

28 July 2016

RIGHTS ISSUE – SHORTFALL NOTICE

Kairos Minerals Limited (**Company**) advises that the non-renounceable pro rata rights issue offer, detailed in the Company's Prospectus dated 5 July 2015 (**Prospectus**), closed on 22 July 2016 (**Closing Date**).

Eligible shareholders were offered to subscribe for new fully paid ordinary shares (**New Shares**) in the Company at an issue price of \$0.05 per New Share on the basis of two (2) New Shares for every seven (7) shares held at the Record Date of 8 July 2016 (**Entitlement Offer**).

A total of 17,333,423 New Shares have been subscribed for under the Entitlement Offer, raising approximately \$866,671. The results of the Entitlement Offer are as follows:

| | |
|--|-------------------|
| New Shares taken up by shareholders: | 13,972,981 |
| Shortfall shares taken up by shareholders: | 3,360,442 |
| Shortfall of Entitlement Offer: | 63,430,481 |
| Total number of shares: | 80,763,904 |

Holding statements will be dispatched and the New Shares will be issued to shareholders on Friday 29 July 2016, as per the timetable in the Prospectus.

BW Equities Pty Ltd is the underwriter of the Entitlement Offer. Under the underwriting agreement, BW Equities Pty Ltd is required to subscribe for all of the shortfall shares within 3 business days of receipt of a shortfall notice from the Company. The Company intends to issue the shortfall notice today.

For further information, please contact:

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