

The review will include an assessment of existing detailed aeromagnetic and gravity data, with follow-up over key areas including 3D IP surveys to provide better definition of basement lithologies, structures and zones of alteration.

Kairos Executive Chairman Terry Topping said the drilling program and structural review would help to refine key targets for future resource delineation.

"Exploration so far at Roe Hills has confirmed the presence of high-grade mineralisation across multiple prospects, with numerous high-quality targets still to be tested," he said. "While we have discovered an impressive amount of gold mineralisation over a very large area, we still need to determine where the centre of gravity of the project is from a resource delineation perspective."

"This latest drilling is designed to further assess the size and scale of several of our high-priority prospect areas, as well as providing an initial assessment of some new greenfields targets," he said. "The information generated, will help us to really refine our targeting approach – ultimately helping us to rank the many target areas and establish a clear forward pathway in terms of resource delineation and development."

Key Drilling Targets

Kairos has so far completed three gold-focused exploratory drilling campaigns at the Roe Hills Project, which is located approximately 120km east of Kalgoorlie and immediately along strike to the south of Breaker Resources' (ASX: BRB) emerging Lake Roe gold discovery and adjacent to Silver Lake Resources' (ASX: SLR) Aldiss Gold Project.

The previous drilling programs have returned outstanding results from each of the areas identified for testing, confirming the Company's belief in the exceptional gold exploration opportunity at Roe Hills.

The new program will test the following targets:

Extensional Targets (extensions of previously defined gold mineralisation):

- *Lingering Kiss* – where recent drilling intersected high-grade primary gold mineralisation 350m south of Silver Lake Resources' French Kiss deposit;
- *Lady of the Lake* – where recent drilling defined a gold mineralised zone ~150m wide by ~500m long with the mineralisation remaining open in all directions;
- *Terra and Caliburn* – emerging prospect areas where thick zones of gold mineralisation were encountered in drilling late last year.

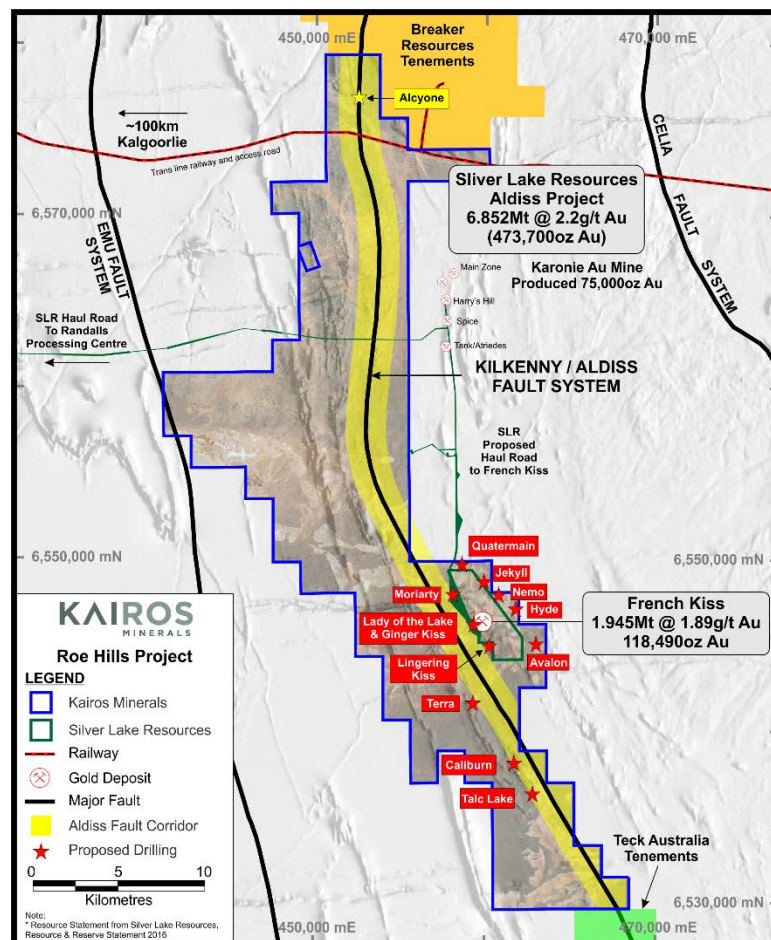


Figure 1: Roe Hills Recent Drilling Locations

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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.