

ASX ANNOUNCEMENT

30 April 2024

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2024

Kairos interprets large rare earth targets from gravity survey in WA

Geophysics at Black Cat identifies large buried syenites which are considered highly prospective for rare earths; Discussions continue with third parties regarding future monetisation strategy on the 1.6Moz Mt York Gold Project

Highlights

Roe Hills Project, Eastern Goldfields WA

- Gravity survey highlights large areas of gravity lows which are likely to stem from syenites associated with REE mineralisation
- The results provide more firm evidence that gravity surveys are a highly effective method for identifying rare earths targets
- Cost-effective aircore drill planning underway, metallurgical results awaited

Mt York Gold Project, Pilbara

- Internal financial modelling underway based on drilling and optimization results from 2023 resource estimation
- Mt York has total resources of 1.6 Moz at a 0.5 g/t Au lower cutoff and 1.9 Moz at a 0.3 g/t Au lower cutoff¹
- Includes a higher-grade component of 21 Mt @ 1.5 g/t Au containing 1.0 Moz
- Discussions underway with third parties exploring options to maximise value for Kairos shareholders;

Cash

- Cash of \$5.59M at 31 March 2024

¹ From KAI press announcement dated 15 May 2023 entitled 'Resource increases to 1.6 Moz and remains open'
At a 0.5 g/t Au lower cutoff : Indicated resources of 23.7 Mt @ 1.10 g/t Au for 835,000 ozs; Inferred resources of 25.54 Mt @ 0.95 g/t Au for 784,000 ozs for a total resource of **49.24 Mt @ 1.02 g/t Au for 1,618,000 ozs**
At a 0.3 g/t Au lower cutoff : Indicated resources of 30.19 Mt @ 0.95 g/t Au for 921,000 ozs; Inferred resources of 39.98 Mt @ 0.75 g/t Au for 968,000 ozs for a total resource of **70.17 Mt @ 0.84 g/t Au for 1,886,000 ozs**

Kairos Managing Director, Dr Peter Turner said: **“We have progressed our two-pronged strategy for creating shareholder value via options for monetising our 1.6 Moz Mt York Gold Project in the Pilbara and rare earths exploration in the Eastern Goldfields.**

“At Mt York, we have started financial modelling and continue to study options including project development, a sale or partnership. The strong gold price is certainly providing a tailwind in this process.

“The recent gravity survey at the Roe Hills rare earths project has given us a tremendous confidence boost in defining what we interpret to be large areas of buried, fertile syenites that we believe are the source of the rare earth mineralisation and importantly, that have yet to be drilled.

“We await the initial metallurgical test work which will provide initial summary characteristics of the clay-hosted mineralisation that will be vital for the project’s future”.

Roe Hills Project, Eastern Goldfields WA

Gravity Survey

Kairos completed a 2368-station ground gravity survey at its Roe Hills North Rare Earth Element ('REE') and Lithium project.

The gravity survey was designed to test the extent of buried REE-bearing syenite intrusions responsible for the Black Cat clay-hosted REE mineralisation identified in recent drilling (see ASX announcement 19 December 2023), to identify additional, buried intrusions that can be drill tested for REE mineralisation and to enhance the geological understanding of the project area.

The rationale behind using gravity to help with targeting the REE mineralisation was based on the density contrast between the less dense fertile granites (syenites) that are thought to be the source for the REEs and the surrounding higher density volcanic rocks.

The gravity survey was completed by Atlas Geophysics with gravity readings collected at 50m intervals along 200m spaced east-west lines in two separate 12km² blocks, with one block completed at the Black Cat prospect and a second block completed at the Crystal Palace and Blue Jay prospects (**Figure 1**). The data from the gravity survey has been processed by Southern Geoscience Consultants.

Results of the gravity survey showed a significant 2.2km x 1.2km gravity low at Black Cat that aligns with a REE-bearing syenite intrusion intersected in recent RC drilling.

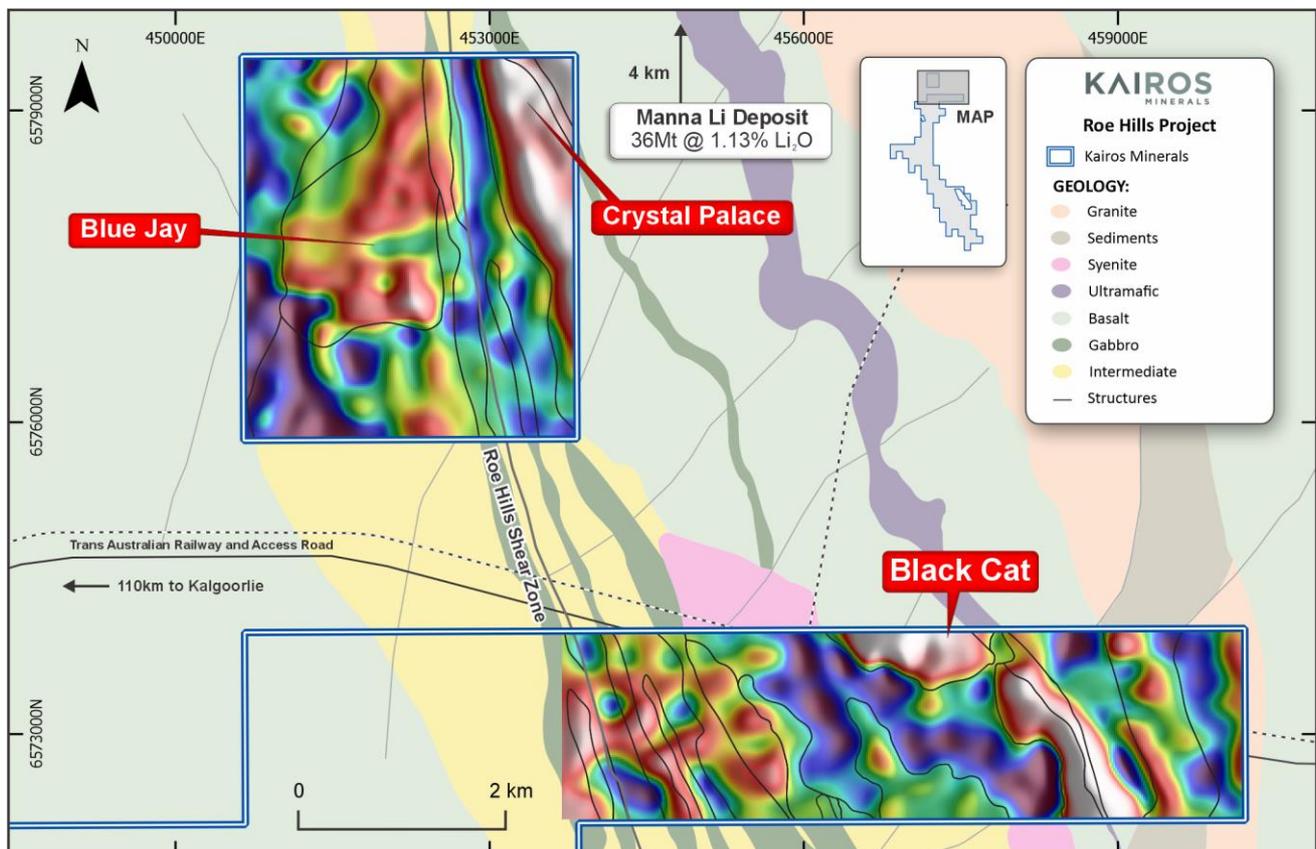


Figure 1: Roe Hills North project area showing the location of the recent 200m x 50m spaced ground gravity survey. The gravity image displayed is the first vertical derivative Bouguer anomaly with a non-linear colour stretch. Gravity lows are represented by deep blues and are generally interpreted to be potential intrusions.

Additional gravity lows, also generally interpreted as low-density syenite intrusions (and therefore potentially mineralised) within otherwise high-density mafic and intermediate rocks, can be observed both west and east of the recent drilling at Black Cat (**Figure 2**). This includes a significant coherent 1.9km x 0.9km gravity low immediately west of the recent drilling which appears similar in magnitude to the gravity low associated with the Black Cat syenite. A number of potential syenite targets have been generated using the gravity and previous drilling as a basis of interpretation. The presence of REE-bearing syenite in the previous drilling coincident with a significant coherent gravity low gives Kairos a high degree of confidence that additional gravity lows may also be associated with syenite and therefore associated with clay-hosted REE mineralisation.

A program of low-cost aircore drilling is being designed to test the gravity lows; timing of the drilling is dependent on the results and assessment of ongoing metallurgical sighter testwork being undertaken on material from the previous drilling campaign.

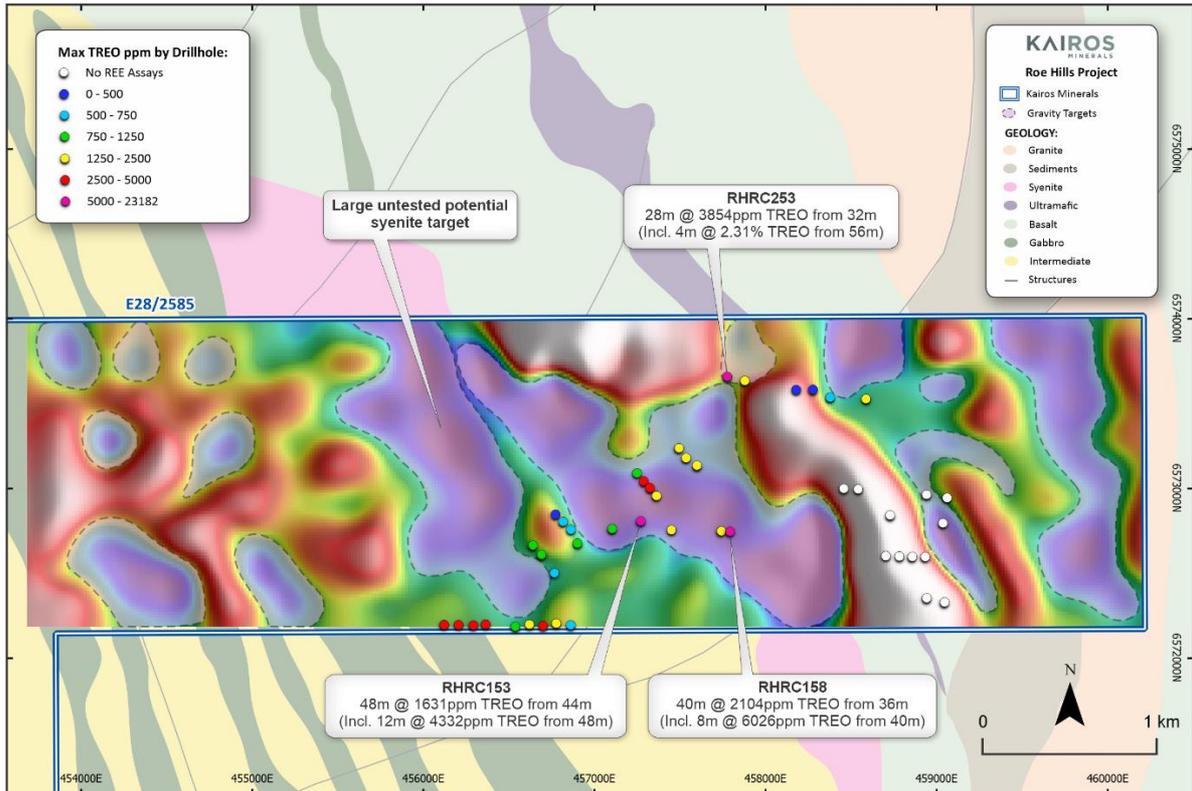


Figure 2: Black Cat area showing the location of previous drilling coloured by maximum TREO values in hole. Significant gravity lows can be observed that have not yet been drill tested. The gravity image displayed is the first vertical derivative Bouguer anomaly with a non-linear colour stretch.

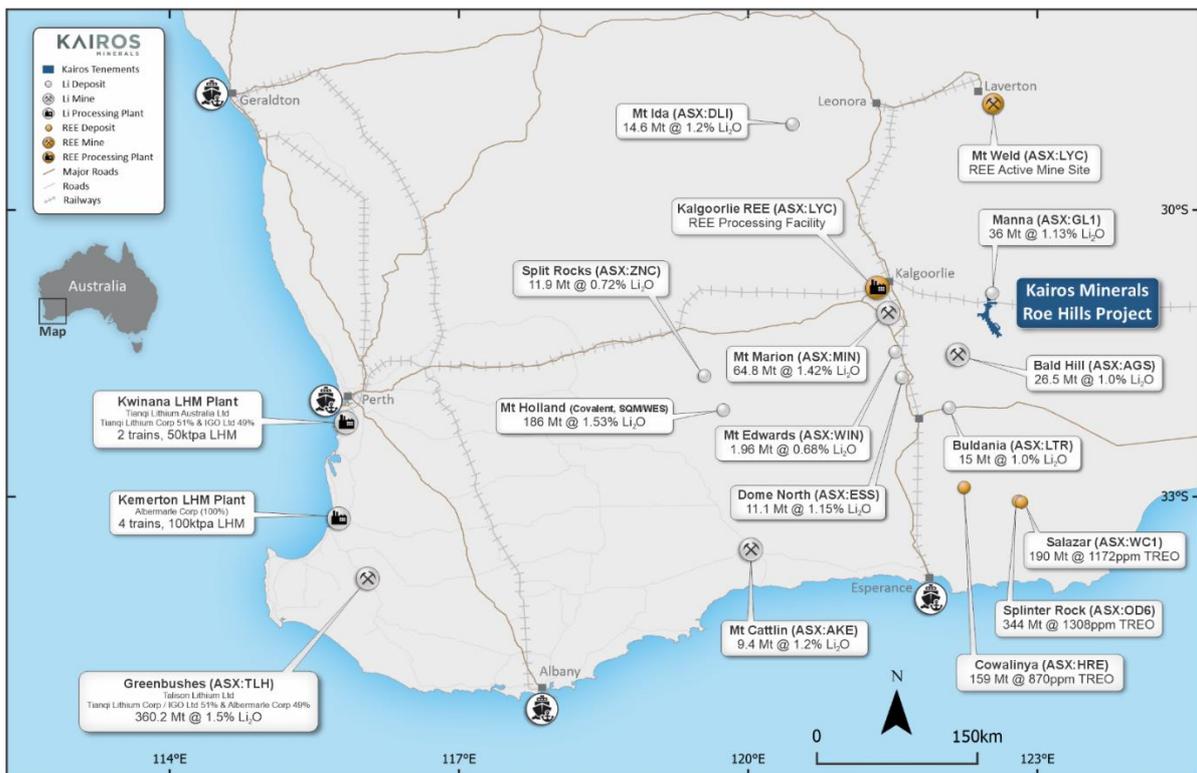


Figure 3. Location of the Roe Hills project in relation to infrastructure and other known REE and Lithium deposits and process facilities.

Metallurgical Test Work

Results and interpretation are awaited for four, 4-metre composite samples of mineralised lower saprolite clays (**Figure 4**) collected from 2 RC drillholes completed during 2023 (see announcement dated 19 December 2023 entitled 'High-grade assays over large area point to significant rare earths discovery'. These samples are deemed to be suitably representative of typical mineralisation that will undergo size analysis screen beneficiation and acid leach sighter testing.

Two leach tests were performed on each composite sample to assess the potential rare earth recoveries achievable over varied conditions, with each sample undergoing leach tests using hydrochloric acid (HCl) at a 25g/L concentration and 50°C temperature, and ammonium sulphate at an ambient temperature and pH of 4. The results of the latter test will be an indicator of whether the clay-hosted REE mineralisation is an 'ionic' in nature.

All results and interpretations of the leach tests and sizing analysis will be presented in early May.

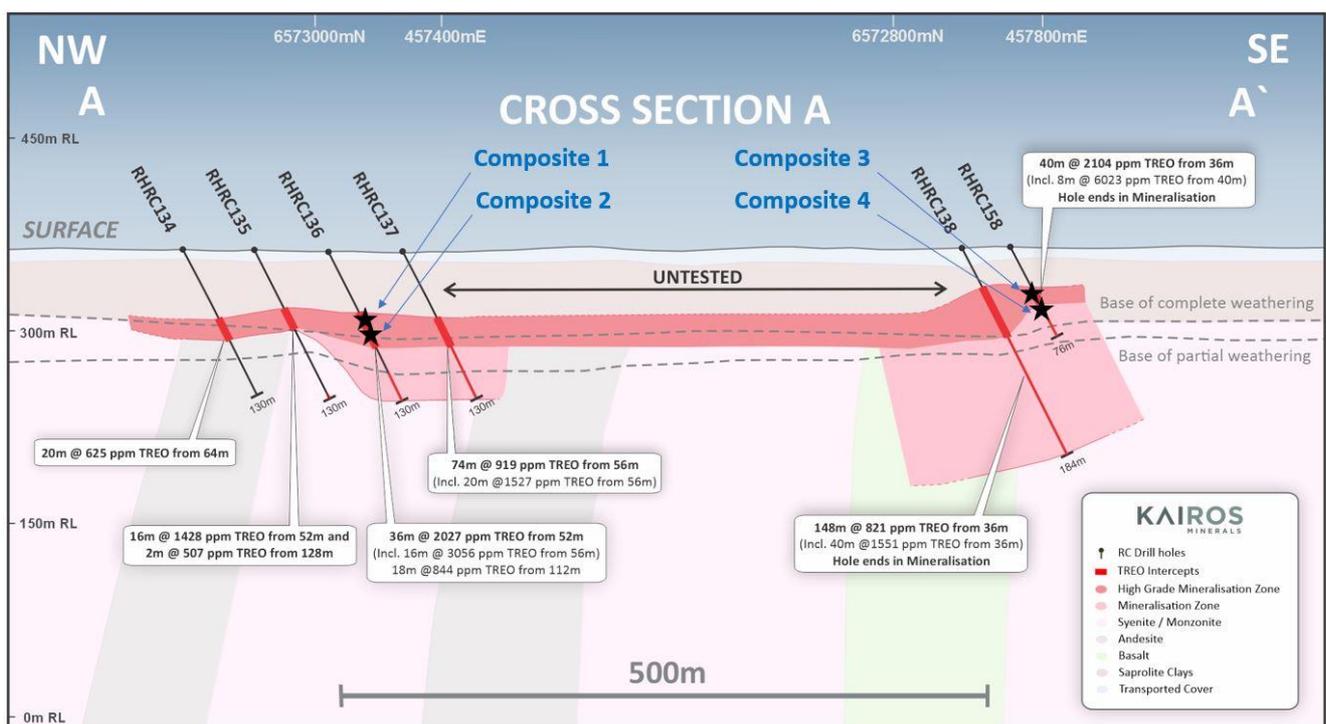


Figure 4: Cross-section through the Black Cat REE deposit showing the location of metallurgical samples collected and submitted for size analysis and leach testing.

Mt York Gold Project

Internal financial modelling of the 1.6 moz resource announced on 15 May 2023 has begun. Updated mining costs for different processing rates will be used to look at the

financial outcomes of the project in a rising gold price environment. NPV One will assist with the input parameters and process.

Negotiations continue with a number of interested parties and it is anticipated that this process will continue at least into the current quarter. There is no guarantee that a transaction will be consummated or completed however, the Company remains committed to generating shareholder value through the process.

Mining Lease Applications (MLAs)

No additional updates are available for the Mining Lease Applications submitted for the Mt York Gold Project in December 2022 although communications are ongoing with various government departments and stakeholders to advance their granting.

Pilbara Regional Tenements

Field work will begin this quarter and concentrate on several interpreted pegmatite swarms defined from new satellite image interpretation.

Summer weather conditions have prevented safe field activities in the Pilbara during the quarter but activities will resume in the June quarter.

Next Steps

- Internal Mt York Gold Project financial modelling on 2023 resource estimation results
- Continuation of Mt York negotiations with interested parties
- Assess the preliminary Roe Hills REE metallurgical test work (Sighter test work) being undertaken on composite drill samples
- Possible heritage surveys and aircore drill planning at Roe Hills REE project
- Continuation of field mapping and sampling on the southern part of the Roe Hills tenement package
- Completion of Roe Hills auger soil sampling to extend southwards on the tenement package in conjunction with the field mapping targeting lithium, gold and REE's
- Continuation of staged field mapping at the Pilbara regional projects following up on satellite imagery targets thought to be pegmatite swarms

CORPORATE

At the end of the quarter, the Company held cash and cash equivalents of \$5.59M. Cashflows relating to the quarter included \$623K spent on field exploration activities dominated by drilling activities at Roe Hills REE, lithium and gold prospects.

For the purposes of section 6 of the Appendix 5B, all payments made to related parties are for directors for fees, salary, superannuation, company secretarial and accounting services provided by director related entities.

Business Development

The Company continues to explore options for the development and monetisation of existing projects in its portfolio and continues to explore new opportunities which the Company deems to be value-accretive for its shareholders.

Board Changes

On 5 February 2024, the Company advised that non-executive Chairman Klaus Eckhof resigned from the Board of Directors to concentrate on his other business interests in Africa. Kairos non-executive director Zane Lewis was appointed Chairman on an interim basis while the Company considers a longer-term replacement.

About Kairos Minerals

Kairos Minerals (ASX:KAI) owns 100% of the flagship 1.62 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

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 exploration work has confirmed the potential for significant discoveries of high-grade Rare Earth Elements (REEs), lithium, gold, nickel and cobalt mineralization.

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 Dr Peter Turner, who is the Managing Director of Kairos Minerals Ltd and who is also a Member of the Australian Institute of Geoscientists (AIG). Dr Turner 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). Dr Turner 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 on 15 May 2023 (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 change.

Tenement Schedule

Project Tenements	Location	Held at the start of the quarter	Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter	
Roe Hills	WA	100%			100%	
E28/1935						
E28/2117						
E28/2118						
E28/2548						
E28/2585						
P28/1292						
P28/1293						
P28/1294						
P28/1295						
P28/1296						
P28/1297						
P28/1298						
P28/1299						
P28/1300						
E28/2594						
E28/2595						
E28/2696						
E28/2697						
E28/3406						100%
E28/3408						100%
L28/79						
L28/80						
L28/81						
L28/82						
Croydon Project						
E47/3522	WA	100%			100%	
E47/3523						
E47/4384						
E47/4385						

Project Tenements	Location	Held at the start of the quarter	Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter
Sky Well Project					
E47/3519	WA	100%			100%
E47/3520					
E47/3521					
Mt York Project					
P45/2987	WA	100%			100%
P45/2988					
P45/2989					
P45/2990					
P45/2991					
P45/2992					
P45/2993					
P45/2994					
P45/2995					
P45/2996					
P45/2997					
P45/2998					
L45/422					
L45/455					
L45/660					
L45/661					
M45/1306					
M45/1307					
Wodgina Project					
E45/4715	WA	100%			100%
E45/4780					
L45/709					
Kangan Project					
E45/4740	WA	100%			100%
E45/6160					

Project Tenements	Location	Held at the start of the quarter	Acquired during the quarter	Disposed during the quarter	Held at the end of the quarter
E45/6161					
E45/6353					
Woodcutters Project					
E28/2646	WA	100%			100%
E28/2647					
Lalla Rookh Project					
E45/4741	WA	100%			100%
E45/6145					
E45/6146					
E45/6147					
E45/6855			100%		
Rocklea Project					
E45/6322	WA	100%			100%
E45/6323					

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kairos Minerals Limited (ASX: KAI)

ABN

84 006 189 331

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(222)	(1,033)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(201)	(956)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(623)	(3,317)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(623)	(3,317)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,553
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(819)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Payment of lease liabilities)	-	-
3.10	Net cash from / (used in) financing activities	-	5,734

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,423	4,138
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(201)	(956)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(623)	(3,317)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,734

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,599	5,599

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	5,599	6,413
5.2	Call deposits	-	10
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,599	6,423

6.	Payments to related parties of the entity and their associates	Current quarter
		\$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	111
6.2	Aggregate amount of payments to related parties and their associates included in item 2	37

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(201)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(623)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(824)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,599
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,599
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.79
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024.....

Authorised by: Authorised for release by the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.