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ABN 84 006 189 331

**HALF-YEAR FINANCIAL
REPORT
31 DECEMBER 2020**

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Directors' Report

The Directors of Kairos Minerals Limited ("KAI" or "the Company") provide the following Report in relation to the Company for the half year ended 31 December 2020.

Directors

The following persons were Directors of the Company during the half-year and up to the date of this report:

Mr Terence Topping
Mr Neil Hutchison
Mr Bruno Seneque

Results

For the six months ended 31 December 2020, the Company incurred a consolidated comprehensive loss after income tax of \$3,269,96 (31 December 2019: \$822,562).

Review of Operations

During the six months to 31 December 2020, Kairos Minerals (ASX: KAI – "Kairos" or "the Company") conducted extensive exploration programs across its vast Pilbara tenement package. A summary of these activities are as follows:

- 16-hole Reverse Circulation (RC) drilling program for 2,124m was completed at the Old Faithful and Mt York deposits within the Mount York Project.
- 5,586m reconnaissance RC drilling program was completed at the Fuego Prospect and Tierra Prospect within the Croydon Project.
- Anomalous gold mineralisation identified within sulphide-rich sediments by RC drilling at the Fuego Prospect and Archean basement at the Tierra Prospect.
- Three gold target areas identified by first-pass regional soil sampling at the Skywell Project, with more detailed mapping, rock chip sampling and soil geochemistry completed during the period.
- First-pass regional soil sampling program completed at the Kangan project with four gold target areas identified.
- Sub-audio magnetics (SAM) survey completed at the Fuego and Tierra prospects (Croydon Project) as well as the Old Faithful and Iron Stirrup deposits (Mt York Project).
- Key protocols were implemented during the period to allow exploration in the Pilbara after taking into consideration the restrictions and health and safety requirements of the current COVID-19 environment.
- Pilbara Gold Project JORC 2012 Global Mineral Resource inventory, including the Mt York, Iron Stirrup and Old Faithful gold deposits, stands at:
 - **Indicated and Inferred Resource of 20.9Mt @ 1.30g/t Au for 873,500oz**

Directors' Report

PILBARA GOLD PROJECT, WA (KAI: 100%)

In the Pilbara, Kairos' flagship asset is the advanced Mt York deposit, located ~100km south-east of Port Hedland. Together with the nearby Iron Stirrup and Old Faithful deposits, this forms the cornerstone of the Company's Pilbara Gold Project. Since acquiring the project in early 2016, Kairos has rapidly established a substantial JORC compliant Mineral Resource inventory totalling 20.9Mt at 1.3g/t Au for 873,500 ounces (comprising Indicated Resources of 6.8Mt at 1.3g/t for 285,000oz and Inferred Resources of 7.6Mt at 1.47g/t for 358,000oz), initially by re-evaluating the known resources from the historical Lynas Find gold mine (which produced 125,000oz between 1994 and 1998) and subsequently through highly successful drilling programs. Kairos also holds 1,547 square kilometres of tenure which is highly prospective for gold and copper discoveries.

Table 1: Global Resources for the Pilbara Gold Project, reported at a 0.5g/t Au cut-off grade and to a maximum vertical depth of 195m.

Indicated			Inferred			Total		
Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)
8,565	1.33	366	12,364	1.28	507	20,929	1.30	873

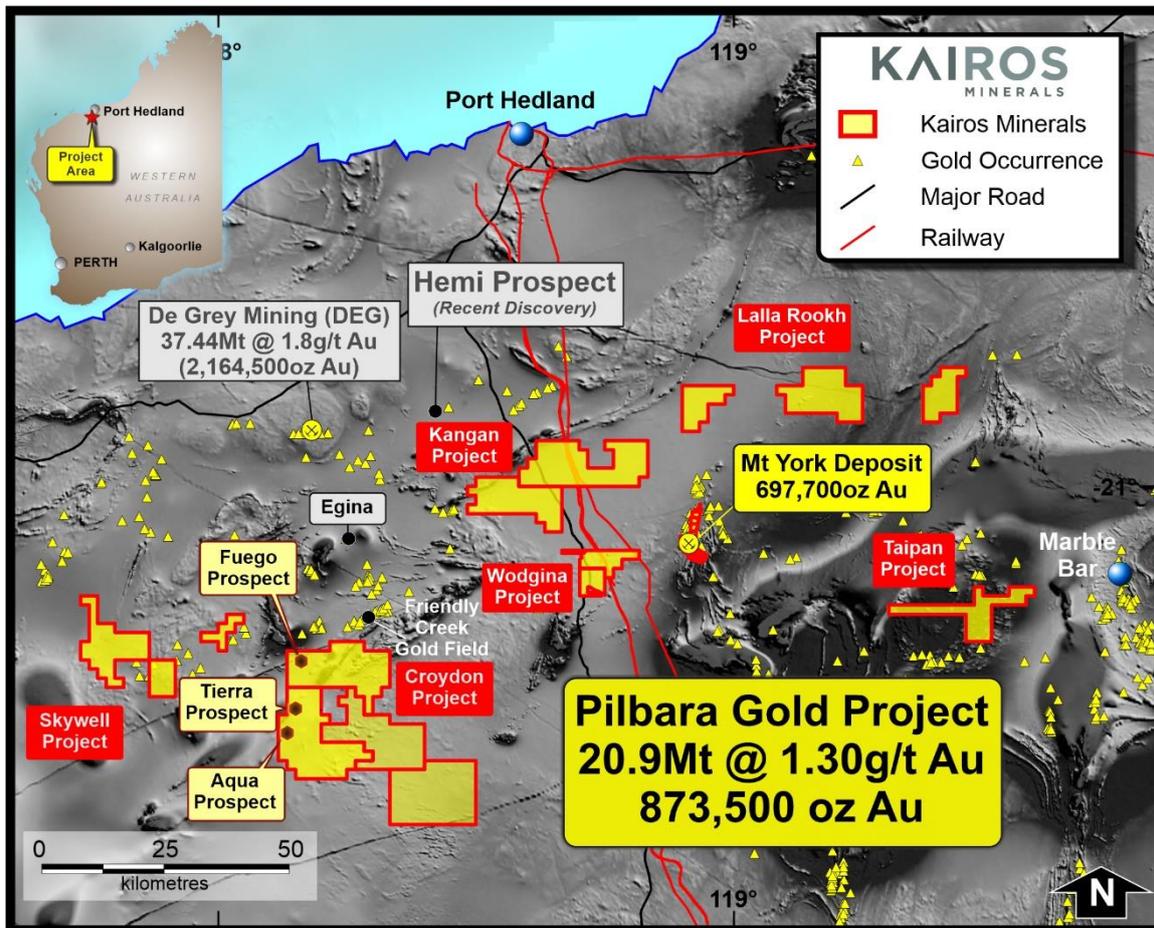


Figure 1. Pilbara Gold Project and the Mt York Deposit locations

Directors' Report

MOUNT YORK PROJECT (KAIROS 100%)

RC Drilling Program – Mt York Project

During the period, Kairos completed a Reverse Circulation (RC) drill program over the Old Faithful and Mount York deposits at the Mt York Project.

A total of 16 holes were drilled for 2,124m, with the aim of testing some of the targets generated by the recently completed SAM survey, as well as testing extensions to the known mineralisation both at depth and along strike. The drilling has also targeted higher-grade zones within the deposit, aiming to prove up the current Unclassified, Inferred and Indicated Resources into higher-confidence Resource categories.

The Old Faithful JORC resource calculation was based on the results of 166 historical RC holes for approximately 14,000m, and on the results of 10 historical diamond drilling holes for 1,194.1m. Gold mineralisation at Old Faithful is hosted within or adjacent to strongly folded/faulted talc-chlorite-carbonate units with minor associated interflow sediments and cherts. The deposit is characterised by several different mineralisation orientations and dips.

The initial recently completed SAM survey, combined with analysis of the previous drilling results and surface mapping, supported the target generation process for the drilling program. Prominent structural features were defined using the SAM survey results. The Total Field Electromagnetics (TFEM) component has defined two distinct targets, as well as the Reduced to Pole (RTP) component. Several magnetic conductors were also defined through the SAM survey results (see Figure 2).

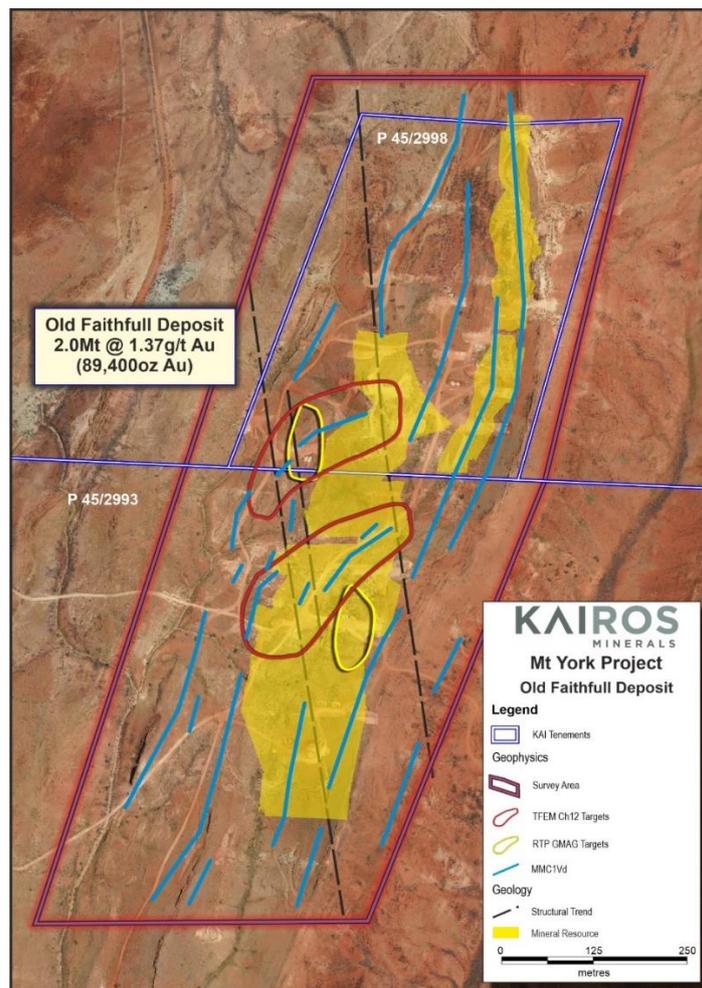


Figure 2: SAM survey targets and current resource outlines at the Old Faithful deposit, Mt York Project.

Directors' Report

Pilbara Gold Project Mineral Resource

The Company has 100% ownership of the Mount York, Iron Stirrup and Old Faithful mineral deposits. The Project is adjacent to the Pilbara Minerals' (ASX: PLS) world-class Pilgangoora Lithium Mining Centre.

Following an extensive review of existing data – including the results from Kairos drilling programs over the Mt York Deposit and with the application of new parameters, the new global Indicated and Inferred Mineral Resource for the centrally located Mt York, Iron Stirrup and Old Faithful deposits (Figure 3) in early 2020 – the Company was able to update the global Mineral Resources of the Pilbara Gold Project (Table 2).

Technical work on the Mineral Resources was completed by independent consultant Auralia Mining Consulting, Perth WA. The updated Mineral Resource was based on an extensive review of all Project data, including:

- A review of all the historical data and drilling completed by Kairos in 2016 and 2017, (see ASX Announcements – 28 October 2016, 9 November 2016, 17 November 2016, 19 December 2016, 10 February 2017, 29 May 2017, 30 November 2017, 4 December 2017 and 18 December 2017); and
- Re-interpretation and the subsequent wireframing of the mineralisation envelope for the Mt York Deposit, including the data from the drilling completed by Kairos in 2018 (see ASX Announcement – 2 October 2018).

The full details of this resource update can be found in an ASX announcement on 4 March 2020.

Table 2: Global Resources for the Pilbara Gold Project, in March 2020, reported above a cut-off grade of 0.5g/t Au.

Deposit	Indicated			Inferred			Total		
	Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)
Mt York	6,844	1.29	284	10,419	1.23	413	17,263	1.26	698
Iron Stirrup	797	1.63	41	843	1.65	45	1,639	1.64	86
Old Faithful	925	1.33	39	1,102	1.41	50	2,027	1.37	89
Total	8,565	1.33	366	12,364	1.28	507	20,929	1.30	873

Note: Numbers may not total due to rounding

- (1) Resources are constrained within a whittle shell that assumed basic economic parameters
- (2) Mt York comprises of the Breccia Hill, Main Hill and Gossan Hill deposits
- (3) Resource was previously released to the ASX 4 March 2020

Directors' Report

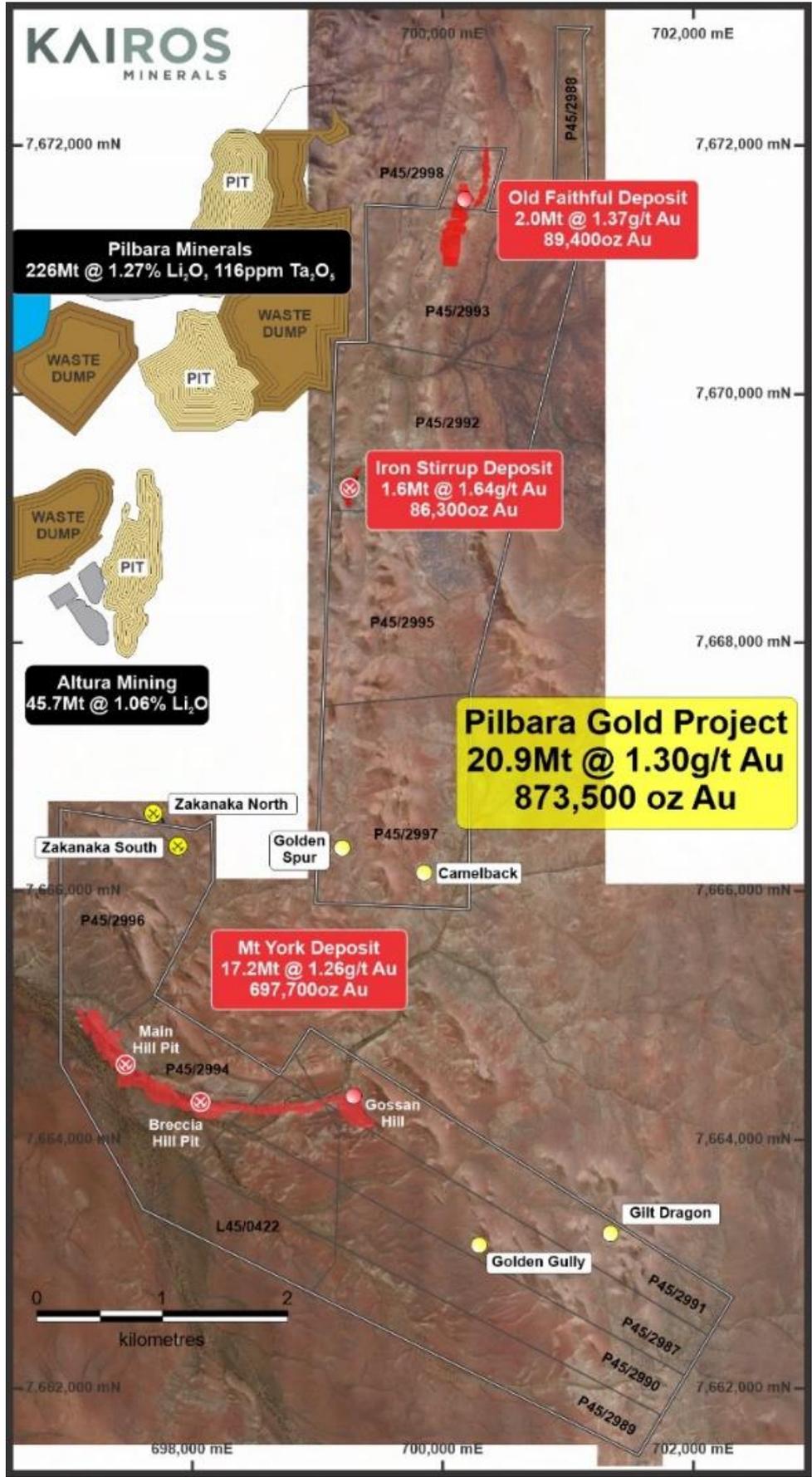


Figure 3: Pilbara Gold Project Location and Mineral Resources.

Directors' Report

CROYDON PROJECT

Fuego Prospect

At the Fuego prospect, a program of ground-based soil and rock chip sampling and mapping was undertaken during the 2019 field season and identified an extensive area of anomalous gold-in-soil related to sedimentary units of the Hardey Formation.

Results from this initial program defined a 150m to 200m wide gold anomaly above 30ppb gold extending over a strike length of 8.1km. A high-grade core extending over a strike length of 1.1km at greater than 100ppb gold was identified in the central part of the anomaly. Seven samples from the anomaly returned elevated gold results above 200ppb gold (0.2 g/t gold) up to a peak of 648ppb gold (0.64 g/t gold).

Kairos completed 20 RC drill holes for a total of 3,815m at the Fuego prospect. Assay results which returned low-grade gold was predominantly from conglomerates where a low level of sulphides was observed in the matrix.

Hole FGRC012 returned the best result of 4m at 325ppb Au, from a siliceous sulphide-rich unit within the basalt. This drilling program was conducted on lines 200m to 800m apart with the best result returned from the southern-most line.

Immediately to the south of the drilling area, significant geophysical features were defined through the sub-audio magnetic survey (SAM) and a priority area has been defined for the 2021 field season (Figure 4).

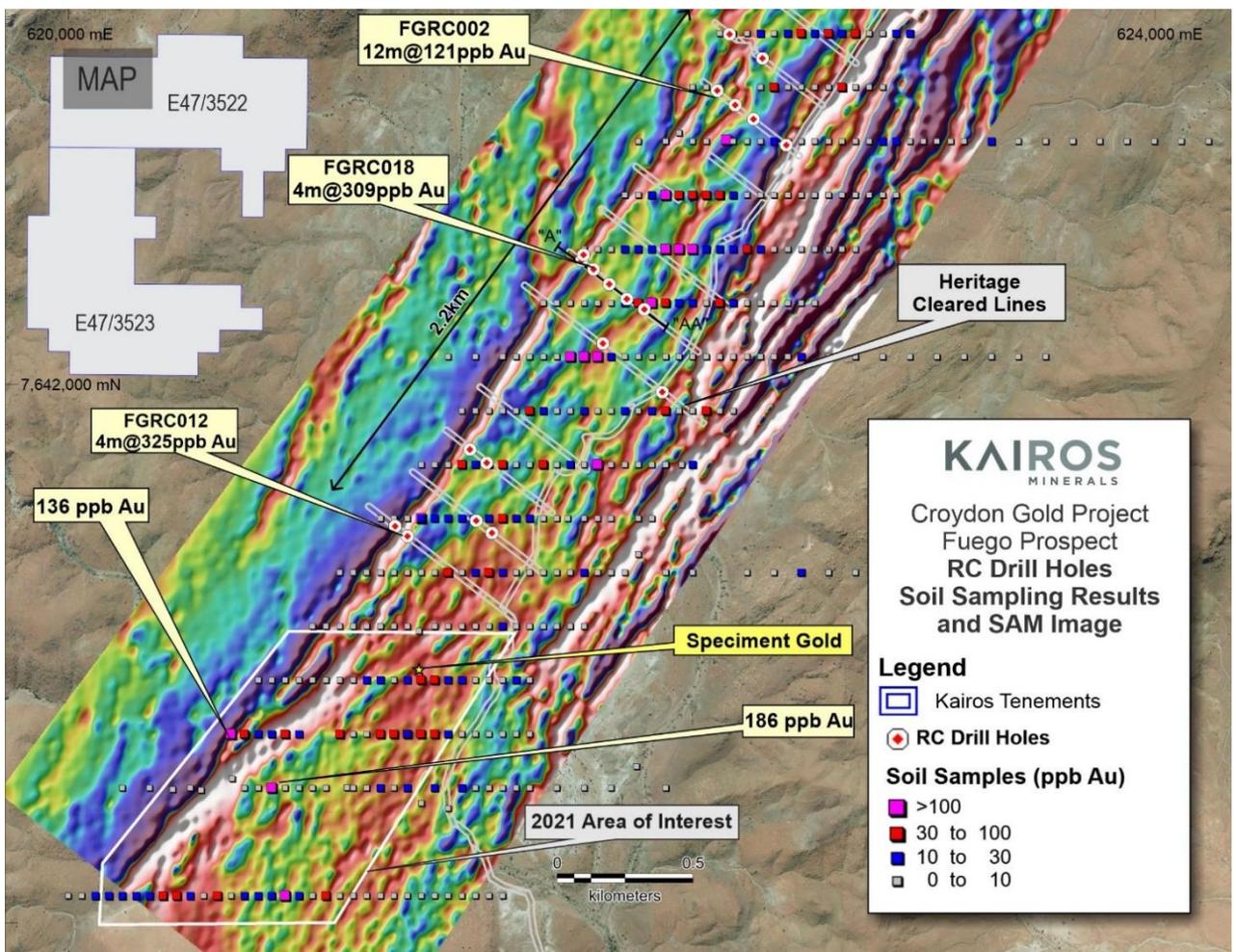


Figure 4: Fuego Prospect RC dill holes and MMC 1VD SAM image.

Directors' Report

Another significant result was returned from a section drilled 1.2km to the north of the hole FGRC012, where hole FGRC018 returned 4m at 309ppb Au. In this section, a mineralized horizon of sandstone and conglomerate is noted dipping approximately 20 degrees to the north-west and is associated with an anomalous soil sample that returned 114ppb Au.

Interpretation of the mineralised horizon is illustrated in the cross-section shown in Figure 5.

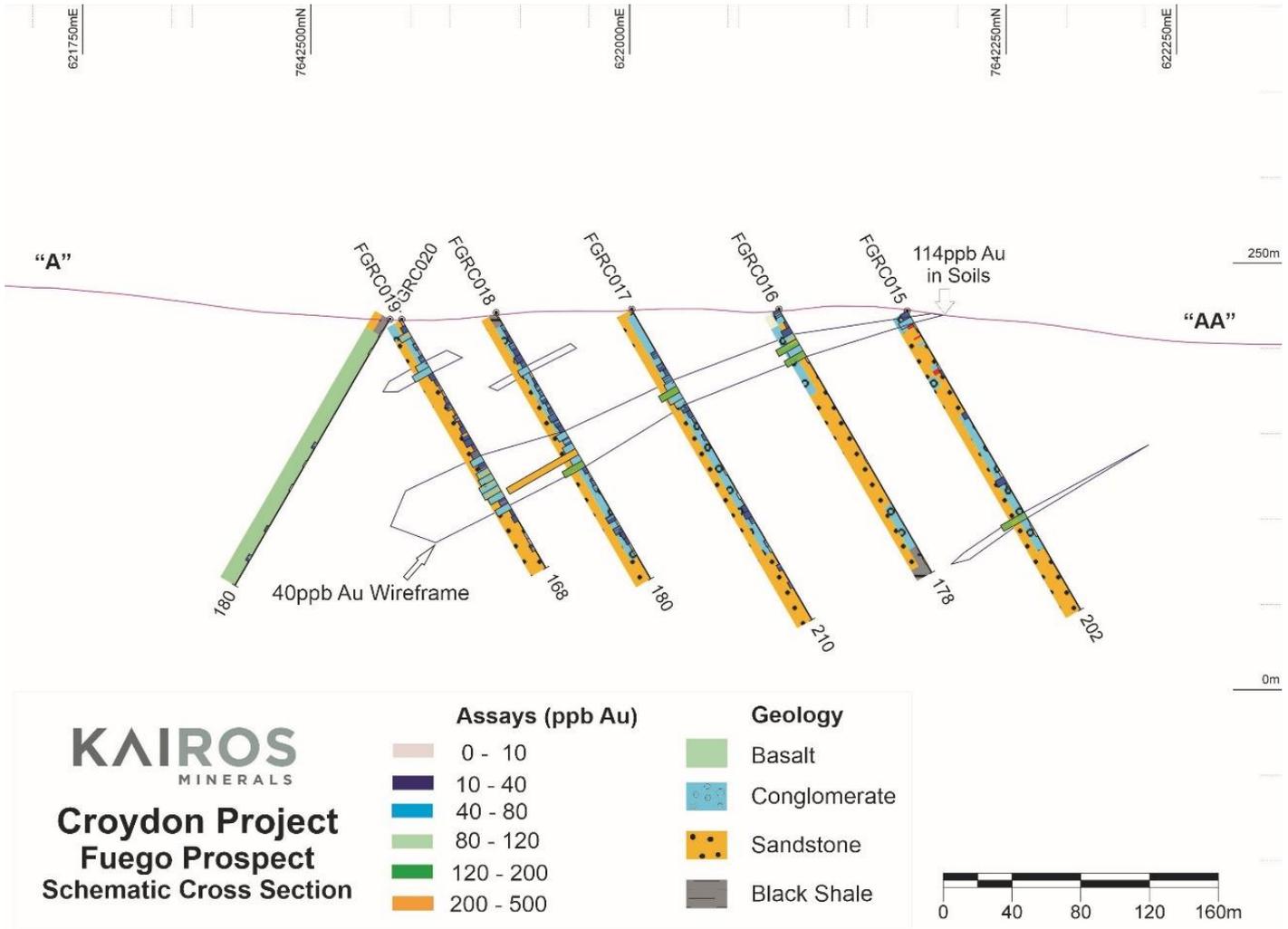


Figure 5: Drill hole section with interpretation of the mineralisation, 40ppb wireframe.

Tierra Prospect

The Company has delineated a 2.5km long corridor of highly anomalous soils and rock chips including outstanding surface copper and gold grades from rock chip sampling during field exploration programs completed during 2020 at the Tierra Prospect. Two rock chips collected 50m apart returned high copper-gold results, CYR170 (16.8% Cu – 4.3 g/t Au) and CYR455 (16.3% Cu – 1.3 g/t Au).

Nine reconnaissance RC drill holes for a total of 1,771m were completed at the Tierra prospect. Four holes were drilled in the northern part of the prospect area. TRRC002 intersected pyrite and chalcopyrite (copper sulphide) logged in an ultramafic unit and pyrite and arsenopyrite logged in a quartzite unit.

The last five holes were drilled in the southern part of the prospect area targeting intrusion-related gold mineralisation. The southern drilled holes had to utilise areas that were previously heritage cleared access prior to the discovery of the soil anomalies.

Directors' Report

Holes TRRC001 and TRRC002 were drilled to test the extension of a mineralised vein mapped 500m to the south-west, from where the rock chip sample CYR170 returned 4.2g/t Au. Several mineralised intervals were described from hole TRRC002; however, this hole was abandoned at 145m due to drilling issues.

The pads of the holes TRRC003 and TRRC004 were initially designed to test the conglomerate unit under the Mt Roe basalt. Hole TRRC004 intersected 30m of sandstone and conglomerate units under the basalt, with sulphides observed in both units. Low-grade gold, 20ppb, was returned from a 4m composite sample at the bottom of this sedimentary package. These two holes also intersected the new target unit, the granitic rocks from the Sisters Supersuite intrusion, however no mineralised intervals were observed.

In the southern part of the Tierra prospect area, nine holes were drilled to test the Sisters Supersuite intrusion as well as its contact with the Mt Roe basalt. Strong gold-in-soil anomalies associated with the Sisters Supersuite granitic intrusion occur immediately to the north-east of the drilling area (up to 1,003ppb Au). This anomaly was confirmed and better delineated with the results of the recently completed in-fill soil sampling program.

Holes TRRC006, TRRC007 and TRRC009 intersected a mineralised granitic intrusion, with hole TRRC007 returning 8m @ 200ppb from surface and hole TRRC009 returning 4m @ 123ppb from 64m, where a single-metre sample with 3% pyrite was logged at 66m. See Figure 6 for the location of the holes and the soil anomalies.

A heritage survey has now been completed over the area that returned the high-grade gold in soils.

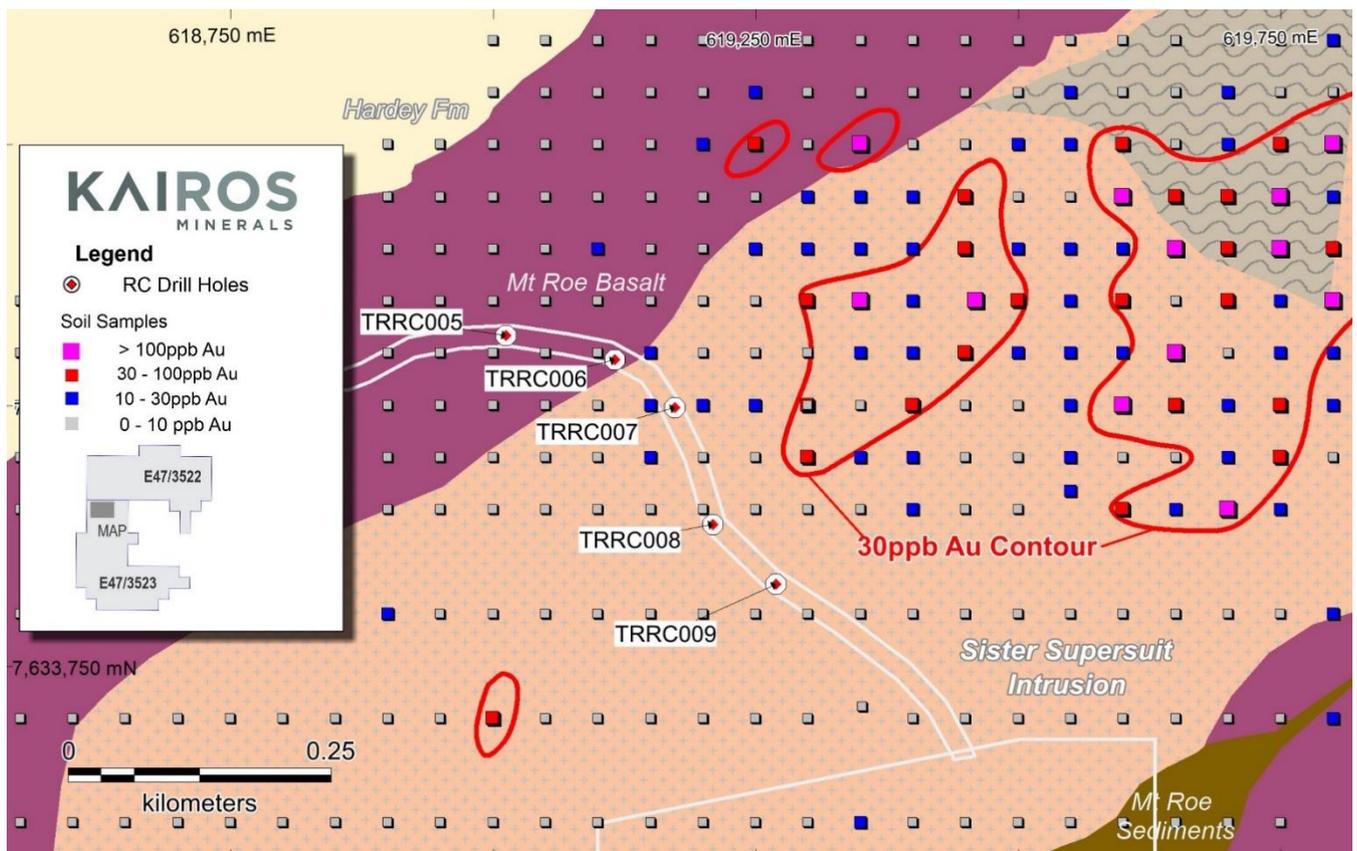


Figure 6: Tierra Prospect RC drill holes and soil anomalies over the Sisters Supersuite intrusion.

Directors' Report

Aqua Prospect

Kairos also completed a soil geochemistry program at the Aqua prospect, located approximately 6km south of the Tierra prospect. At this prospect, a total of 170 soil samples were collected and sent to Intertek Minerals in Perth for gold and multi-element analysis.

The Sisters Supersuite Intrusion has been mapped by GSWA at this prospect area, and the recently completed airborne radiometric survey has delineated a target area of 2.3km by 0.7km within Kairos' ground.

SKYWELL PROJECT

During the period, Kairos completed the first-pass regional soil geochemical program for the Skywell Project, with some in-fill and extensional soil samples collected for the recently defined Akari, Kepler, and Omid prospects (refer Figure 8).

During the 2020 field season, the Company collected a total of 2,094 soil samples within the Skywell Project area and submitted them to Labwest in Perth for the CSIRO's ultrafine analysis.

This large program is part of the Company's target generation for Hemi-style intrusive-related gold mineralisation. The in-fill soil sampling program results are expected to refine the targets for this year's drilling programs.

In addition, a mapping and rock chip sampling program was completed in November at the Akari, Kepler and Omid prospects to follow up the initial results from the first-pass soil sampling program.

A total of 54 rock chip samples were collected and sent to Intertek Minerals in Perth for gold and multi-element analysis. Rock chip samples were collected from several distinct geological units, including granitic intrusions (Sisters Supersuite Intrusion), sediments from the Mallina Basin and quartz veins.

Previous mapping and sampling outlined an area of seven rock chip samples that returned anomalous gold from a quartz vein cross-cutting a gabbro unit that is mapped as a mafic phase of the Sisters supersite intrusion. This gabbro intrudes as a sheet up to 700m thick near the base of the Mallina Formation (Geology of the Mount Wohler 1:100 000 sheet – Smithies 1998).

A major structural event took place after the intrusion, resulting in the development of synclines distinctively observable by the folded dark gabbro. The quartz vein is 1 to 3 metres wide and has been sampled over a strike length of 130 metres. Further sampling and mapping are required to define the extent of the gold mineralisation.

Five rock chip samples returned elevated gold results above 1,000ppb gold (1g/t Au), up to a peak of 12,954 ppb gold (12.9 g/t Au) (Figure 7).

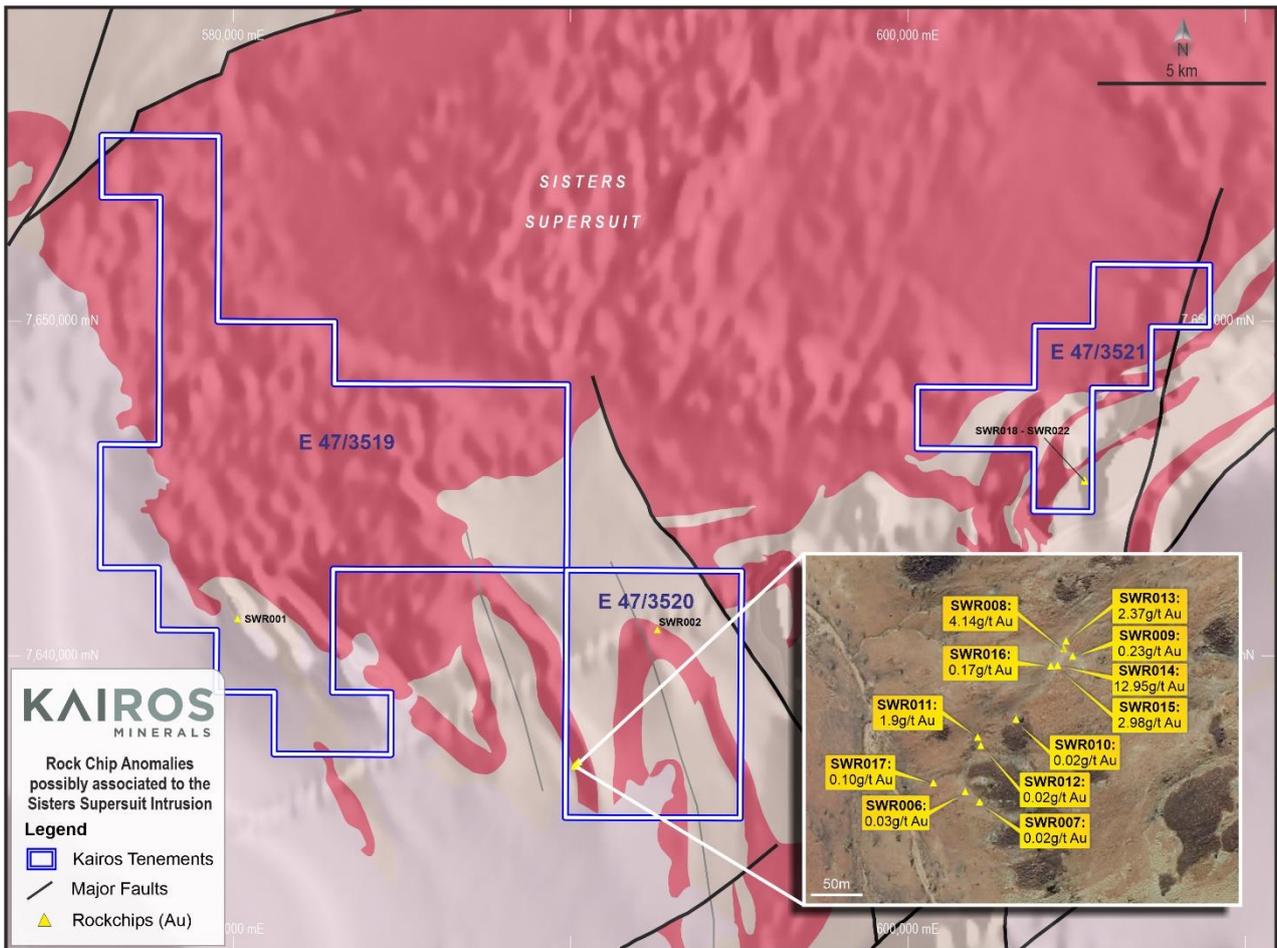


Figure 7: Skywell Project showing locations of rock chip samples, over the 1;500k GSWA Geology.

During the period, Kairos completed the in-fill soil sampling program to follow up the results of the first-pass soil geochemical program completed during the September 2020 quarter.

In addition, Kairos extended the soil sampling area to test three targets generated by the airborne magnetic survey.

The in-fill soil sampling program was conducted on a 200m line spacing by 80m, while the extensional program was still conducted on a 400m line spacing by 160m sample intervals covering intrusion-related gold mineralisation targets and structural targets defined by mapping and by the preliminary data from the airborne geophysical survey.

Initial interpretation of the Ultrafine gold and multi-element results, together with the results of the airborne magnetic survey, has generated one gold target within the E47/3519 and two gold targets within E47/3520 (Figure 8). The new targets are described in more detail below.

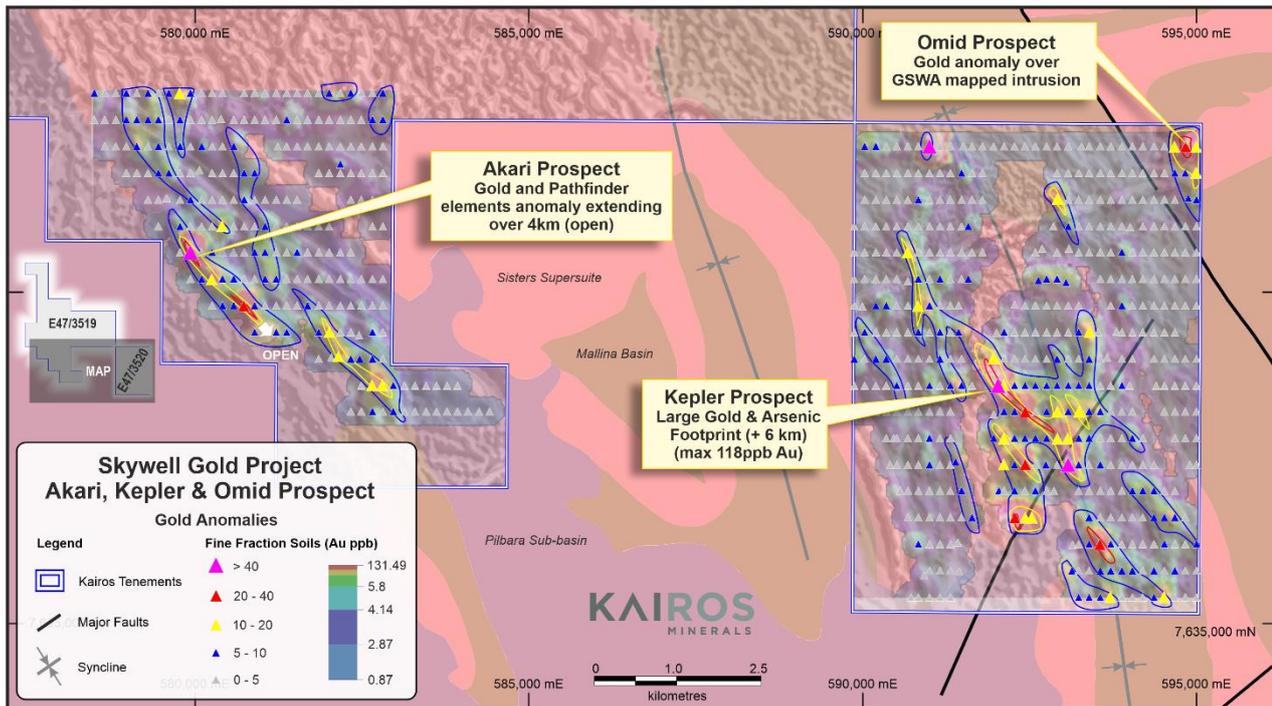


Figure 8: Gold anomalies at the Skywell Project and the 500k GSWA Tectonic map.

Kepler Prospect

This target is defined by a 6km long geochemical anomaly that occurs over the Mallina Basin sediments and the metagabbro unit of the Sisters Supersuite intrusion. The anomaly appears to be trending in a northwest-southeast direction. The metagabbro unit generally stands out as a strong magnetic feature on the recently completed airborne magnetic survey image and, interestingly, appears to be de-magnetized in the central part of the anomalous strike length (Figure 8), where sample SWS0548 returned 118ppb Au and 568ppm As.

The core of the anomaly, which extends over 2km, sits in between the axis and the western limb of a syncline fold and is cross-cut by a major northeast-southwest fault, suggesting the potential for structurally controlled mineralisation (Figure 8).

Akari Prospect

This target is defined by a coherent and robust anomaly characterised by elevated Au, As, Bi, Mo, Pb, Sb, Te, and W, and extending over a strike length of 4km. The main component of this anomaly, where sample SWS0090 returned 69ppb Au, is associated with Hardey Formation and sits on the edge of a prominent magnetic anomaly (Figure 8).

The second component of this anomalous zone sits on the sediments of the Mallina Basin (GSWA Mount Wohler 1:100,000 Geological Map). This anomalous zone remains open in one or more directions. A further in-fill and extensional soil sampling program, combined with detailed geological mapping, is required to identify the extension and nature of this anomaly.

Omid Prospect

This target comprises low-level gold and arsenic anomalies coincident with a magnetic feature over mapped granodiorite intrusion in sediments of the Mallina Basin. See Figure 8 for the location of this target.

Directors' Report

KANGAN PROJECT

The Kangan Project is located 90km south of Port Hedland in the Pilbara of Western Australia. The Project has good access via the major sealed Great Northern Highway that runs through the central portion of the Project.

During the 2020 field season, a total of 1,594 soil samples were collected within E45/4740 and submitted to Labwest in Perth for Ultrafine Analysis. This geochemical program is part of the regional CSIRO soil research initiative. Soil sampling was conducted on first pass 200m and 400m line spacing by 80m and 160m sample intervals covering intrusion-related gold mineralisation targets and structural targets defined by mapping and by the preliminary data from the airborne geophysical survey.

Initial interpretation of the Ultrafine gold and multi-element results, along with the results of the airborne magnetic survey, has generated four gold targets within the E45/4740 (Figures 9 and 10).

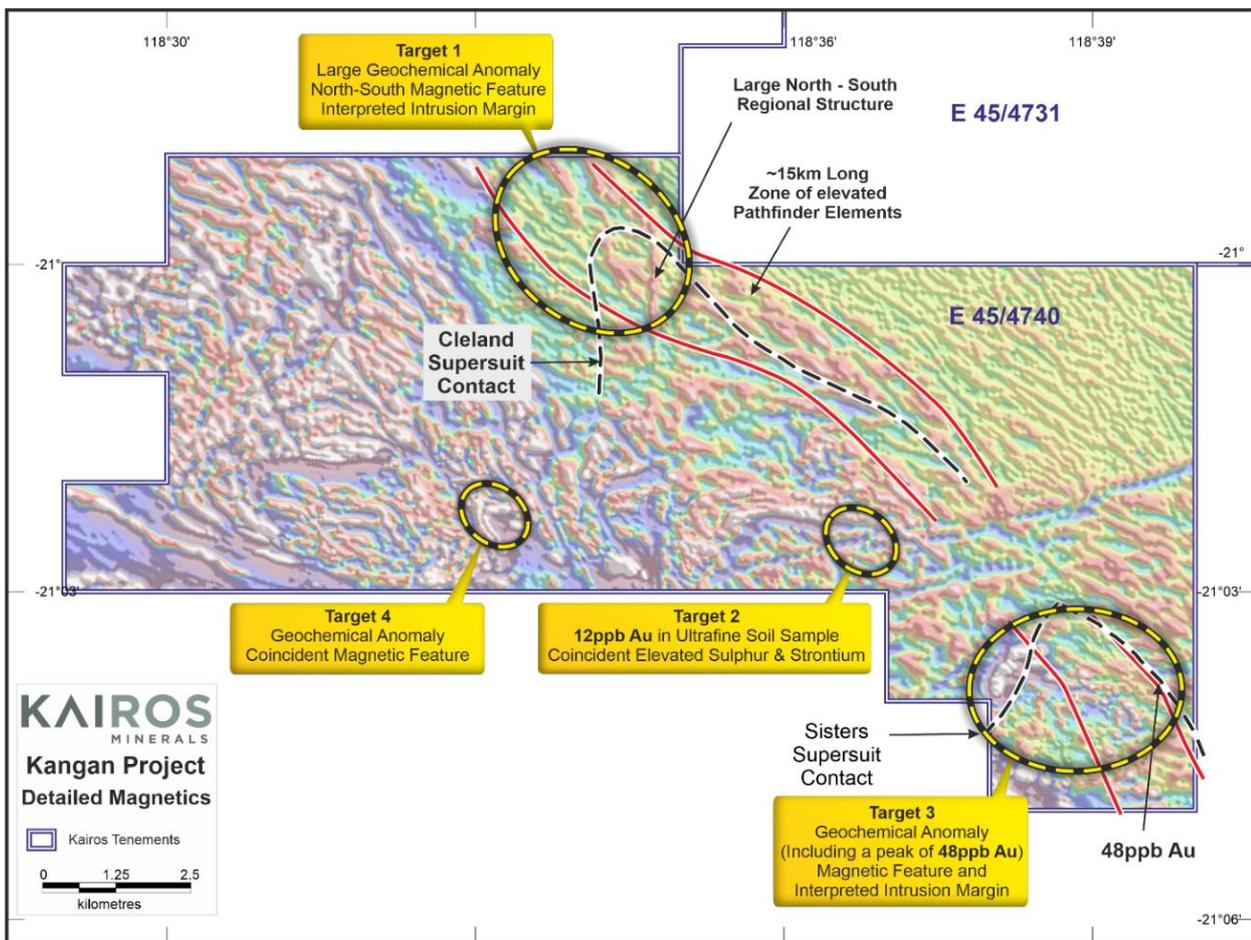


Figure 9: Targets defined for the Kangan Project over the TMI 1VD image.

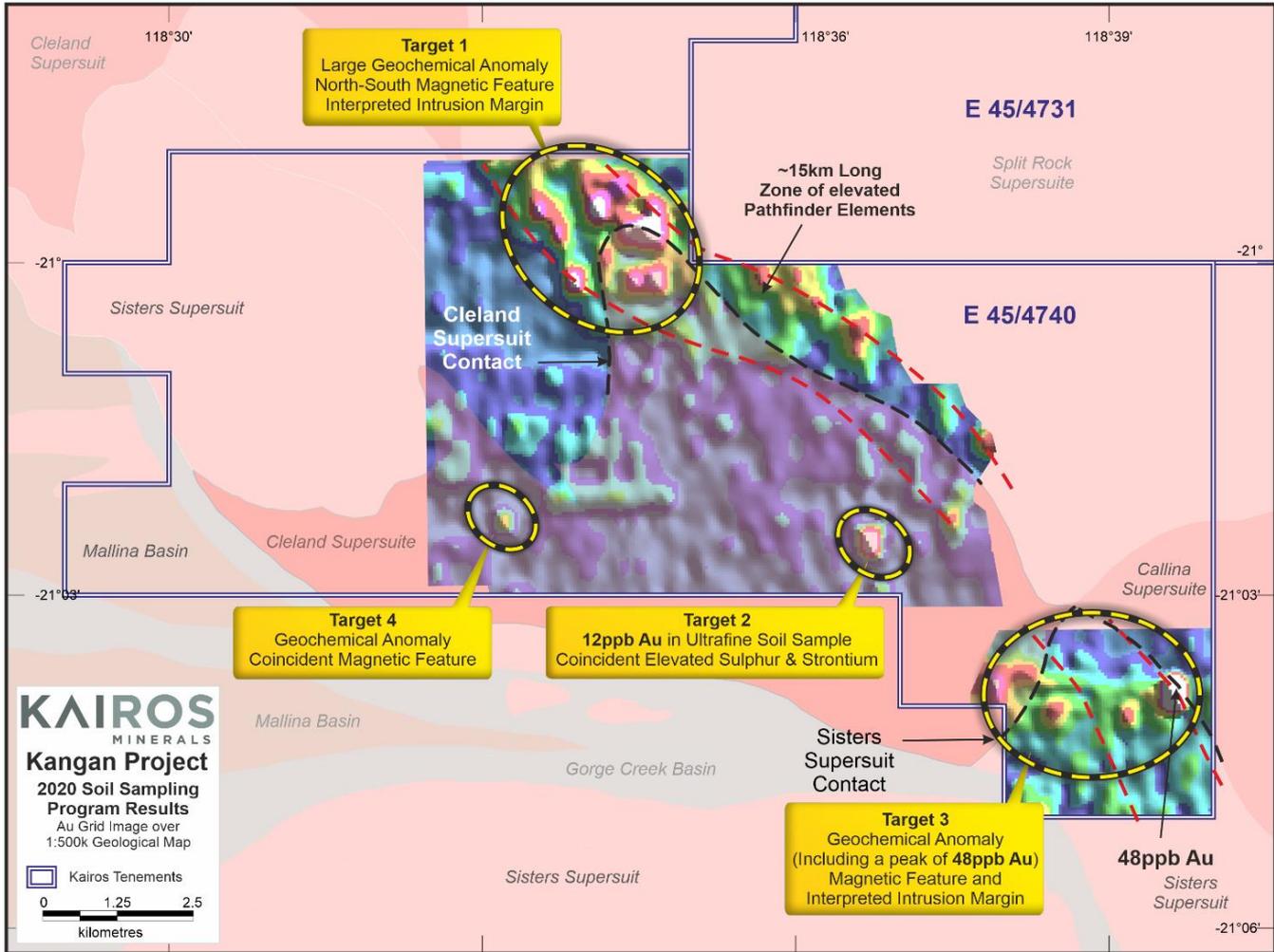


Figure 10: Targets over the Au grid image and the 500k GSWA Tectonic Map.

Target 1

This target is defined by a major north-south structural zone which is coincident to a 3km long geochemical anomaly. This north-south interpreted structure marks the eastern margin of the gold-in-soils anomaly and is similar to large regional structures adjacent to the Hemi Deposit and is of a similar orientation to the newly discovered Falcon intrusion. This target area has a zone of elevated auriferous pathfinder elements associated with granitic intrusions and is traceable for over 15km to the south-east. This zone is approximately 1 km wide and includes Mo, U, Pb, Nb, Sb, Ag, As, Cu & Co anomalies.

Target 2

Gold-in-soil anomaly coincident with some magnetic features. S and Sr are also elevated within this target area.

Target 3

This target is defined by a 3.5km long geochemical anomaly coincident with magnetic features and lithological boundaries (intrusion contact). On the western area of this target there is a gold anomaly coincident with a local magnetic anomaly where previous Kairos mapping has described a BIF unit. On the eastern area of this target lies the peak gold anomaly, 48.5ppb, associated with the Sisters Supersuite and the Callina Supersuite contact.

Directors' Report

WODGINA PROJECT

The Wodgina Project comprises two granted exploration licences E45/4715 and E45/4780, covering an area of 68km². The Project is located ~90km south of Port Hedland and is situated immediately adjacent to Mineral Resources' (ASX: MIN) Wodgina Tantalum-Lithium Project and ~15km from Pilbara Minerals' (ASX: PLS) Pilgangoora Lithium Mining Centre.

The Wodgina Project forms part of a Farm-in Agreement with Altura Mining Ltd (ASX: AJM). Under the terms of the Agreement, Altura may earn up to 75% interest in the lithium rights of the project, by the expenditure of \$1.25 million over five years from the Commencement date, 9th May 2019.

On the 26th October 2020 Altura was placed in voluntary receivership, with Richard Tucker and John Bumbak of KordaMentha appointed Joint and Several Receivers and Managers. On the 27th October 2020 Stuart Roche and Jeremy Joseph Nips of Cor Cordis were appointed Joint and Several Voluntary Administrators of Altura (See Altura ASX announcements dated 26th and 27th October 2020). Kairos is currently undertaking a review and assessment of the Farm-in Agreement and the Wodgina Project.

ROE HILLS PROJECT, WA (KAI 100%)

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 has completed four gold-focused exploratory drilling campaigns at the Roe Hills Project, located approximately 120km east of Kalgoorlie.

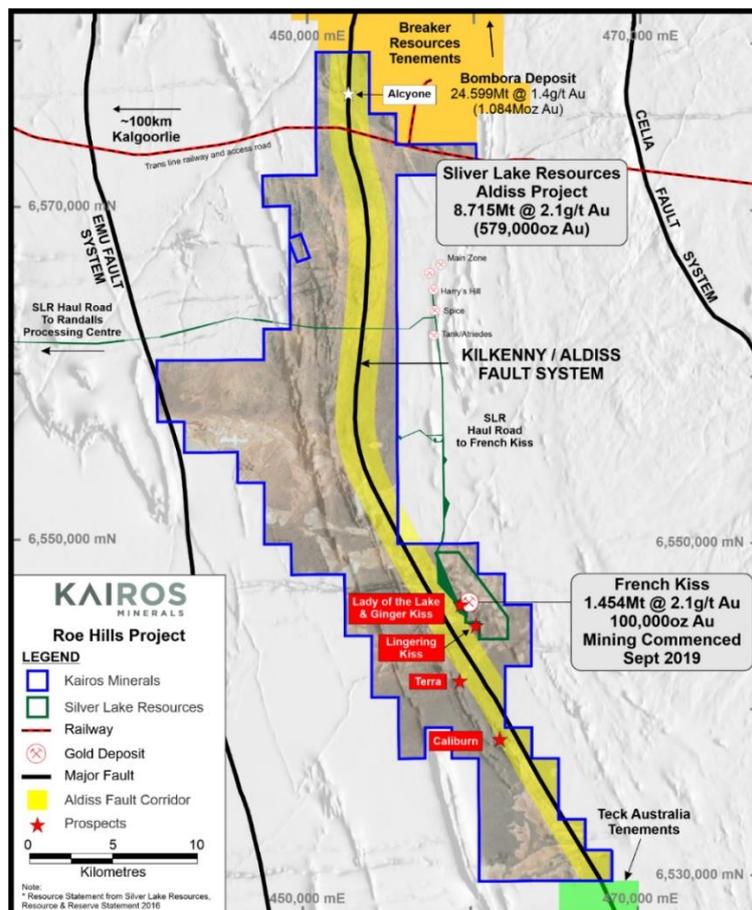


Figure 11: Roe Hills Project prospect locations.

Directors' Report

The Black Cat gold prospect lies at the northern end of Kairos' 100% owned Roe Hills Gold Project. The prospect is located in a structurally and geologically complex area, adjacent to the Regionally significant Keith-Kilkenny Shear zone, host to Breaker Resources Ltd (ASX: BRB) Bombora Gold Project, 23.21MT at 1.3 g/t Au for 981koz and Silver Lake Resources (ASX:SLR) Aldiss Project, 8.715Mt at 2.1 g/t Au for 579koz), which includes the operating Harrys Hill and French Kiss open cut mines, located along strike to the south of the Black Cat prospect (see Figure 11).

Soil sampling conducted by the Company at Black Cat, returned regionally anomalous gold values extending over 400m (> 20 ppb Au, max 64 ppb Au) strike, associated with elevated pXRF arsenic anomalism.

CORPORATE

The consolidated comprehensive loss after income tax for the half-year was \$3,269,936 (31 December 2019: \$819,319).

At the end of the half-year the Group had \$10,453,799 (30 June 2020: \$2,588,393) in cash and cash equivalents. Capitalised exploration and evaluation costs at end of the half-year was \$14,023,248 (30 June 2020: \$11,088,246).

During the half-year, the Company completed a rights issue to raise \$1.709m and completed a placement to sophisticated and professional investors to raise \$9.54 million (refer ASX announcement on 25 September 2020). The Company also issued 20,246,654 shares on the exercise of listed options at \$0.025 per share. During the period the Company sold investments in listed entities to raise net proceeds of \$495,372.

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 Terry Topping, who is a Director of Kairos Minerals Ltd and who is also a Member of AusIMM. Mr Topping 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 Topping 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 Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of Directors.



Mr Terence Topping
Executive Chairman

Perth, Australia.

Dated this the 15th day of March 2021.

**Bentleys Audit & Corporate
(WA) Pty Ltd**

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the review of the financial statements of Kairos Minerals Ltd for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Partner

Dated at Perth this 15th day of March 2021

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
REVENUE			
Interest Income		6,916	5,235
Other		67,210	-
		74,126	5,235
Depreciation		(3,237)	(11,447)
Depreciation – right-of-use asset	7	(18,989)	-
Directors' fees		(54,096)	(200,260)
Share based remuneration	4	(2,833,850)	-
Travel and marketing		(118,931)	(124,992)
Administration and other expenses		(305,443)	(196,225)
Finance costs	7	(4,199)	-
Professional and consulting fees		(217,844)	(198,150)
Occupancy expenses		(53,141)	(96,723)
Loss before income tax		(3,535,604)	(822,562)
Income tax expense		-	-
Loss for the period after income tax		(3,535,604)	(822,562)
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Profit from sale of non-current financial assets		170,372	-
Change in fair value of equity instruments		95,296	3,243
Other comprehensive income for the period, net of tax		265,668	3,243
Total comprehensive loss for the period		(3,269,936)	(819,319)
Loss attributable to:			
Owners of Kairos Minerals Limited		(3,535,604)	(822,562)
Non-controlling interests		-	-
		(3,535,604)	(822,562)
Total comprehensive loss attributable to:			
Owners of Kairos Minerals Limited		(3,269,936)	(819,319)
Non-controlling interests		-	-
		(3,269,936)	(819,319)
Basic (loss) per share (cents per share)	6	(0.25)	(0.09)
Diluted (loss) per share (cents per share)	6	(0.25)	(0.09)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents		10,453,799	2,588,393
Trade and other receivables		232,909	71,408
Other assets		-	35
Total Current Assets		10,686,708	2,659,836
<i>Non-Current Assets</i>			
Other financial assets		377,643	607,347
Property, plant and equipment		128,928	31,880
Rights-of-used asset	7	322,818	-
Exploration and evaluation costs	5	14,023,248	11,088,246
Total Non-Current Assets		14,852,637	11,727,473
TOTAL ASSETS		25,539,345	14,387,309
LIABILITIES			
<i>Current Liabilities</i>			
Trade and other payables		396,394	440,799
Lease Liability	7	49,107	-
Provisions		3,131	-
Total Current Liabilities		448,632	440,799
<i>Non-Current Liabilities</i>			
Lease Liability	7	276,899	-
Total Non-Current Liabilities		276,899	-
TOTAL LIABILITIES		725,531	440,799
NET ASSETS		24,813,814	13,946,510
EQUITY			
Contributed equity	4	84,708,477	73,196,731
Financial assets at fair value reserve through other comprehensive income		292,638	26,970
Option fair value reserve		5,257,678	287,534
Performance Rights reserve		-	2,344,650
Accumulated losses		(65,443,868)	(61,908,264)
Parent interests		24,814,925	13,947,621
Non-controlling interests		(1,111)	(1,111)
TOTAL EQUITY		24,813,814	13,946,510

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2020

Consolidated Entity	Contributed equity	Financial assets at fair value reserve through other comprehensive income	Performance Rights reserve	Option Fair Value Reserve	Accumulated losses	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2020	73,196,731	26,970	2,344,650	287,534	(61,908,264)	(1,111)	13,946,510
Loss for the period attributed to owners	-	-	-	-	(3,535,604)	-	(3,535,604)
Other comprehensive income	-	265,668	-	-	-	-	265,668
Total comprehensive (loss) for the period	-	265,668	-	-	(3,535,604)	-	(3,269,936)
<i>Transactions with owners in their capacity as owners:</i>							
Shares issued (net of costs)	8,558,451	-	-	-	-	-	8,558,451
Options issued	608,645	-	-	4,970,144	-	-	5,578,789
Performance rights exercised	2,344,650	-	(2,344,650)	-	-	-	-
Balance at 31 December 2020	84,708,477	292,638	-	5,257,678	(65,443,868)	(1,111)	24,813,814
Balance at 30 June 2019	69,667,255	(233,144)	2,344,650	-	(61,024,238)	(1,111)	10,753,412
Loss for the period attributed to owners	-	-	-	-	(822,562)	-	(822,562)
Other comprehensive income	-	3,243	-	-	-	-	3,243
Total comprehensive (loss) for the period	-	3,243	-	-	(822,562)	-	(819,319)
<i>Transactions with owners in their capacity as owners:</i>							
Shares issued (net of costs)	1,456,486	-	-	-	-	-	1,456,486
Options issued	287,434	-	-	-	-	-	287,434
Balance at 31 December 2019	71,411,175	(229,901)	2,344,650	-	(61,846,800)	(1,111)	11,678,013

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2020

	31 December 2020	31 December 2019
	\$	\$
<i>Cash flows from operating activities</i>		
Payments to suppliers and employees	(1,059,335)	(704,028)
Other income	50,000	-
Interest received	6,916	5,235
Net cash flows used in operating activities	(1,002,419)	(698,793)
<i>Cash flows related to investing activities</i>		
Payment for purchases of plant and equipment	(126,195)	-
Payment for tenements and exploration	(2,765,497)	(1,065,832)
Payment for investments	-	(23,077)
Proceeds from sale of non-current assets	495,372	-
Net cash flows used in investing activities	(2,396,320)	(1,088,909)
<i>Cash flows related to financing activities</i>		
Proceeds from issues of securities	11,433,224	1,716,001
Capital raising costs	(169,079)	(118,292)
Net cash flows from financing activities	11,264,145	1,597,709
Net Increase/ (Decrease) in cash and cash equivalents	7,865,406	(189,993)
Cash and cash equivalents at the beginning of the period	2,588,393	1,497,140
Cash and cash equivalents at the end of the period	10,453,799	1,307,147

The accompanying notes form part of these financial statements.

Notes to the Condensed Financial Statements

Note 1 – Basis of Preparation

The general purpose financial report for the interim half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period.

There is no implementation of new standard on the financial performance or position of the Group.

Note 2 – Segment Information

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews NPBT (net profit before tax). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Note 3 – Contingent Liabilities and Assets

The level of the Company's contingent liabilities and contingent assets have not changed materially from those disclosed in the annual report for the year ended 30 June 2020.

Contingent consideration payable in respect of the acquisition of the Mt York tenements in January 2016. Additional shares were required to be issued to the vendors upon the mineral resource reaching 500,000 ounces of gold.

Notes to the Condensed Financial Statements

Note 4 – Contributed Equity

	Note	31 December 2020 \$	30 June 2020 \$
Ordinary shares fully paid	4a	84,708,477	73,196,731
Options over ordinary shares	4b	5,257,678	287,534
		89,966,155	73,484,265

	Note	31 December 2020		30 June 2020	
		No.	\$	No.	\$
4a) Ordinary Shares					
At the beginning of reporting period		1,251,773,019	73,196,731	852,272,839	69,229,255
<u>Shares issued during period</u>					
- Issue of shares	(ii) (iv) (vi)	353,372,523	10,907,098	385,000,090	4,235,001
- Issue of shares in lieu of payment for services	(iii) (v) (vii)	18,733,121	976,053	9,400,090	103,401
- Issue of shares in respect to the satisfaction of Performance Rights	(i)	31,500,000	2,344,650	-	-
- Exercise of options	(viii)	20,246,654	608,645	5,100,000	127,673
- Transaction costs relating to share issues		-	(3,324,700)	-	(498,600)
At reporting date		1,675,625,317	84,708,477	1,251,773,019	73,196,731

During the Half Year ended 31 December 2020, the Company issued the following securities:

Note	31-Dec-20	Details	Number	Issue Price \$	Total \$
(i)	03-07-20	Issued of shares in respect to the satisfaction of Series G, H and I Performance Rights	31,500,000	0.074	2,344,650
(ii)	29-07-20	Issued of shares under non-renounceable Rights issue	155,372,523	0.011	1,709,098
(iii)	30-07-20	Issue of shares for settlement of placement fee	6,810,000	0.039	265,590
(iv)	28-08-20	Share Placement (T2)	18,000,000	0.011	198,000
(v)	08-09-20	Issue of shares for settlement of placement fee	1,123,121	0.046	51,663
(vi)	02-10-20	Share Placement	180,000,000	0.05	9,000,000
(vii)	02-10-20	Issue of shares for settlement of placement fee	10,800,000	0.061	658,800
(viii)	Various	Exercise of options	20,246,654	0.030	608,645
			423,852,298		14,836,446

Notes to the Condensed Financial Statements

	31 December 2020		30 June 2020	
	No.	\$	No.	\$
4b) Options				
At the beginning of reporting period	215,380,181	287,534	152,878,680	438,000
<u>Options movements during period</u>				
- Issue of options ^{(i) (ii) (iii) (iv) (v) (vi)}	472,552,823	5,053,052	87,662,000	287,534
- Exercise of options	(20,246,654)	(82,908)	(5,100,000)	-
- Expiry of options	(132,818,181)	-	(20,060,499)	(438,000)
At reporting date	534,868,169	5,257,678	215,380,181	287,534

During the Half Year ended 31 December 2020, the Company issued the following options:

Note	31-Dec-20	Details	Class	Number	Issue Price \$	Total \$
(i)	29-07-20	Issue of rights issued options	Unlisted	77,686,262	-	-
(ii)	30-07-20	Issue of placement options	Unlisted	113,500,000	-	-
	30-07-20	Issue of Broker options	Unlisted	23,405,000	0.0256	599,234
(iii)	30-07-20	Issue of incentive options	Unlisted	110,000,000	0.0226	2,483,938
(iv)	28-08-20	Issue of T2 placement options	Unlisted	9,000,000	-	-
(v)	08-09-20	Issue of rights issued options	Unlisted	561,561	-	-
(vi)	02-10-20	Issue of placement options	Unlisted	90,000,000	-	-
	02-10-20	Issue of Broker options	Unlisted	48,400,000	0.0407	1,969,880
				472,552,823	-	5,053,052

Fair value of options

The fair value of share options granted have been valued using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. A summary of the inputs used in the valuation of the options is as follows:

Unlisted Options	Brokers options 2.5c	Incentive options 5c	Brokers options 8c
Grant Date	28-07-20	28-07-20	01-10-20
Expiry Date	31-12-21	30-01-23	21-09-23
Exercise Price	\$0.025	\$0.05	\$0.08
Fair Value per Option	\$0.0256	\$0.0226	\$0.0407
Share Price at date of issue	\$0.04	\$0.04	\$0.066
Expected Volatility	121.9%	107.3%	108%
Risk Free Interest Rate	0.27%	0.27%	0.20%
Quantity of options issued	23,405,000	110,000,000	48,400,000
Total value of options	\$599,234	\$2,483,938	\$1,969,880

Notes to the Condensed Financial Statements

At the General Meeting held on 28 July 2020, the shareholders of the Company approved the issue of incentive options for the Directors and Employee Security Incentive Plan. Both incentive options have been recognised in the Consolidated Statement of Profit or loss and Other Comprehensive Income:

Equity settled share-based payments expenses	31 December 2020 \$
Directors and ESOP	2,483,938
Fair value adjustment to share based expenses	349,912
Total equity settled share-based payments expenses	2,833,850

	31 December 2020		30 June 2020	
	No.	\$	No.	\$
4c) Performance Rights				
At the beginning of reporting period	31,500,000	2,344,650	31,500,000	2,344,650
<i>Movements during year</i>				
- Conversion to shares	(31,500,000)	(2,344,650)	-	-
At reporting date	-	-	31,500,000	2,344,650

Notes to the Condensed Financial Statements

Note 5 – Exploration and Tenement Expenditures

	31 December 2020 \$	30 June 2020 \$
Exploration and tenement expenditure:		
<i>Roe Hills Project (100%)</i>		
Balance at the start of the period	514,250	-
Exploration expenditure capitalised	434,368	514,250
	948,618	514,250
<i>Mt York Project (Pilbara) (100%)</i>		
Balance at the start of the period	6,422,383	6,121,031
Exploration expenditure capitalised	330,254	301,352
	6,752,637	6,422,383
<i>Wodjina Project (100%)</i>		
Balance at the start of the period	515,601	428,821
Exploration expenditure capitalised	69,620	86,780
	585,221	515,601
<i>Taipan & Southern Pride Project (100%)</i>		
Balance at the start of the period	1,909,256	1,324,166
Exploration expenditure capitalised	1,446,396	585,090
	3,355,652	1,909,256
<i>Mooloo Project (100%)</i>		
Balance at the start of the period	750	-
Exploration expenditure capitalised	-	750
	750	750
<i>Croyden Project (100%)</i>		
Balance at the start of the period	1,021,786	885,398
Exploration expenditure capitalised	467,539	136,388
	1,489,325	1,021,786
<i>Woodcutters Project (100%)</i>		
Balance at the start of the period	592,070	375,427
Exploration expenditure capitalised	149,834	216,643
	741,904	592,070
<i>Lalla Rookh Project (100%)</i>		
Balance at the start of the period	112,150	91,751
Exploration expenditure capitalised	36,991	20,399
	149,141	112,150
Total Capitalised Exploration Expenditure	14,023,248	11,088,246

Notes to the Condensed Financial Statements

Note 6 – Loss per Share

	31 December 2020	31 December 2019
Basic (loss) per share (cents)	(0.25)	(0.09)
Diluted (loss) per share (cents)	(0.25)	(0.09)
a) Net loss used in the calculation of basic and diluted loss per share	(3,535,604)	(822,562)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	1,398,014,399	902,721,765

Note 7 – Leases

During the period, the Company leased its head office premises at Level 1, 43 Ventnor Avenue, West Perth 6000, Australia. The lease had a three-year term commencing 1 September 2020 with another three-year extension option.

The Company recognised the lease as a right-of-use asset and a corresponding liability at the date which the leased premises is available for use by the Company. The right-of-use-asset reflects the lease liability and is depreciated over the term of the lease. The lease liability was measured at the present value basis, discounting using borrowing rate from RBA as of 31 August 2020 of 3.75%

The lease treatment is outlined in the table that follows:

	2020 \$
Right-of-use asset	
New lease – Office premise	341,807
Less: depreciation	(18,989)
Right of use asset at 31 December 2020	322,818
Lease liabilities	
Addition of new lease	341,807
Less: principal repayment	(15,801)
Lease liabilities at 31 December 2020	326,006
Lease liabilities	
Current	49,107
Non-current	276,899
Total Lease liabilities	326,006

Lease payments are allocated between principal and finance cost. The finance cost is charged to Consolidated Statement of Profit or loss and Other Comprehensive Income over the lease period:

Depreciation charge of right of use asset	18,989
Interest expense	4,199

Notes to the Condensed Financial Statements

Note 8 – Events Subsequent to Reporting Date

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Directors' Declaration

The Directors of the Company declare that;

1. the financial statements and notes, as set out on pages 19 to 29, are in accordance with the Corporations Act 2001; and
 - a. comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr Terence Topping
Executive Chairman

Perth, Australia.

Dated this the 15th day of March 2021.

Independent Auditor's Review Report

To the Members of Kairos Minerals Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Kairos Minerals Ltd ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kairos Minerals Ltd and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Kairos Minerals Ltd financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting and Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Independent Auditor's Review Report

To the Members of Kairos Minerals Ltd (Continued)



Responsibility of the Directors for the Financial Report

The directors of the Kairos Minerals Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Partner

Dated at Perth this 15th day of March 2021

Corporate Directory

DIRECTORS

Mr. Terence Topping
Mr. Bruno Seneque
Mr. Neil Hutchison

Executive Chairman
Director/ CFO
Non-Executive Director

COMPANY SECRETARY

Mr. Adrien Wing

COMPANY

Kairos Minerals Limited
ABN 84 006 189 331

WEBSITE

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Perth WA 6000

BANKERS

National Australia Bank (NAB)
330 Collins Street
Melbourne, Victoria
Australia 3000

SECURITIES QUOTED

Australian Securities Exchange (ASX)

- Ordinary Fully Paid Shares (ASX Code: KAI)
- Options exercisable at \$0.05 expiring 31 December 2021 (ASX Code: KAI0G)