

ASX ANNOUNCEMENT

28 October 2016

GOLD DRILLING ADVANCES AT MT YORK AND ROE HILLS

Drilling progressing well at Mt York with first assays awaited; maiden drilling imminent at Roe Hills

Highlights:

Mt York Gold-Lithium Project (Pilbara region, WA):

- 4 diamond holes for 1,178m completed to date at Old Faithful gold deposit.
- Multiple intersections of strong sulphide-bearing and quartz veined alteration zones identified – assays pending.
- Drilling to continue next at Iron Stirrup.

Roe Hills Gold Project (Eastern Gold Fields, WA)

- Roe Hills Programme of Works (POW) approved.
- Extensive gravity survey completed with results being analysed before finalising priority drill targets.
- Initial gold drilling program to commence in early November.

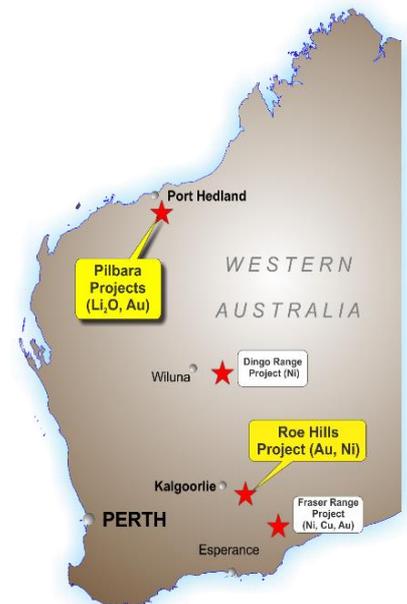


Figure 1. Project Locations

Kairos Minerals Ltd (ASX: KAI) is pleased to provide an update on ongoing and upcoming drilling programs at its two key 100%-owned WA gold projects, Mt York and Roe Hills.

Mt York Gold-Lithium Project, Pilbara Region

The Company's maiden drilling program commenced at Mt York at the end of September (see ASX Announcement – 29 September 2016). Kairos has recently reported an upgraded JORC 2012 Indicated and Inferred Mineral Resource estimate of the Mt York Project of 5.692Mt at 1.42g/t Au for 258,000 contained ounces (see ASX Announcement – 5 October 2016).

Phase 1 of the current program is designed to evaluate extensions to the Old Faithful (2.069Mt at 1.37g/t Au for 90,000oz) and Iron Stirrup (714,000t at 1.99g/t Au for 45,000oz) gold deposits, both at depth and along strike.

Drilling has progressed well with four diamond holes totaling 1,178m completed so far at the Old Faithful Gold Deposit. The drilling was designed to test both the internal continuity of mineralisation at the deposits and potential extensions of the deposits.

Each of the drill holes have encountered multiple zones of strong sulphide-bearing and quartz veined alteration, with assays pending. Drilling is continuing at Old Faithful with several more holes planned prior to commencing at Iron Stirrup.

Assay results will be announced once they come to hand and further updates on drilling progress will be provided in due course.

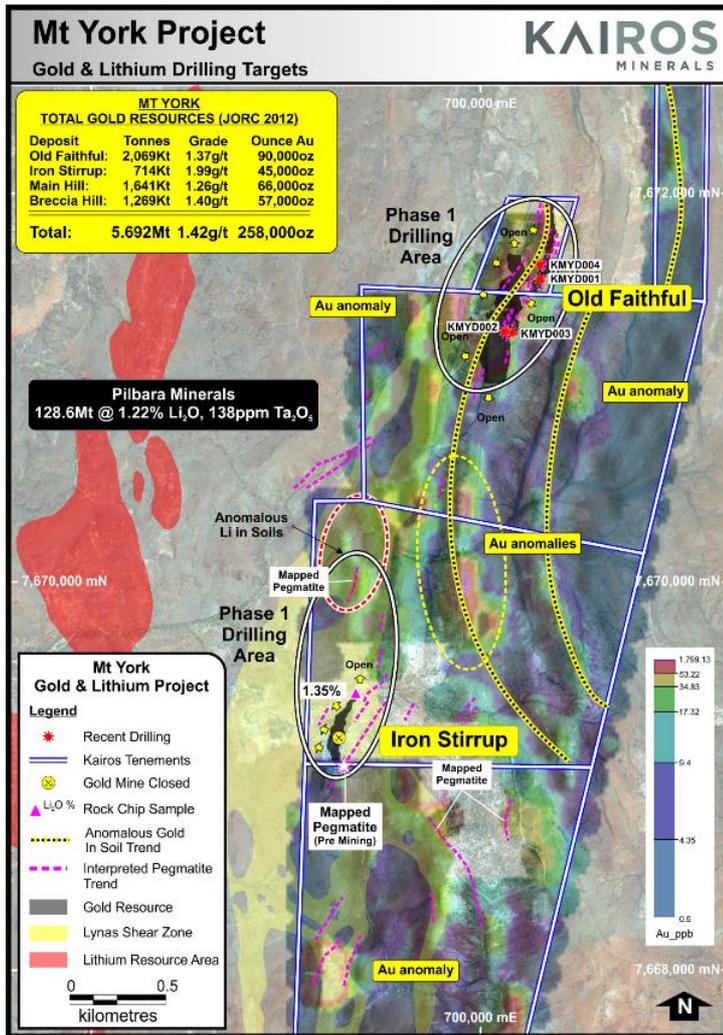


Figure 2. Recent Drilling at Old Faithful

Photo 1. Mt York – Diamond drilling underway at Old Faithful gold deposit



Mt York

The drilling program is focusing initially on testing extensions to known gold deposits and key lithium-tantalum targets. The current drilling follows an extensive geological, geophysical and geochemical evaluation of the Mt York Project in 2016 by the Kairos technical team in collaboration with the Company's key geoscientific consultants.

The results of this work have identified potential major extensions to the Old Faithful, Iron Stirrup, Main Hill, Breccia Hill and Zakanaka South Gold deposits. In addition, several extensive, previously unrecognised

and unexplored gold and lithium-tantalum-bearing anomalous trends have been defined as high priority drill targets.

Key targets to be tested over the coming months include:

- Interpreted major extensions at each of the known gold deposits;
- Initial reconnaissance testing of several unexplored and highly anomalous gold-in-soil trends extending over more than 10km of additional strike;
- Initial reconnaissance testing of several unexplored highly anomalous lithium-tantalum in soil trends; and
- The southern extension to the Pilgangoora LCT (lithium-caesium-tantalum) pegmatite corridor, which has been outlined as a well-defined, highly anomalous Lithium-Tantalum soil anomaly recognisable for more than 2km of strike close to the Main Hill-Breccia Hill Gold deposits.

Roe Hills

Kairos is pleased to advise that has received approval for the Programme of Works (POW) for its 100%-owned Roe Hills Gold Project, adjoining Breaker Resources' (ASX:BRB) Lake Roe Gold Project in the Eastern Gold fields region of WA where a significant new virgin gold discovery has recently been confirmed and a major resource drill-out has commenced.

An extensive gravity survey covering a 40km continuous package along the Aldiss fault was recently completed with initial results received. The results are being interpreted by the Company's geophysical consultants, Newexco, before finalising priority drill targets.

Drilling is scheduled to commence in early November.

Breaker has identified wide, shallow, high-grade gold mineralisation within altered doleritic host rocks at its nearby Bombora and Bombora North discoveries as it aims to establish a continuous 2.2km long zone of gold beneath transported cover including lake sediments.

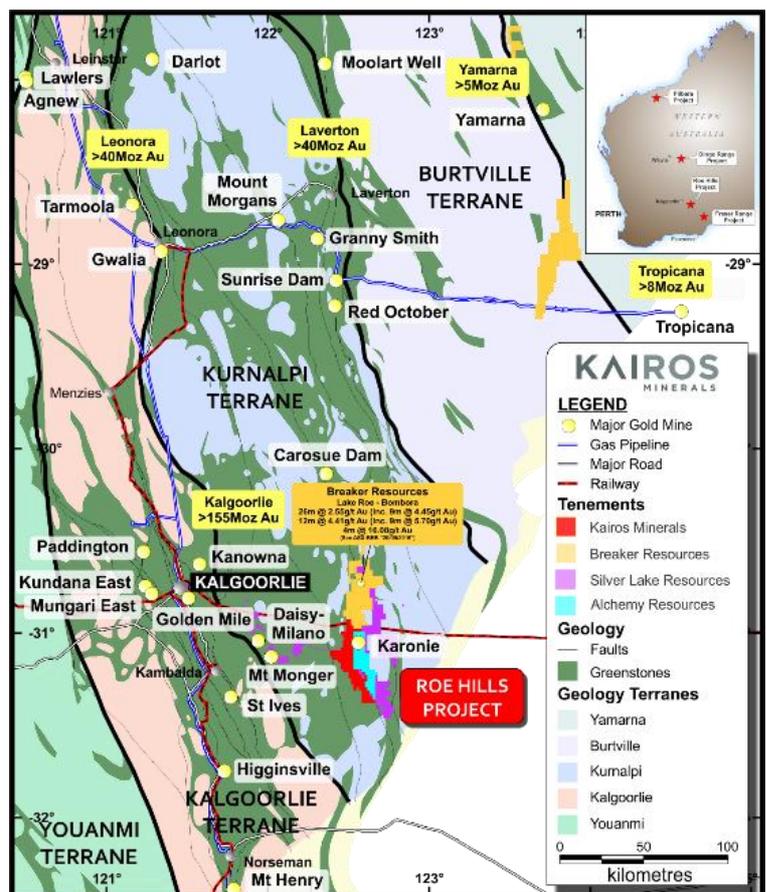


Figure 3. Roe Hills Project Location
East Yilgarn Craton (EYC) Kurnalpi Terrane

Recently reported results have included impressive intercepts such as 26m at 2.66g/t Au from 19m including 9m at 4.45g/t Au and 12m at 4.41g/t Au from 48m including 9m at 5.7g/t Au (see Breaker Resources ASX Announcement – 20 September 2016) (see Figure 3).

Kairos' Roe Hills Project and Breakers Lake Roe Project are both located within the highly endowed and highly prospective Kurnalpi Terrane of the Eastern Goldfields, Eastern Yilgarn Craton (EYC) in a rapidly emerging gold province which is currently enjoying a significant level of exploration activity and investor interest.

The Company's tenure encompasses a dominant land-holding in the area comprising a total of 324square kilometres and covering a 40km continuous strike length of the interpreted southern extensions of the highly prospective Leonora-Laverton greenstone belts, a major gold-bearing terrane of WA.

ENDS

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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. Mr Vallance has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person 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 has consented to the inclusion in the report of the matters based on his 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.

Contributing Technical Team:

Dr Nigel Brand
Mr Neil Hutchison
Mr Ian Finch

Reference	ASX Announcement
1	<i>Pilbara Minerals Limited (ASX: PLS) March Quarterly Report 2016</i>
2	<i>Altura Mining Limited (ASX: AJM) March Quarterly Report 2016</i>