

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2018

Pilbara Gold Project (Pilbara, WA)

- Planning well advanced for a major new exploration field season planned to commence at the Croydon Project in May, including helicopter-supported sampling and detailed mapping.
- Exploration work to follow-up on key targets identified last year, including:
 - *Visible gold discovered within the previously identified 22km strike length of the prospective contact between the basal Mt Roe Basalt and the Archaean basement;*
 - *Significant thick conglomerate exposed at four locations beneath the Mt Roe Basalt; and*
 - *Exceptional results from stream sediment sampling which identified widespread and significant gold anomalism including assays up to 12.3g/t Au and 7g/t Au.*
- Independent consultant, Auralia Mining Consulting Pty Ltd, appointed to complete an updated Mineral Resource estimate for the Mt York Gold-Lithium Project, which is currently in progress and on-track to be delivered in May.
- The updated Resource will include results from the highly successful extensional drilling program completed in 2017 at Main Hill-Breccia Hill-Gossan Hill, which confirmed the continuity of mineralization between the two previously mined deposits and extending 1km to the east to Gossan Hill.
- Preparations well advanced for a major new follow up resource extension drilling program at Mt York, planned to commence in May.

Roe Hills Gold Project, WA

- Initial assay results from drilling program completed in April 2018 further extend the known mineralisation at the Terra and Caliburn targets and provide more strong evidence of the shallow and widespread gold distribution at Roe Hills.
- Results from the remainder of the program will play an important role in prioritising targets and focusing ongoing exploration efforts to delineate a maiden Mineral Resource estimate for Roe Hills.
- Kairos is undertaking 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 is obscured beneath transported cover.

Corporate

- Cash reserves at Quarter-end of \$8.28M, providing the Company with a strong platform to pursue its exploration and growth initiatives.

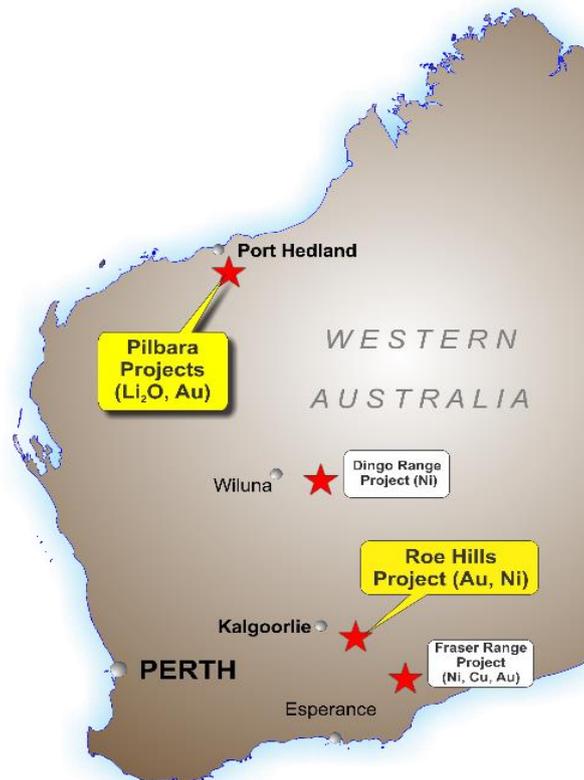


Figure 1: Project Locations

PILBARA GOLD PROJECT, PILBARA REGION (KAIROS: 100%)

In the Pilbara, Kairos holds 1,158 square kilometres of tenure which is highly prospective for conglomerate-hosted gold discoveries. The Company’s portfolio includes ~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. Major exploration programs are underway targeting these highly prospective stratigraphic horizons, which have been associated with a number of recent high-profile gold discoveries in the Pilbara.

CROYDON PROJECT (KAI: 100%)

During the Quarter, Kairos completed planning for a major follow-up exploration program designed to target the conglomerate gold potential at Croydon, building on the highly encouraging results generated last year.

The exploration work, which will commence immediately following the cessation of the northern wet season, will follow-up key targets identified by the highly successful helicopter-supported reconnaissance exploration programs completed during the December 2017 Quarter.

The helicopter-supported program focused on the contact between the basal Fortescue Group Mount Roe Basalt and older Archean basement along a 22km long corridor within E47/3522 & E47/3523 (see Figure 2).

The field work successfully identified extensive areas of previously unrecognised prospective conglomerate units (Targets 1-4), up to ~30m in thickness at four different locations predominantly within the southern portion of tenement package (refer Figure 2). Four discrete conglomerate targets were identified over a strike length of ~10km.

Full details of the key conglomerate gold targets are provided in the Company's ASX announcement of 10 January 2018.

The forthcoming exploration program is expected to commence in May following the end of the wet season, and will comprise of follow detailed sampling and mapping with an aim of determining areas for follow trenching and bulk sampling.

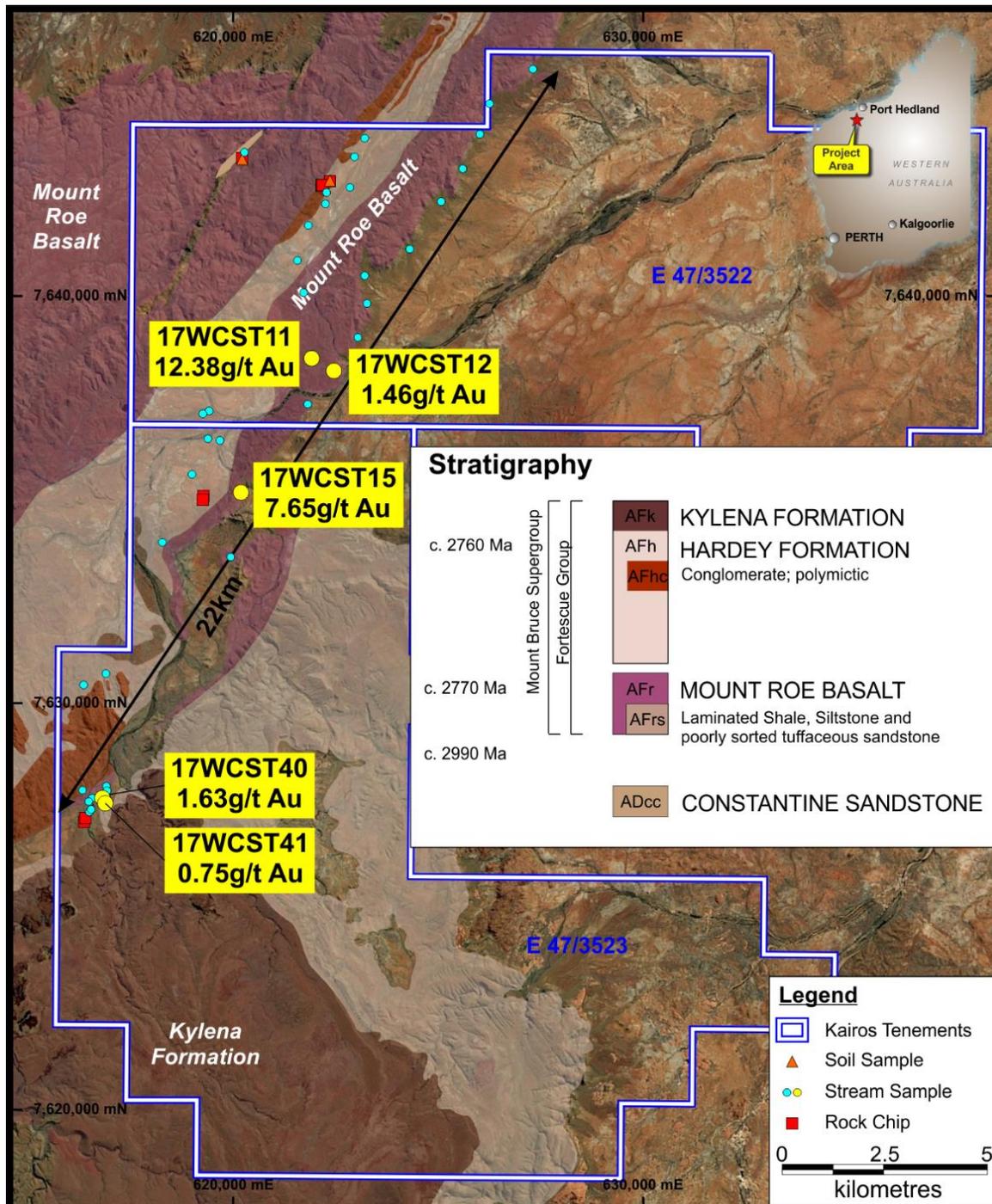


Figure 2: Priority target areas on E47/3522 and E47/3523

MT YORK GOLD-LITHIUM PROJECT (KAI: 100%)

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.

Updated Mineral Resource Estimate

Kairos has appointed independent consultant, Auralia Mining Consulting Pty Ltd, to complete an updated Mineral Resource estimate for the Mt York Gold-Lithium Project.

The existing Mineral Resource (5.692Mt @ 1.42g/t Au for 258,000oz) was completed in October 2016 based on a review of extensive historical exploration data from the Iron Stirrup, Old Faithful, Breccia Hill and Main Hill deposits.

The updated Resource will incorporate results from the highly successful extensional drilling program completed last year at Main Hill-Breccia Hill, which confirmed the continuity of mineralisation between the two previously mined deposits and ~1km to the east to Gossan Hill.

The Company expects to deliver the updated Mineral Resource estimate for Mt York in May 2018.

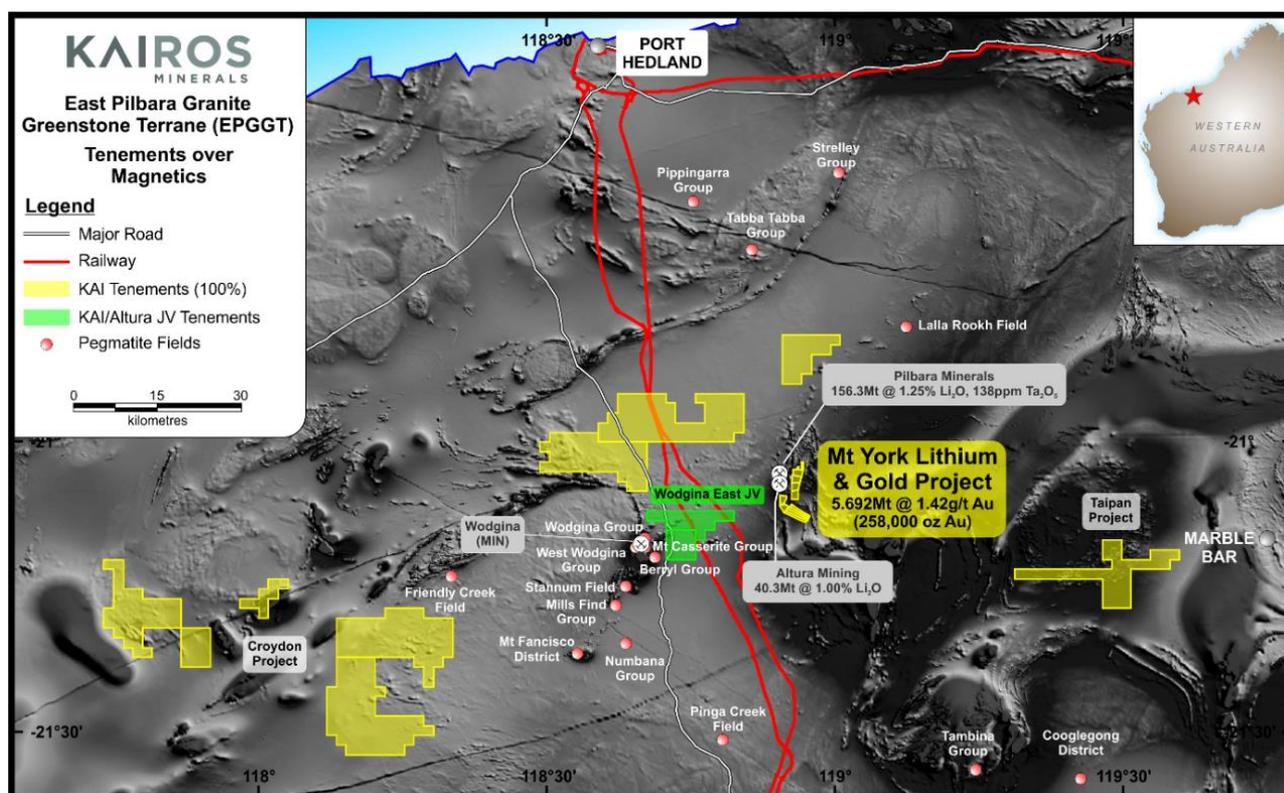


Figure 3 – Mt York Project Location, Tenements and Key Gold-Lithium-Tantalum Targets

New Drilling Program

During the Quarter, the Company completed preparations for a new phase of drilling at Mt York. The new program, comprising an initial 5,000 metres of Reverse Circulation drilling and is scheduled to begin in May.

ROE HILLS PROJECT, EASTERN GOLDFIELDS (KAIROS: 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.

Drilling Program

Kairos completed a new program of Reverse Circulation (RC) and Aircore drilling at the Roe Hills Project during the reporting period.

The program of combined Aircore/RC drilling has followed-up on results from drilling completed at the Lady of the Lake, Lingering Kiss, Terra and Caliburn targets in 2017 (see ASX Announcements: 19 December 2017 and 30 January 2018). It has also provided a first-pass assessment of several previously untested geochemical and structural targets including Avalon, Moriarty, Nautilus, Nemo and Hyde.

Initial results were received from the Caliburn and Terra prospects, with best intercepts including:

Caliburn**RHRC063**

- **54m @ 0.72 g/t Au from 10-64m, including:**
 - 16m @ 1.02 g/t Au from 22-36m, and
 - 2m @ 5.97 g/t Au from 54-56m, and
 - 1m @ 8.60 g/t Au from 55-56m

RHRC064

- **14m @ 0.87 g/t Au from 38-52m, including:**
 - 5m @ 2.04 g/t Au from 43-48m, and
 - 1m @ 6.25 g/t Au from 47-48m

Terra**RHRC068**

- **35m @ 1.02 g/t Au from 96-131m, including**
 - 13m @ 1.65 g/t Au from 104-117m, and
 - 1m @ 7.07 g/t Au from 123-124m

RHRC069

- **38m @ 0.44 g/t Au from 127-165m, including**
 - 2m @ 2.31 g/t Au from 127-129m, and
 - 2m @ 1.48 g/t Au from 163-165m

RHRC072

- **11m @ 1.12 g/t Au from 172-183m, including**
 - 6m @ 1.62 g/t Au from 175-181m, and
 - 1m @ 3.62 g/t Au from 175-176m

The first results are highly promising, providing more strong evidence of the widespread gold distribution at Roe Hills. Results from the remainder of the program will play an important role in enabling Kairos to prioritise exploration targets and devise a clear strategy for delineating a resource.

Geological Review

In addition to the current drilling campaign, Kairos is undertaking 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 includes 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.

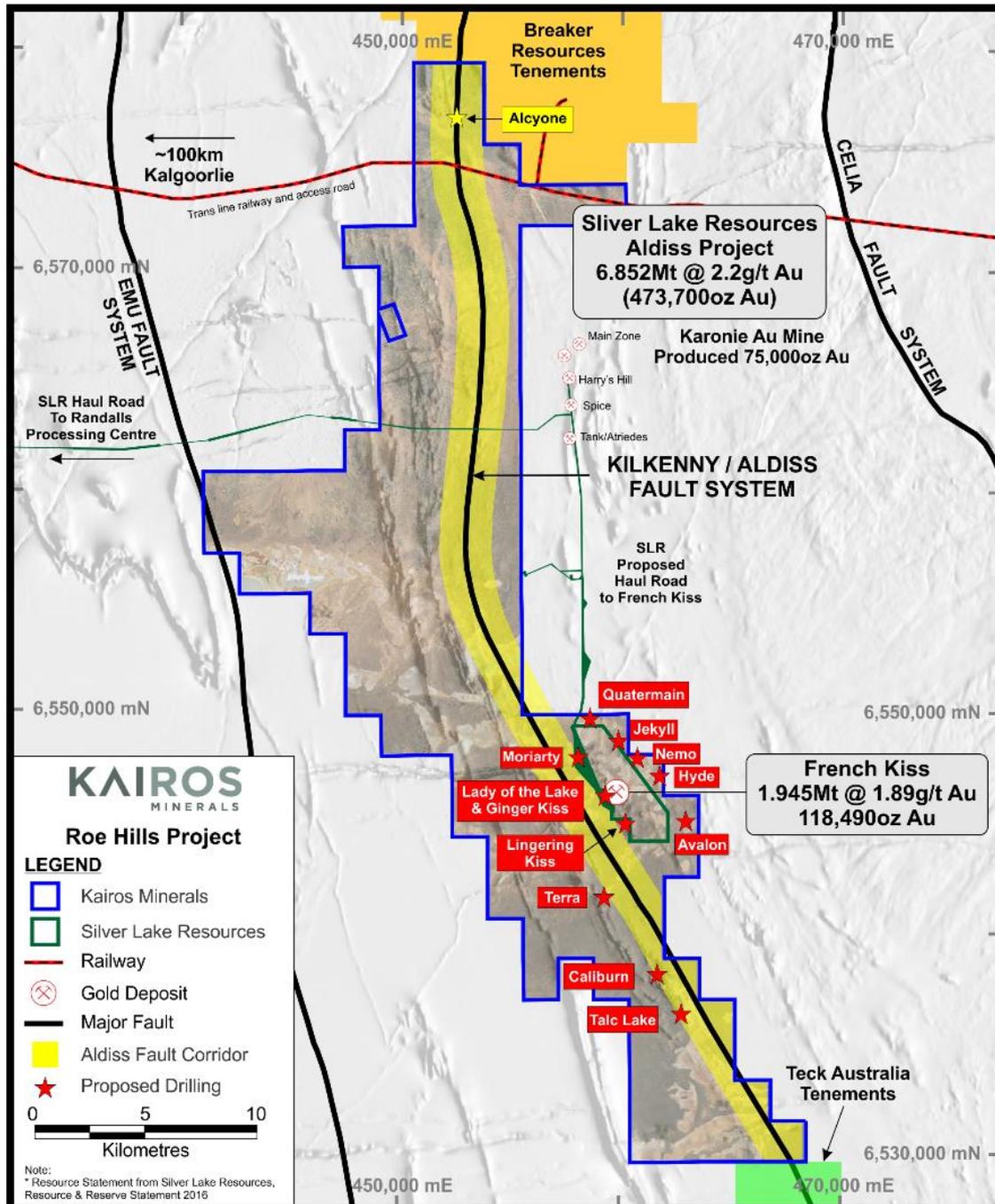


Figure 3: Roe Hills Recent Drilling Locations

CORPORATE**General Meeting**

A General Meeting of the Company's shareholders was held in Perth on 11 January 2018, with all resolutions supported by shareholders on a show of hands.

Transfer of Share Registry

Effective 5 March 2018, Kairos' share registry has been transferred to:

Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009
Telephone: 08 9389 8033
Facsimile: 08 9262 3723

Option Conversions

The company received \$48k from the conversion of options during the reporting period.

Cash Reserves

The company was in a strong cash position of \$8.28 million at the end of the quarter.

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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Kairos Minerals Limited (ASX:KAI)

ABN

84 006 189 331

Quarter ended ("current quarter")

31st March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(868)	(2,706)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(549)	(1,580)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	808
1.8 Other (provide details if material)*	-	-
1.9 Net cash from / (used in) operating activities	(1,415)	(3,474)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	(20)
(c) investments	-	(75)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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	-	(95)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	9,030
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	48	1,975
3.4	Transaction costs related to issues of shares, convertible notes or options	(8)	(581)
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 (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	40	10,424

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,655	1,425
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,415)	(3,474)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(95)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	40	10,424
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,280	8,280

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	8,280	9,655
5.2 Call deposits	-	-
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)	8,280	9,655

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	60
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter**\$A'000**

9.1 Exploration and evaluation

750

9.2 Development

-

9.3 Production

-

9.4 Staff costs

-

9.5 Administration and corporate costs

350

9.6 Other (provide details if material)

-

9.7 Total estimated cash outflows**1,100**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Refer to Annexure A.

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.

Sign here:



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Date: **30 April 2018****Chairman & CEO**

Print name:

Terry Topping**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

Annexure A – 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					
E28/2495					
E28/2548					
E28/2585					
P28/1292					
P28/1293					
P28/1294					
P28/1295					
P28/1296					
P28/1297					
P28/1298					
P28/1299					
P28/1300					
E28/2593					
E28/2594					
E28/2698					
E28/2699					
E28/2700					
E28/2695	WA	0%	100%		100%
E28/2696					
E28/2697					
Fraser Range Project					
E69/3411	WA	100%			100%
E69/3308					
Dingo Range					
E53/1731	WA	100%			100%
E53/1732					
E53/1733					
E53/1814					
E53/1927					
E53/1928					
P53/1624	WA	100%		100%	0%
Pilbara Lithium-Gold Project (Mt York Project)					
P45/2987	WA	100%			100%

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

P45/2989					
P45/2996					
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
Pilbara Lithium-Gold Project (Mt York Project)					
P45/2998	WA	100%			100%
P45/2988					
P45/2992					
P45/2993					
P45/2994					
P45/2990					
P45/2991					
P45/2997					
P45/2995					
L45/0422					
Wodjina Project					
E45/4715	WA	100%		JV Altura	100%
E45/4780				JV Altura	
E45/4740					
E45/4731					
Southern Pride Project					
E47/3522	WA	100%			100%
E47/3523					
Croyden Project					
E47/3519	WA	100%			100%
E47/3520					
E47/3521					
Lalla Rookh Project					
E45/4741	WA	100%			100%
Tiapan Project					
E45/4806	WA	100%			100%
Woodcutters Project					
E28/2646	WA	100%			100%
E28/2647					
E28/2648					
Mooloo Project					
E08/2857	WA	100%			100%