



ABN 84 006 189 331

**HALF-YEAR FINANCIAL
REPORT**

31 DECEMBER 2022

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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 2022.

Directors

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

Mr Klaus Eckhof
Dr Peter Turner
Mr Mark Calderwood
Mr Zane Lewis
Mr Phil Coulson

Results

For the six months ended 31 December 2022, the Company incurred a consolidated comprehensive loss after income tax of \$795,490 (31 December 2021: \$1,254,871).

Review of Operations

ROE HILLS LITHIUM PROJECT (100% KAI)

During the period, KAI identified at least seven new lithium targets at its large, 100%-owned Roe Hills Project.

Roe Hills is 100km east of Kalgoorlie, WA and is nestled within a new spodumene-bearing pegmatite province hosting the Manna Li-Ta project (**Figure 1**).

More than 3,500 samples were collected from 20cm depths, sieved to -80 mesh and sent to Intertek for aqua regia digest and low-level multi-element and gold analysis by ICP-MS (AR25-MS53).

The lithium anomalies are generally coincident with beryllium, caesium, gallium, rubidium, and tin which are elements associated with fractionated granites and pegmatites, especially highly-fractionated lithium-caesium-tantalum (LCT) pegmatites.

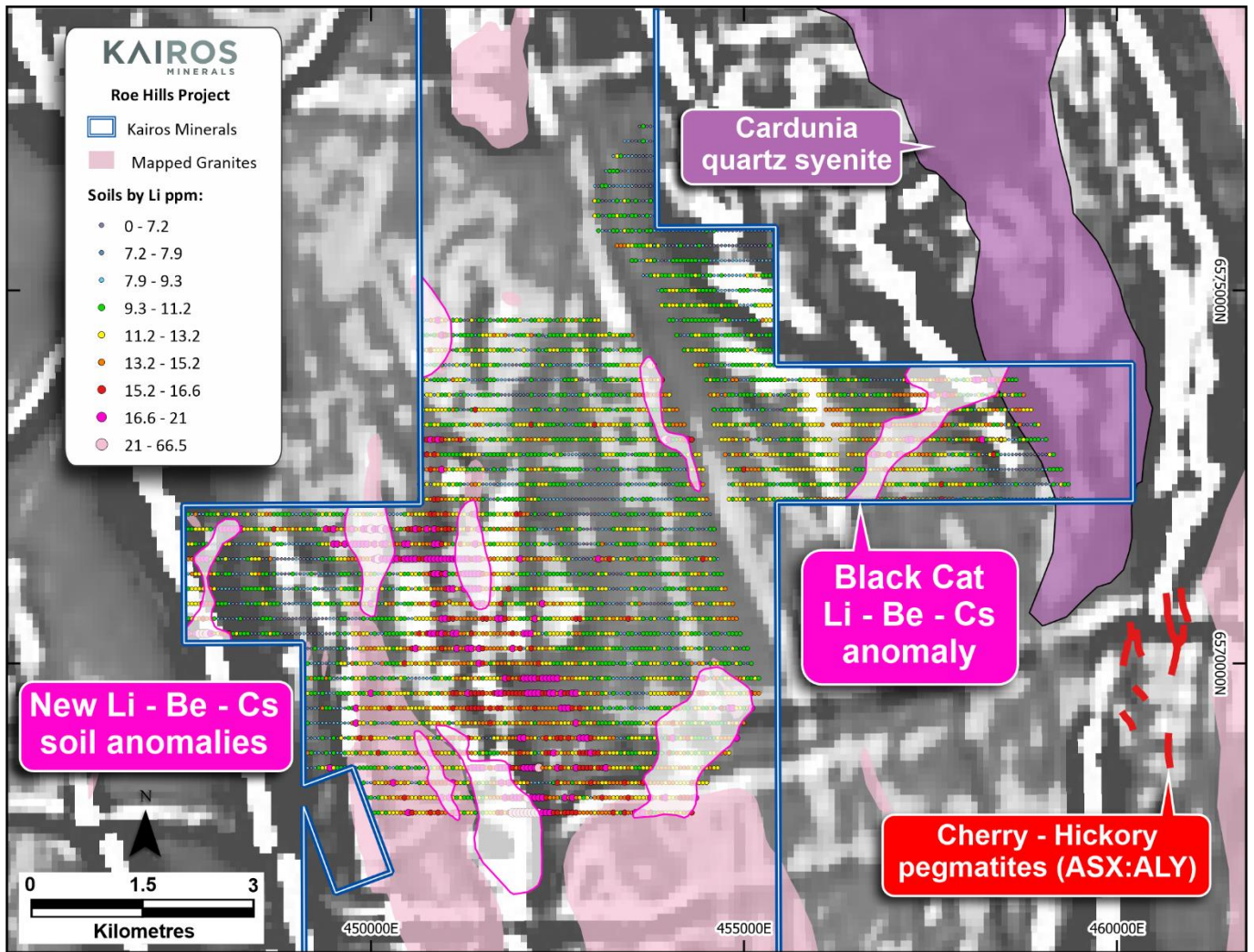


Figure 1 - Lithium soil anomalies (pink polygons) considered to be in-situ soil anomalies associated with the margins of granitoid bodies. The other anomalous Li values are captured in drainage channels and at this stage are thought to be transported. New soil programmes will be completed to the north and south of these results – see Figure 2.

Kairos' Black Cat Li-Cs-Rb-Be anomaly (see ASX release dated 15 February 2022) have been partially cleared for drilling but complete soil sampling of the northern half of the Roe Hills tenements (**Figures 2, 3 & 4**), focussing around the margins of multiple granites where lithium deposits are often found, will be completed over coming months before drilling of multiple targets is planned.

Directors' Report

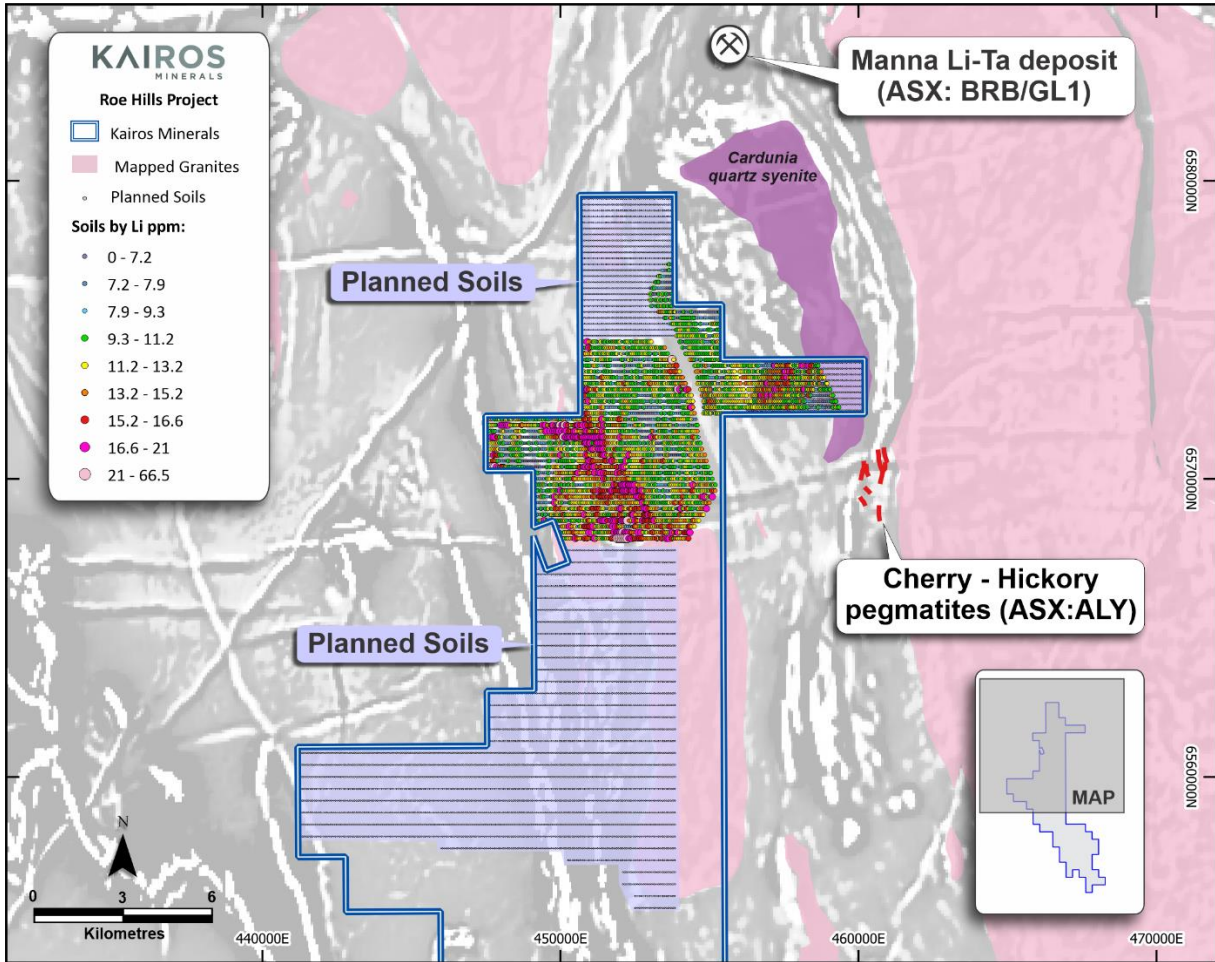


Figure 2 - Additional planned soil sampling north and south of the existing programme.

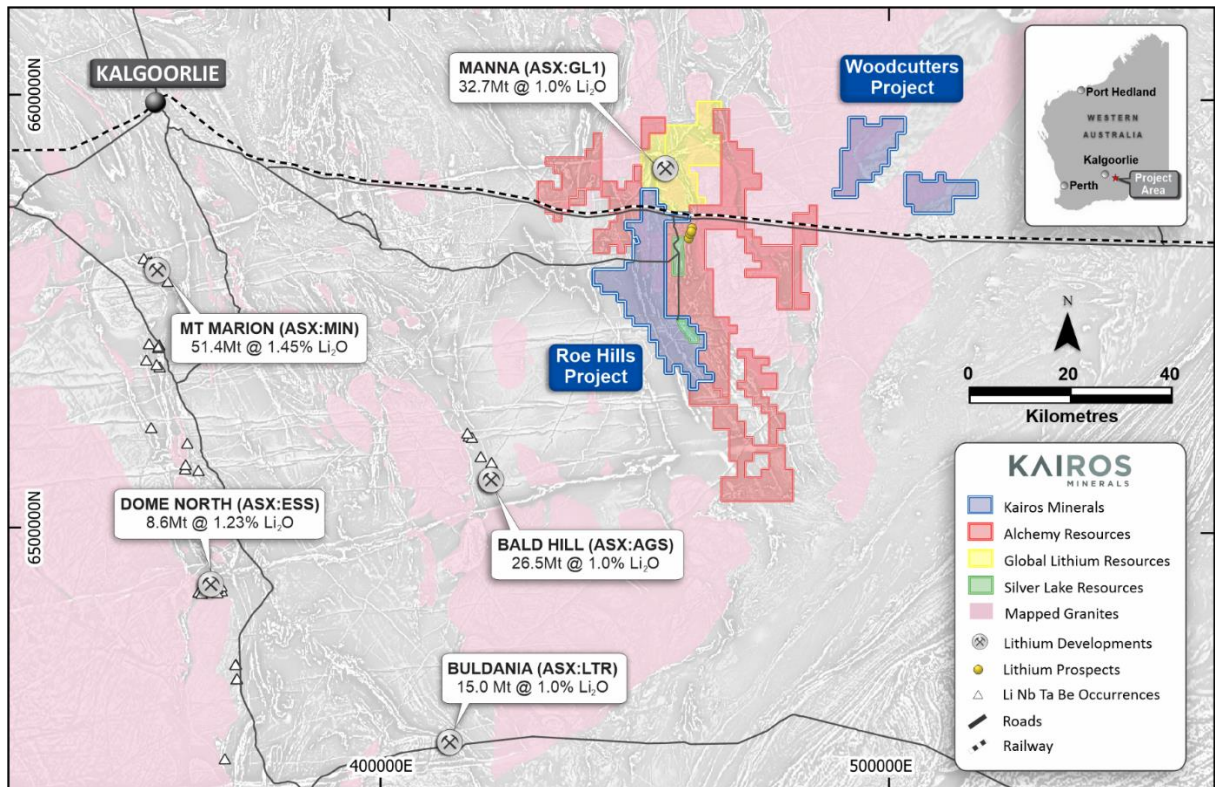


Figure 3 - Kairo's Gold & Lithium Projects over the Roe Hills area overlain on a magnetic image highlighting interpreted granites. Lithium mines and advanced projects with resources are shown.

Directors' Report

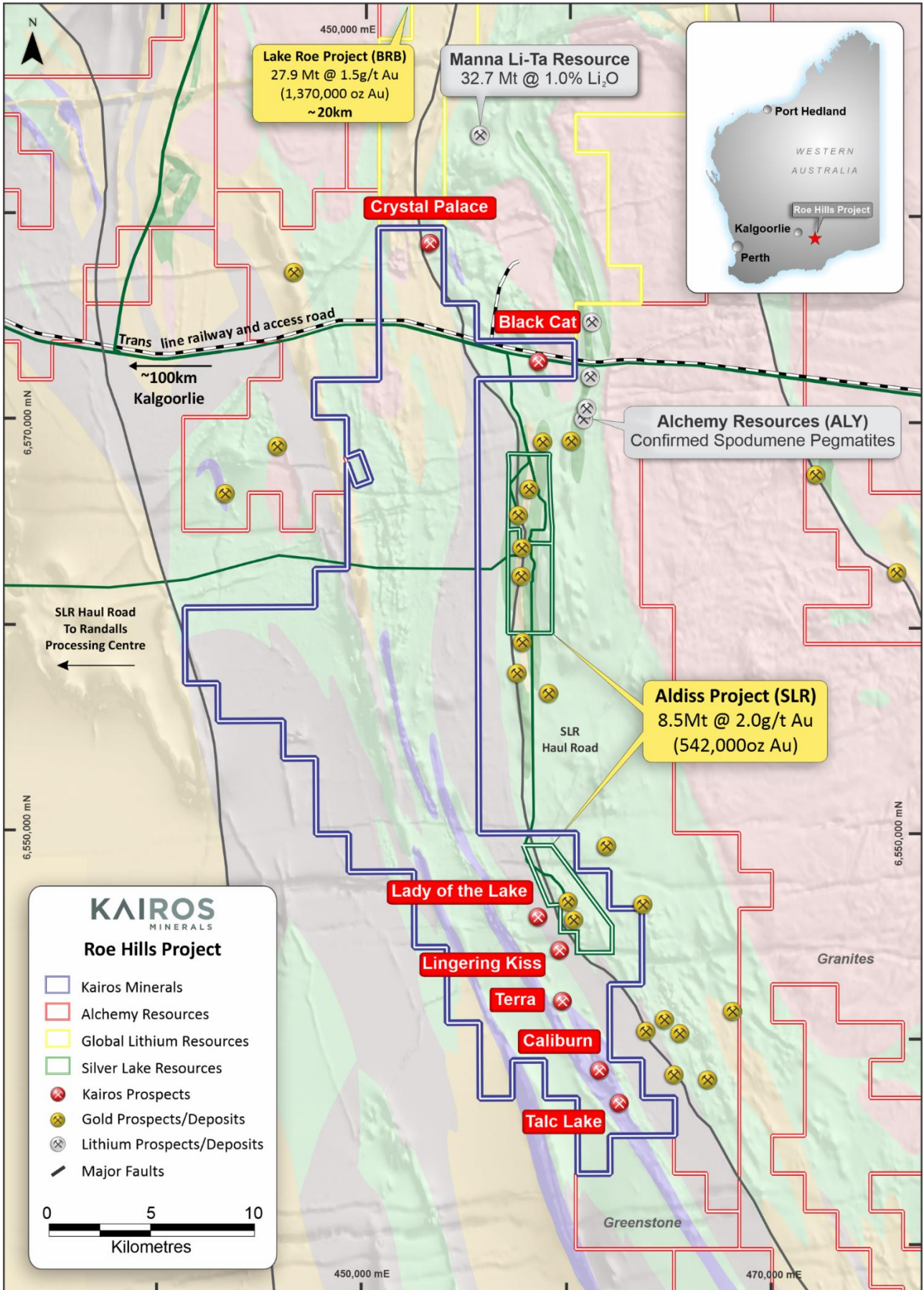


Figure 4 - Kairo's Gold & Lithium Projects over the Roe Hills area overlain on a simplified geological-magnetic image highlighting interpreted granites.

Directors' Report

Subsequent to the end of the period, Kairos reported the first 572 results of a 6,000 sample deep soil sampling at the northern half of the Roe Hills Project.

The programme uncovered two +400m long lithium anomalies which collectively have been labelled the 'Crystal Palace Prospect'. This prospect sits in the north-east corner of the Roe Hills tenements 5km along-strike to the SW of Global Lithium's (ASX:GL1) 32.7 Mt @ 1.0% Li₂O Manna lithium-tantalum deposit (Figures 5 & 6).

The Crystal Palace prospect is coincident with mapped, multiple pegmatites that strike northeast or northwest. The mapped pegmatites are 2m to 10m+ wide, are extremely coarse-grained and contain green feldspars (amazonite-microcline), quartz, white mica, biotite and white feldspars (Figure 7). At this stage it is unknown if lithium minerals occur within these pegmatites but rock samples have been submitted for chemical analysis. Further exploration, especially drilling, will determine the source of the surface lithium.

The new soils programme is collecting a deeper soil sample using a Kanga post-hole configuration with samples collected from a nominal 1m depth. The sampling procedure is very low-impact and ensures no contamination from surface effects and increases the possibility of collecting a quality geochemical sample that is more likely to avoid highly-transported surface alluvium. Samples are sieved to -80 mesh and sent to Intertek for 4-acid digest and low-level multi-element and gold analysis by ICP-MS (4A-MS48).

On completion of the deep soils programme in H1 2023, RC drilling will be planned over all significant anomalies including Black Cat and Crystal Palace.

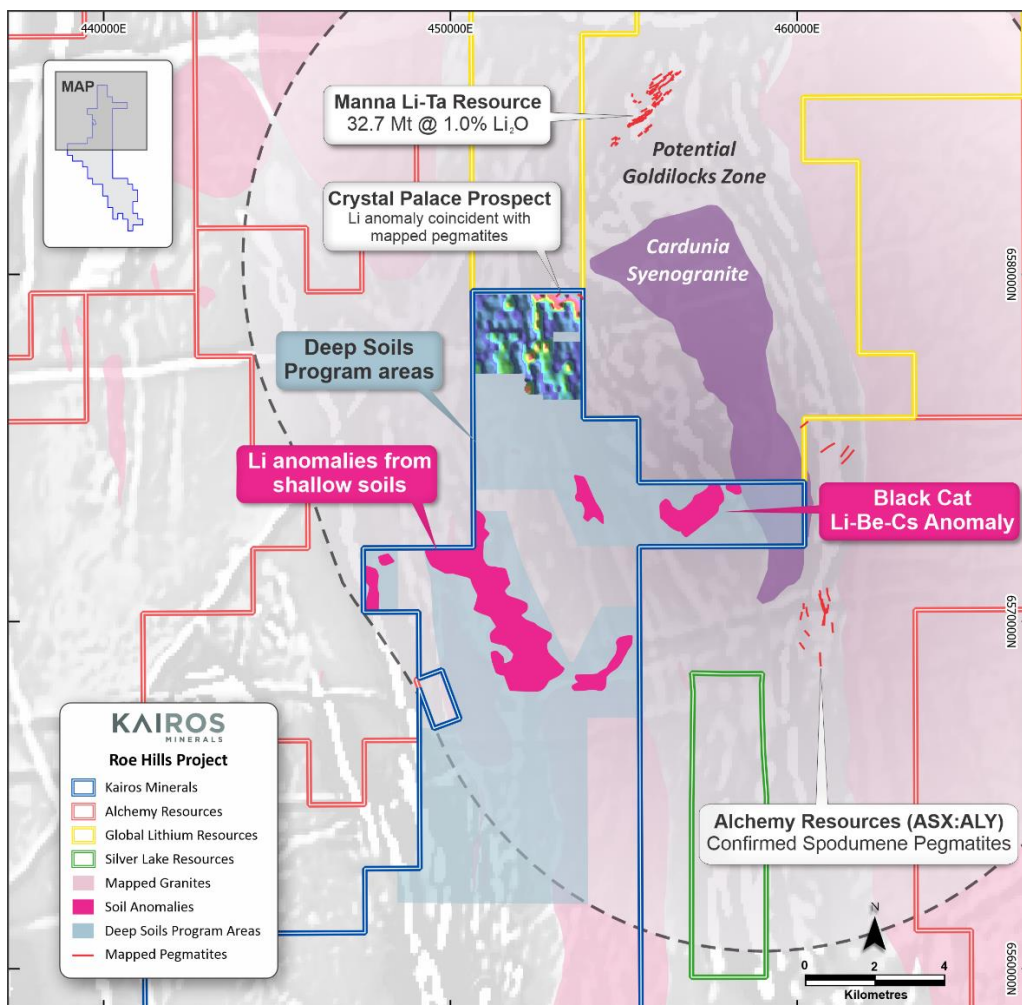


Figure 5 - Kairos lithium anomalies at the northern half of the Roe Hills project (see Figure 6 for more detail) showing the position of Manna Li-Ta deposit and Alchemy Resources' Cherry-Hickory pegmatites. The planned new deep soil sampling areas are shown in grey.

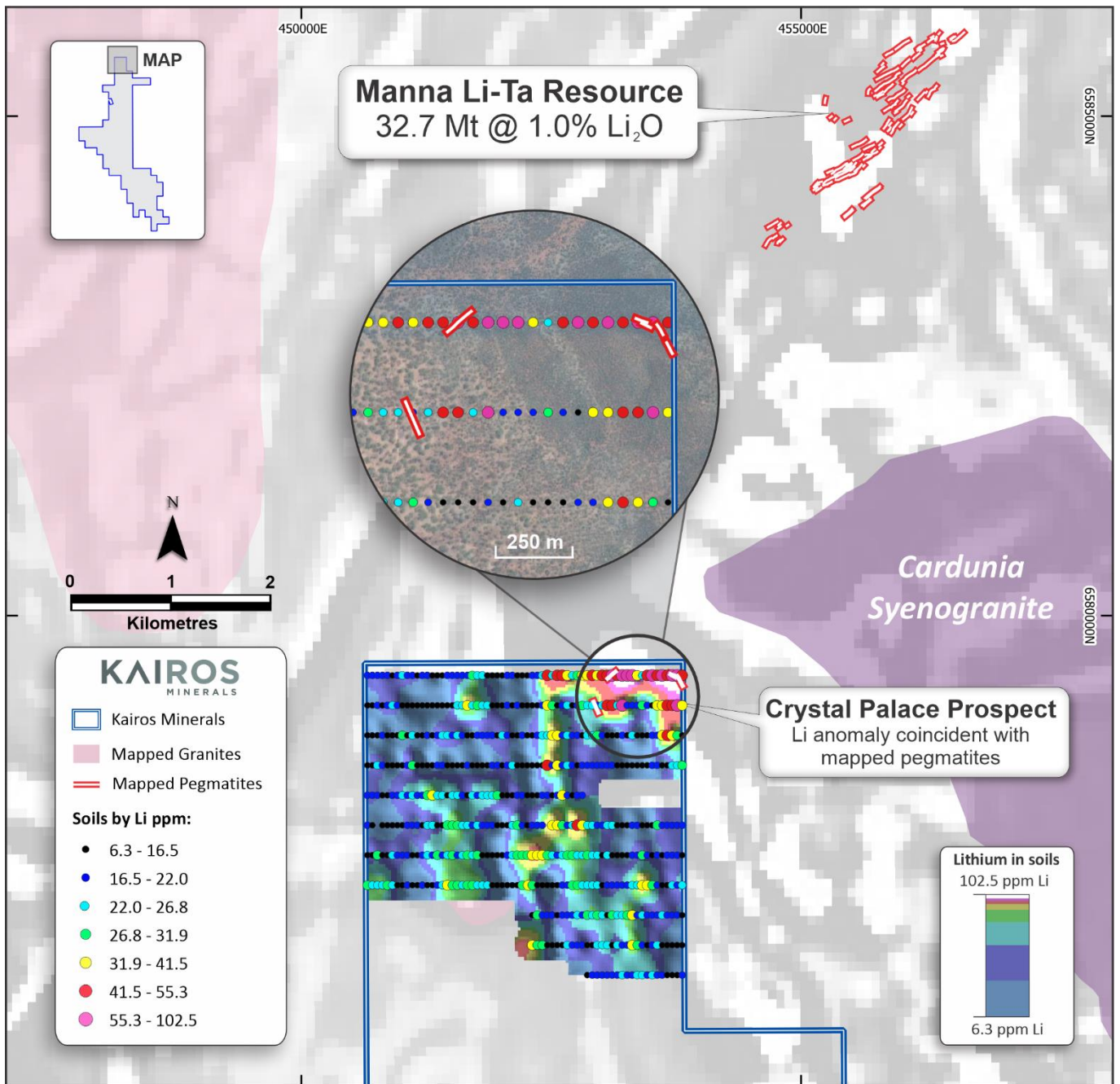


Figure 6 - Deep soil geochemical results over the Crystal Palace Prospect over a black & white magnetic image. Location of the Manna Li-Ta deposit shown.



Figure 7 - Amazonite-microcline-bearing coarse-grained quartz, white mica + biotite mica pegmatite at Crystal Palace Prospect.

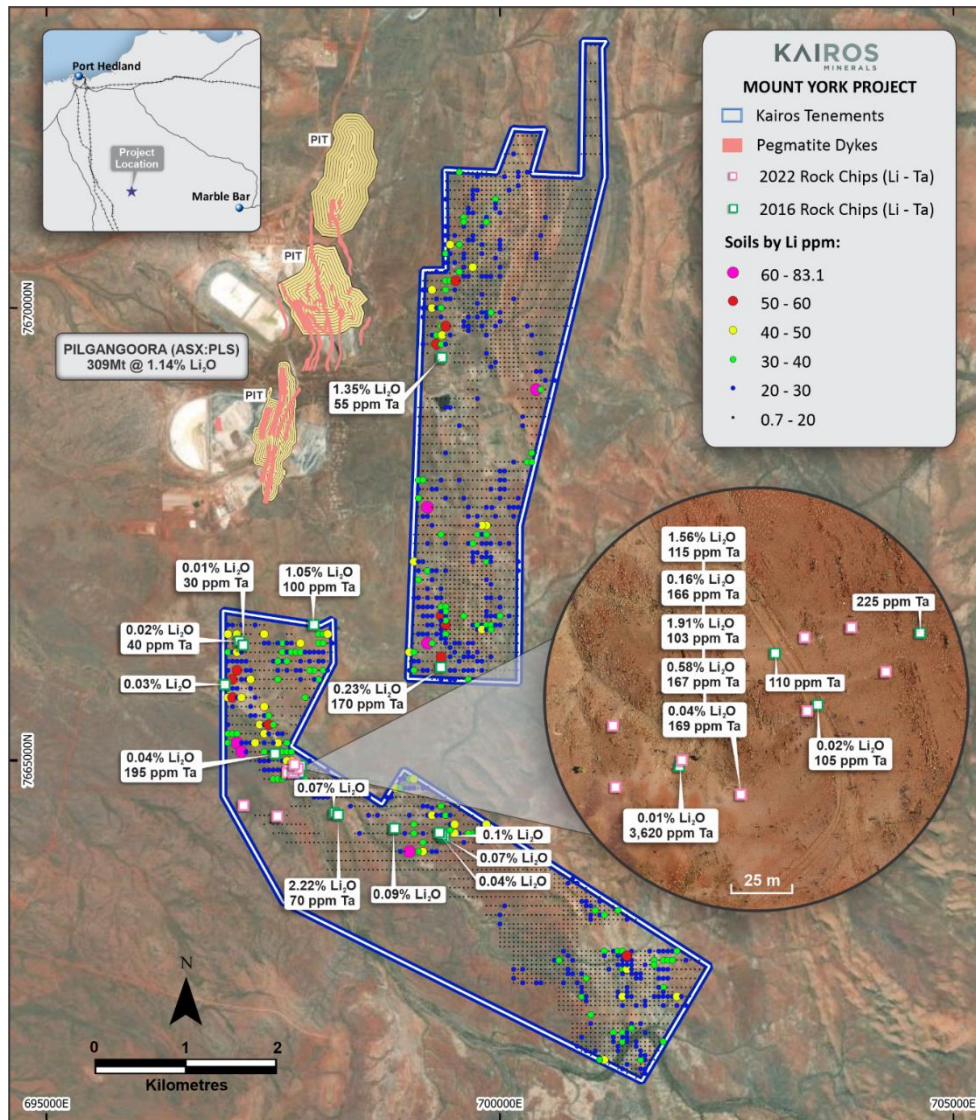
MT YORK LITHIUM PROJECT (100% KAI)

During the Period, the Kairos geological team discovered spodumene-bearing pegmatites in a recent spoil heap that was generated as part of routine earthmoving activities for drill-pad construction. Five samples (MYR393, MYR396, MYR397, MYR401, MYR402) were collected from the newly named '**Lucky Sump**' Prospect (**Figure 10**) for analysis in Perth. They are thought to be from pegmatites that form a dyke swarm in the area (**Figure 8**).

Spodumene is a lithium pyroxene mineral with chemical formula $\text{LiAl}(\text{SiO}_3)_2$. It is a critical raw material that is highly sought-after in the production of Lithium-ion batteries used in the manufacturer of rechargeable batteries for Electric Vehicles (EVs).

An RC drilling programme was completed in the period on three drill lines. Drill holes were drilled at -60° to the northwest to intercept pegmatites within mafic-ultramafic host rocks that are interpreted to dip to the southeast.

Directors' Report



Holes were drilled ‘toe-to-heel’ to provide complete coverage over the entire Lucky Sump prospect (Figures 9). One hole, KMYC225 was unable to be drilled during this phase due to unprepared earthworks and holes KMYC221 and KMYC222 did not reach the 150m target depth due to excessively hard felsic volcanic rocks being encountered.

Results for all 18 RC holes drilled at the Lucky Sump Prospect were reported during the period.

Figure 8 – Lucky Sump sample results (inset) within the Mt York Project. Historic results announced to the ASX on 7 June 2016.

The drilling results from these eighteen holes indicate very high tantalum values in the thickest intersected pegmatite in hole KMYC216 immediately under Lucky Sump where spodumene-bearing pegmatite samples grading up to 1.91% Li_2O were previously sampled and reported¹ from surface.

The tantalum values were extraordinarily high (**Figure 9**). The best result was 7m @ 605 ppm Ta from 49m including 1m @ 2,143 ppm Ta from 53m in KMYC216 with corresponding lithium values of 7m @ 146 ppm Li (0.03% Li_2O). KMYC216 was drilled below Lucky Sump where the discovery was made of five surface rock chip samples that returned values of 1.91%, 1.56%, 0.58%, 0.16% and 0.04% Li_2O (**Figure 8**). The relatively low lithium values in KMYC216 can be explained by internal zonation within the LCT pegmatite(s) that have been intersected at depth or the partial destruction of the earlier lithium-rich pegmatites by later aplitic, tantalum-rich pegmatites.

Further pegmatites have been mapped northwest of Lucky Sump towards Zakanaka (**Figure 10**) and the northern licence will be mapped in the 2023 field season where the re-processed soil geochemistry shows a number of high-priority lithium targets which may correspond to spodumene-bearing pegmatites only 1km to the east of the Pilgangoora Lithium Mine (see **Figures 8 & 10**). Drill-testing of any new pegmatites is envisaged at the end of H1, 2023.

The drilling at Lucky Sump highlighted the potential of the area to hold potential for gold mineralisation as well as LCT pegmatites.

¹ KAI press announcement dated 1 August 2022 entitled ‘High-grade lithium assays confirm significance of spodumene-bearing pegmatite’

Directors' Report

Interestingly, several significant gold values (1m @ 2.18 g/t Au from 122m in KMYC213; 1m @ 2.66 g/t Au from 66m in KMYC214 & 12m @ 0.46 g/t Au from 140m in KMYC226) (see **Figure 9**) were reported adjacent to pegmatites raising the possibility that Lucky Sump is not only prospective for Lithium-Caesium-Tantalum (LCT) pegmatites but also gold in extensional zones close to the Mt York Gold Project that is close by.

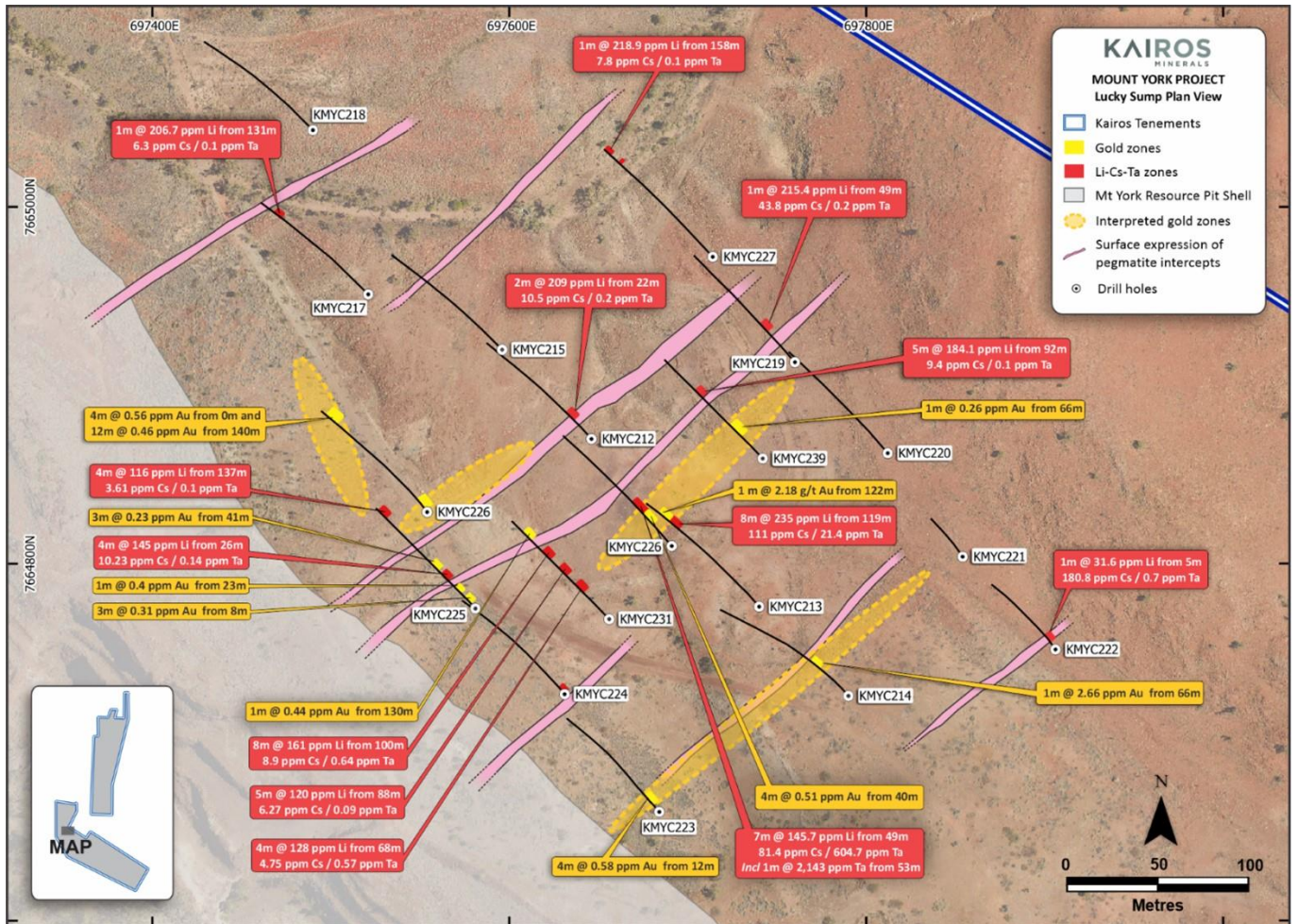


Figure 8 - Lucky Sump best drill results on a plan map showing lithium-tantalum and gold intercepts from all 18 RC drill holes.

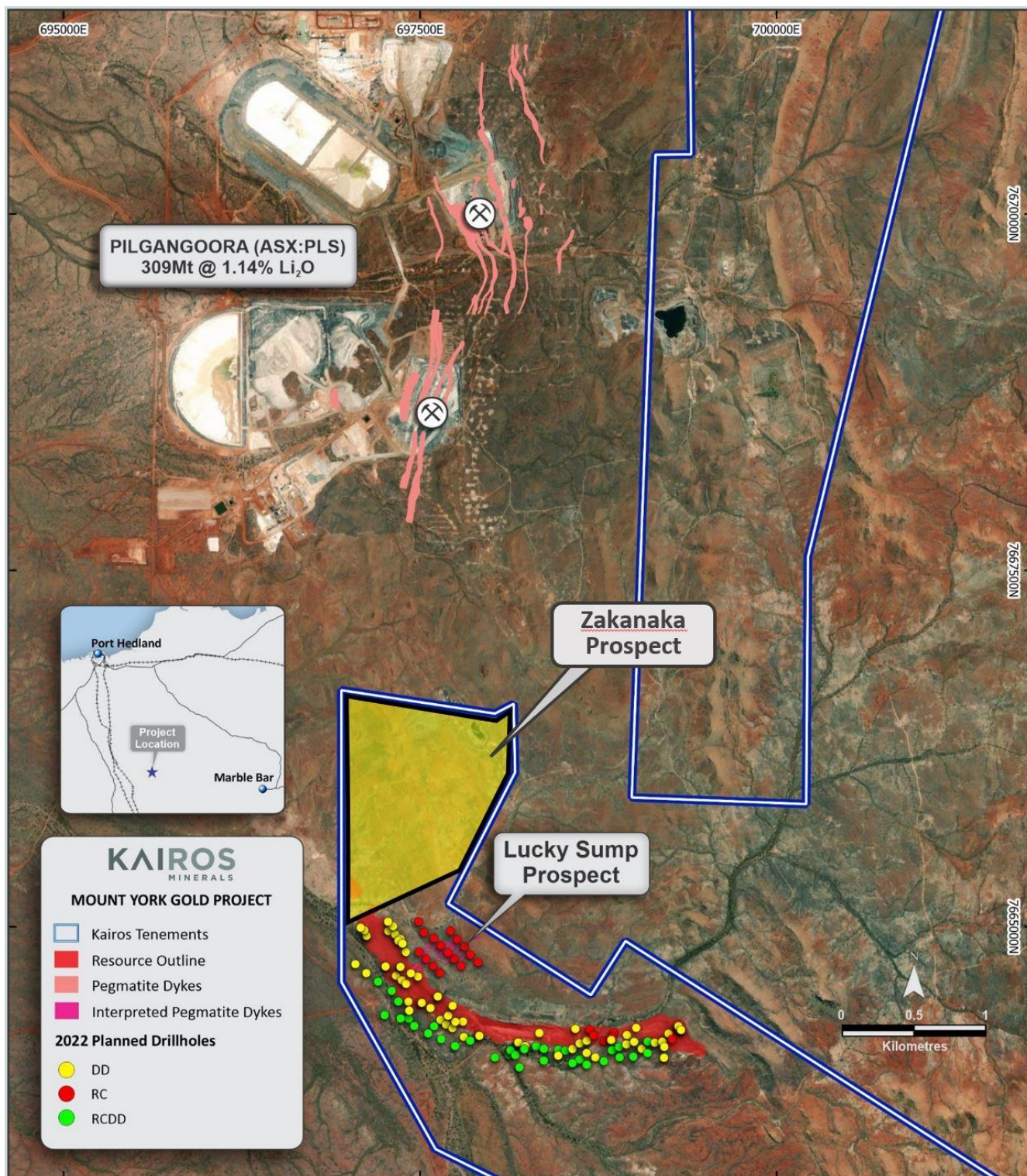


Figure 10 - Lucky Sump and Zakanaka Prospect locations in relation to Pilbara Minerals' Pilgangoora's Lithium-Tantalum Mine and the Mt York Gold Project (red polygon is the Main Trend gold mineralisation).

Directors' Report

Mt YORK GOLD PROJECT, PILBARA (KAI: 100%)

A technical review completed early in the period concluded that the Mt York Gold Project (**Figure 11**) is a large gold system that is very much under-drilled. The mineralisation is currently 3,000m in length (Main Trend), is continuous and open in all directions (particularly below the current pit shells) making the deposit a valuable asset for Kairos. The review found the deposit was constrained only by drilling within the individual deposits and at depth, not by geological or mineralisation factors meaning that its resource potential (tonnes and grade) will only be known once more drilling is completed.

The review also found several subtle plunges of high-grade shoots which were either plunging shallowly to the east, or steeply to the east.

Structural and lithological mapping by CSA Global's Dr Peter Neumayr was undertaken during the period to try to answer questions on the reasons for the likely plunge orientations in determining the best targets for future drilling. The CSA Global report is awaited.

The technical review was announced to the market on 4 July 2022 and was led by Kairos's MD Dr Peter Turner who has over 27 years of reviewing gold projects worldwide.

On 30 August 2022, Kairos announced a new JORC-compliant Mineral Resource Estimate totalling **28.01 MT @ 1.23 g/t Au for 1,104,000 ounces** (comprising Indicated Resources of 13.93 Mt at 1.3 g/t for 581,000oz and Inferred Resources of 14.08 Mt at 1.15 g/t for 523,000oz) from a previous resource estimated in 2020 of 20.9Mt at 1.30g/t Au for 873,500 ounces (comprising Indicated Resources of 8.5Mt at 1.33g/t for 366,000oz and Inferred Resources of 12.3Mt at 1.28g/t for 507,500oz). The new mineral resource estimate represents a 26% increase in contained gold at about the same grade. The technical team are targeting further increases to the resource with the drilling that is currently underway.

Since acquiring the project in early 2016, Kairos has grown the Mt York (Main Trend) and satellite deposits of Iron Stirrup and Old Faithful as follows:

| Date KAI Announcement | Indicated Resources | | | Inferred Resources | | | Total Resources | | |
|-----------------------------|---------------------|-------------|--------------|--------------------|-------------|--------------|-----------------|-------------|--------------|
| | Tonnes (MT) | Grade (g/t) | Ounces (Koz) | Tonnes (MT) | Grade (g/t) | Ounces (Koz) | Tonnes (MT) | Grade (g/t) | Ounces (Koz) |
| 1 Aug 2016 | 1.43 | 1.45 | 66 | 1.36 | 1.61 | 69 | 2.78 | 1.53 | 135 |
| 5 Oct 2016 | 2.45 | 1.46 | 113 | 3.25 | 1.40 | 145 | 5.69 | 1.42 | 258 |
| 23 May 2018 | 6.84 | 1.30 | 285 | 7.57 | 1.47 | 358 | 14.42 | 1.39 | 643 |
| 4 Mar 2020 | 8.57 | 1.33 | 366 | 12.36 | 1.28 | 507 | 20.93 | 1.30 | 873 |
| 30 Aug 2022 | 13.93 | 1.30 | 581 | 14.08 | 1.15 | 523 | 28.01 | 1.23 | 1,104 |

Table 1 - Summary of total resource growth as previously announced by Kairos. Refer to the announcements for further information.

Note 1 Aug 2016 KAI Announcement of resource estimate is for Iron Stirrup and Old Faithful only.

Lynas Gold NL mined 125,493 oz from 2.114 million tonnes with an average grade of 1.85 g/t Au between 1994 and 1998. All subsequent mineral resource estimates for the Mt York Gold Project are depleted resource estimates. Kairos also holds 2,084.6 square kilometres of granted exploration licences and applications in the Pilbara, including the Mt York tenements. The regional projects have been targeted based on their structural and geological contexts and are considered highly prospective for gold, lithium and copper.

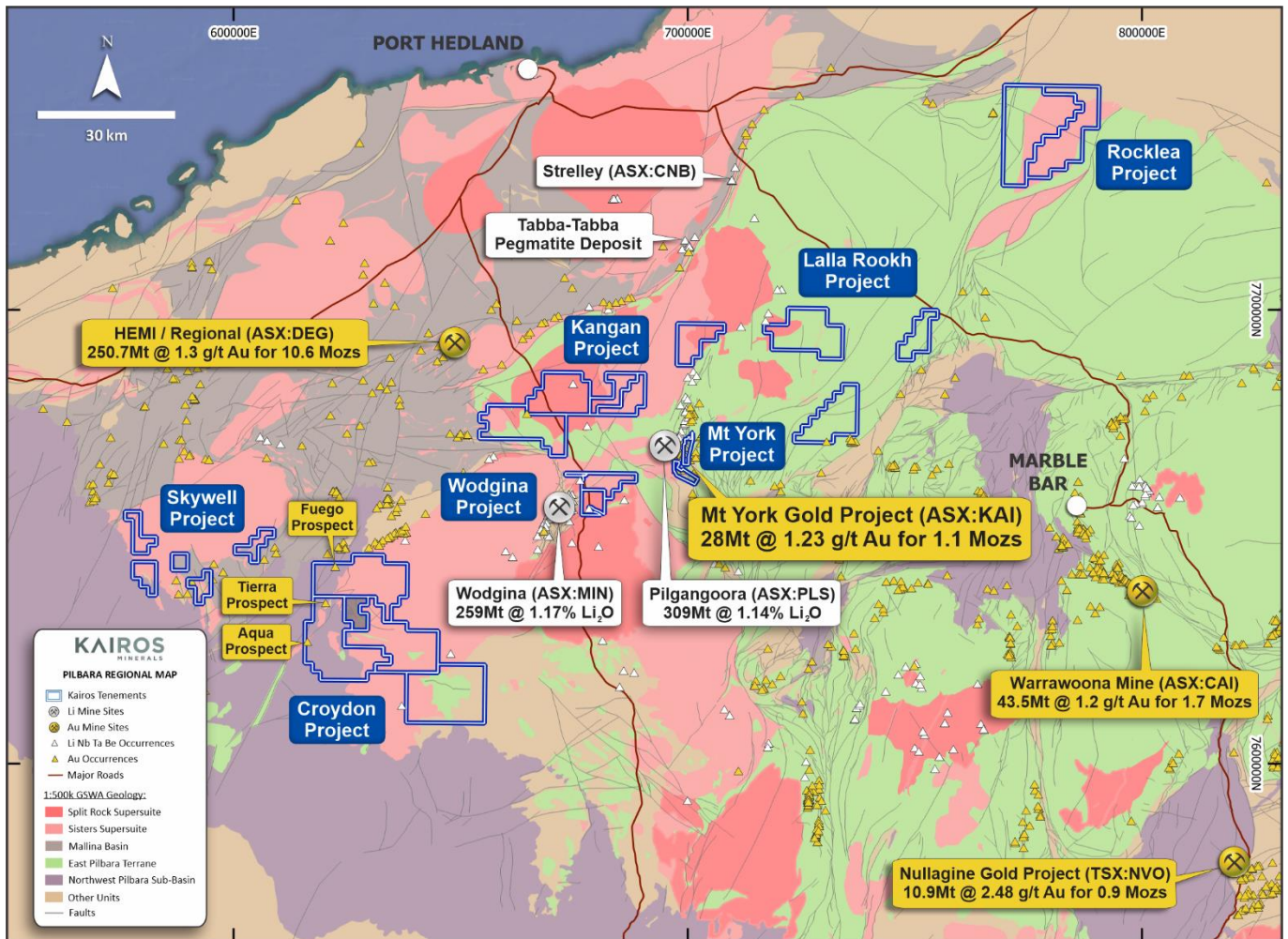


Figure 9 - Pilbara Gold Project and the Mt York Deposit locations

During the Technical Review, it is believed that there are no technical factors impeding the project and the Company supports the recommendation that an extensive drilling programme with a large proportion of diamond drilling is necessary to drive continued resource growth beyond the current resource estimation.

Kairos is planning to pursue a path of development of the Mt York Gold Deposit with aggressive exploration drilling, targeting under-drilled areas of the resource specifically in areas where wide, high-grade plunging shoots are interpreted. Kairos believes that the Mt York Gold Project will experience significant resource growth and is following the strategy of organic growth to create shareholder value.

Mt York Mineral Resource Estimate (August 2022)

A new, JORC-compliant mineral resource estimate (MRE) was announced to the market on 30 August 2022. The resource heralded a significant milestone for the Company in reaching >1 million ounces of gold at Mt York. The current resource estimate was completed by Christopher Speedy of Encompass Mining Consultants using wireframes built by Kairos's technical team and based on a 0.3 g/t Au envelope of mineralisation. The resource includes an additional 14,988m of drilling at all prospects in late 2021 by the company. The resource includes the continuous and contiguous deposits of Main Hill, The Gap, Breccia Hill and Gossan Hill that form an arcuate form with mineralisation dipping moderately to steeply to the south to south-west, herein referred to as The Main Trend (see Figures 12, 13).

Directors' Report

| Project | Resource Category | Tonnes (Mt) | Grade Au g/t | Ounces (Kozs) |
|--------------|-----------------------------|--------------|--------------|---------------|
| Main Hill | Indicated | 2.55 | 1.15 | 97 |
| | Inferred | 7.93 | 1.1 | 280 |
| | Indicated + Inferred | 10.48 | 1.12 | 377 |
| The Gap | Indicated | 1.81 | 1.22 | 71 |
| | Inferred | 1.15 | 0.94 | 35 |
| | Indicated + Inferred | 2.96 | 1.11 | 106 |
| Breccia Hill | Indicated | 4.83 | 1.31 | 203 |
| | Inferred | 2.78 | 1.34 | 120 |
| | Indicated + Inferred | 7.61 | 1.32 | 323 |
| Gossan Hill | Indicated | 1.82 | 1.27 | 74 |
| | Inferred | 0.4 | 1.34 | 17 |
| | Indicated + Inferred | 2.22 | 1.28 | 92 |
| Iron Stirrup | Indicated | 1.18 | 1.81 | 69 |
| | Inferred | 0.63 | 1.66 | 34 |
| | Indicated + Inferred | 1.81 | 1.76 | 102 |
| Old Faithful | Indicated | 1.73 | 1.19 | 66 |
| | Inferred | 1.19 | 0.96 | 38 |
| | Indicated + Inferred | 2.93 | 1.1 | 103 |
| Totals | Indicated | 13.93 | 1.3 | 581 |
| | Inferred | 14.08 | 1.15 | 523 |
| | Indicated + Inferred | 28.01 | 1.23 | 1,104 |

Table 2 – Mineral Resource Estimate for the Mt York Gold Project using a 0.7 g/t lower cutoff. The deposits of Main Hill, The Gap, Breccia Hill and Gossan Hill are contiguous orebodies with Iron Stirrup and Old Faithful being satellite deposits 4.5km and 6.5km

| Mt York Global | | | | | | | | | |
|-------------------|--------------|-------------|---------------|--------------|-------------|---------------|--------------|-------------|---------------|
| Grade Cut Off (>) | Indicated | | | Inferred | | | Total | | |
| | Tonnes (Mt) | Au g/t | Ounces (Kozs) | Tonnes (Mt) | Au g/t | Ounces (Kozs) | Tonnes (Mt) | Au g/t | Ounces (Kozs) |
| 0.1 | 23.52 | 0.97 | 733 | 27.10 | 0.84 | 729 | 50.62 | 0.90 | 1,462 |
| 0.2 | 23.39 | 0.97 | 732 | 26.87 | 0.84 | 728 | 50.27 | 0.90 | 1,460 |
| 0.3 | 22.94 | 0.99 | 728 | 26.16 | 0.86 | 722 | 49.10 | 0.92 | 1,450 |
| 0.4 | 21.14 | 1.04 | 709 | 23.90 | 0.91 | 697 | 45.04 | 0.97 | 1,405 |
| 0.5 | 18.96 | 1.11 | 677 | 20.87 | 0.97 | 653 | 39.82 | 1.04 | 1,330 |
| 0.6 | 16.22 | 1.21 | 629 | 17.57 | 1.05 | 595 | 33.79 | 1.13 | 1,224 |
| 0.7 | 13.93 | 1.30 | 581 | 14.08 | 1.15 | 523 | 28.01 | 1.23 | 1,104 |
| 0.8 | 11.99 | 1.39 | 535 | 11.23 | 1.26 | 455 | 23.22 | 1.33 | 990 |
| 0.9 | 10.10 | 1.49 | 484 | 8.77 | 1.38 | 388 | 18.87 | 1.44 | 872 |
| 1.0 | 8.31 | 1.61 | 430 | 6.47 | 1.53 | 318 | 14.78 | 1.57 | 748 |
| 1.1 | 6.83 | 1.73 | 380 | 5.18 | 1.65 | 275 | 12.01 | 1.70 | 655 |
| 1.2 | 5.75 | 1.84 | 340 | 4.16 | 1.78 | 238 | 9.91 | 1.81 | 578 |
| 1.3 | 4.96 | 1.93 | 308 | 3.33 | 1.91 | 205 | 8.29 | 1.92 | 513 |
| 1.4 | 4.10 | 2.06 | 272 | 2.83 | 2.01 | 183 | 6.94 | 2.04 | 455 |
| 1.5 | 3.56 | 2.15 | 246 | 2.41 | 2.11 | 164 | 5.97 | 2.14 | 410 |
| 1.6 | 3.01 | 2.26 | 219 | 1.99 | 2.23 | 143 | 5.00 | 2.25 | 362 |
| 1.7 | 2.65 | 2.34 | 200 | 1.75 | 2.31 | 130 | 4.40 | 2.33 | 330 |
| 1.8 | 2.27 | 2.44 | 178 | 1.45 | 2.43 | 114 | 3.72 | 2.44 | 292 |
| 1.9 | 1.86 | 2.58 | 154 | 1.17 | 2.58 | 97 | 3.03 | 2.58 | 251 |
| 2.0 | 1.66 | 2.65 | 142 | 1.00 | 2.68 | 86 | 2.66 | 2.66 | 228 |
| 2.1 | 1.42 | 2.76 | 126 | 0.80 | 2.83 | 73 | 2.22 | 2.79 | 199 |
| 2.2 | 1.17 | 2.89 | 109 | 0.71 | 2.92 | 67 | 1.88 | 2.90 | 176 |
| 2.3 | 1.02 | 2.99 | 98 | 0.67 | 2.97 | 64 | 1.68 | 2.98 | 161 |
| 2.4 | 0.85 | 3.12 | 85 | 0.59 | 3.06 | 58 | 1.44 | 3.09 | 143 |
| 2.5 | 0.75 | 3.20 | 78 | 0.55 | 3.10 | 55 | 1.31 | 3.16 | 133 |
| 2.6 | 0.66 | 3.29 | 70 | 0.52 | 3.14 | 52 | 1.18 | 3.22 | 122 |
| 2.7 | 0.60 | 3.36 | 65 | 0.48 | 3.17 | 49 | 1.08 | 3.28 | 114 |
| 2.8 | 0.48 | 3.51 | 54 | 0.33 | 3.35 | 36 | 0.81 | 3.45 | 90 |
| 2.9 | 0.44 | 3.57 | 51 | 0.26 | 3.48 | 29 | 0.71 | 3.54 | 80 |
| 3.0 | 0.39 | 3.66 | 45 | 0.22 | 3.57 | 26 | 0.61 | 3.63 | 71 |

Table 3 - Grade-tonnage table using different lower grade resource cutoffs for all gold deposits at Mt York. The reported resource estimations for 0.5 and 0.7 g/t Au lower cutoffs are discussed in the release.

Directors' Report

The resource estimation method applied was ordinary kriging that is considered a robust method for grade interpolation where geological and mineralisation control is well constrained. The resource estimate by resource category is shown in **Table 2** above and constrained by a 0.7 g/t Au cutoff grade.

For a 0.5 g/t lower cutoff grade, the resource estimate increases **52%** to **1.33 Mozs (39.82 MT @ 1.04 g/t Au for 1,329,000 ounces)** (**Table 3**). Detailed resource investigations looking at the lower cutoff grades will be investigated during the pre-feasibility study when all mining & processing costs are reviewed.

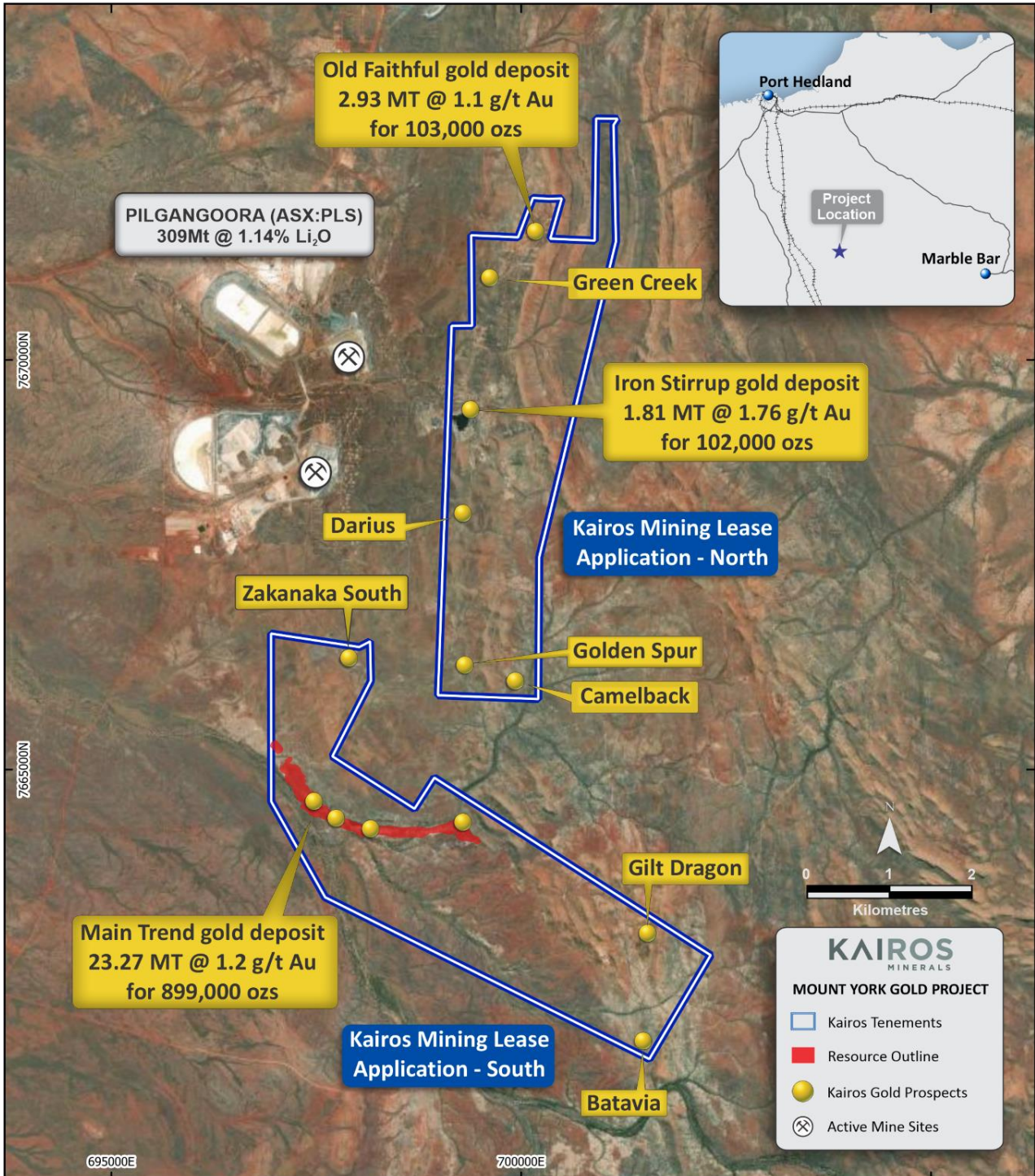


Figure 10 - Location of Main Trend, Iron Stirrup and Old Faithful gold deposits within the newly applied for Mining Lease Applications

Directors' Report

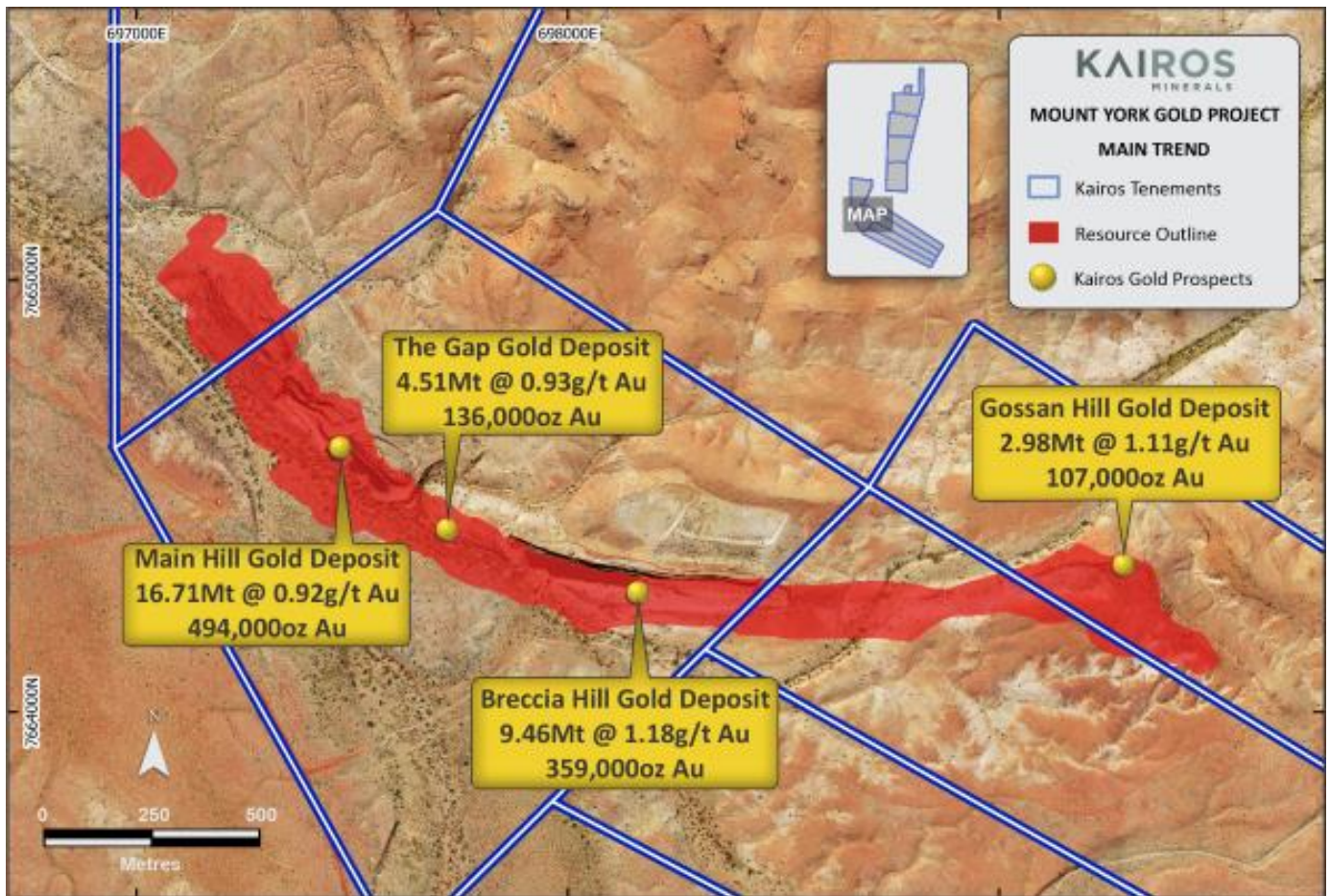


Figure 11 - Extent of the Main Trend (Main Hill-The Gap-Breccia Hill-Gossan Hill) mineralisation (red polygon) extending for a continuous 2,800m.

There is an obvious lack of drilling below **150m** along the whole Main Trend. Much of the resource below **150m** at Main Hill, The Gap and Breccia Hill is either inferred or unclassified. Unclassified resources are not included in the mineral resource estimate but qualify as obvious targets to increase the resource inventory along the base of the entire Main Trend.

The mineral resource estimate is not constrained at depth. The pit optimisation work by Intermine Engineering Consultants (see Pit Optimisations below) has resulted in a series of pit shells that, on inspection, show that the current base of pit shells do not extend deeper than the drilling in most cases along the entire Main Trend (and at Iron Stirrup and Old Faithful). This indicates that further drilling below the optimal pit shell is required. At this stage there is not enough deeper drilling into the estimated and reported resource in indicated and inferred categories to determine the lower limit of likely economic extraction by open pit methods. The recommendation by both Encompass and Intermine is that further, deeper drilling is required to find the natural depth limit of mineralisation that can likely be economically extracted.

Pit Optimisation

Intermine Engineering Consultants completed pit optimisation work on the updated mineral resource models for the Main Trend (Main Hill-The Gap-Breccia Hill-Gossan Hill), Iron Stirrup and Old Faithful deposits. Pit optimisations are often used to define the most profitable pit shell for a given set of economic parameters like gold price, mining and administration costs, processing costs, pit wall angles, ore recoveries, ore production through-put rates etc. In the case of Mt York, Kairos has used optimal pit shells with realistic costs and inputs in the past to:

- 1) Determine possible economic zones of mineralisation;

Directors' Report

- 2) Determine approximate grades and tonnages of in-pit resources;
- 3) Determine whether drilling campaigns have been successful in capturing new mineralised zones in-pit;
- 4) Guide the next drilling campaign.

Intermine completed a series of pit optimisations using up-to-date mining and administration costs and inputs for a gold mine based in the Pilbara. All pit shells developed have been examined in 3D software against all drilling across all mineralised zones and enabled the Kairos team to plan the next round of significant drilling, placing the emphasis on core drilling, to gain maximum geological and metallurgical information. Although some of the planned drill holes may change slightly due to accessibility, the +20,000m drill programme is targeting a significant increase in resources below and between all pits and to increase the confidence of inferred resources to the indicated category in preparation for the next round of resource estimation and pre-feasibility study.

Drill Campaign

A contract to drill +20,000m (nominally 7,000m of RC and 13,000m of NQ/HQ core) was signed with Orlando Drilling during the period. Drilling commenced in the first week of September and is targeting a significant increase in the global resource including all higher-grade plunging shoots that remain open at depth (see **Figure 14**) and increasing confidence in all categories of resource (conversion of inferred to indicated and unclassified to inferred resource categories) (**Figure 15**) in preparation for a pre-feasibility study. Substantial geotechnical information was collected from the high-quality core and down-hole, televiwer data collected along the entire strike of the deposit at Main Trend in preparation for studies to determine pit wall angles and general geotechnical stability during normal open pit excavations associated with open pit mining. The abundant of core samples allows for metallurgical test work to proceed for ore process studies, including process design and through-put and costings.

Planned drill holes are shown in **Figures 14, 15 & 16**. Drilling the Main Trend only was planned as it represents the largest single deposit and is considered to yield the highest and most significant resource increases.

A update on drilling was announced to the market on 10 October 2022.

Directors' Report

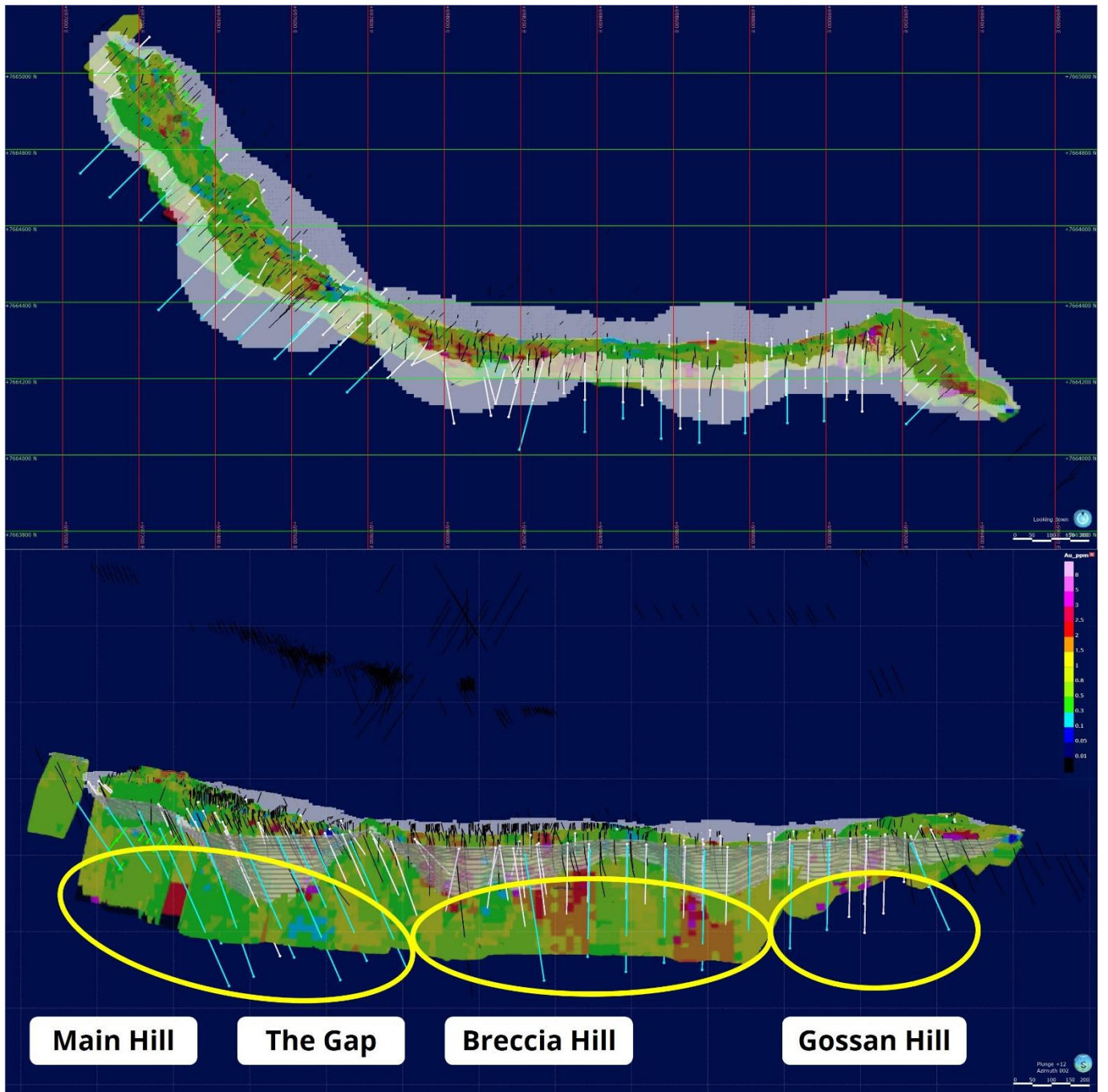


Figure 12 - Plan view (top) and oblique longsection (bottom) of the Main Trend of the Mt York Gold Project with planned RC and DDH holes shown in white, light blue and green. The coloured dataset is the ordinary kriged resource model coloured on gold grade (see key top right). The optimal pit shells shown are based on a gold price of \$2,500/oz and a mill throughput rate of 3 MTPA. The planned drilling targets high-grade shoots below the current pit shell bases along the entire 2,800m mineralised trend and to convert the resources to a higher level of confidence (inferred to indicated, unclassified to inferred, see Figure 15).

Directors' Report

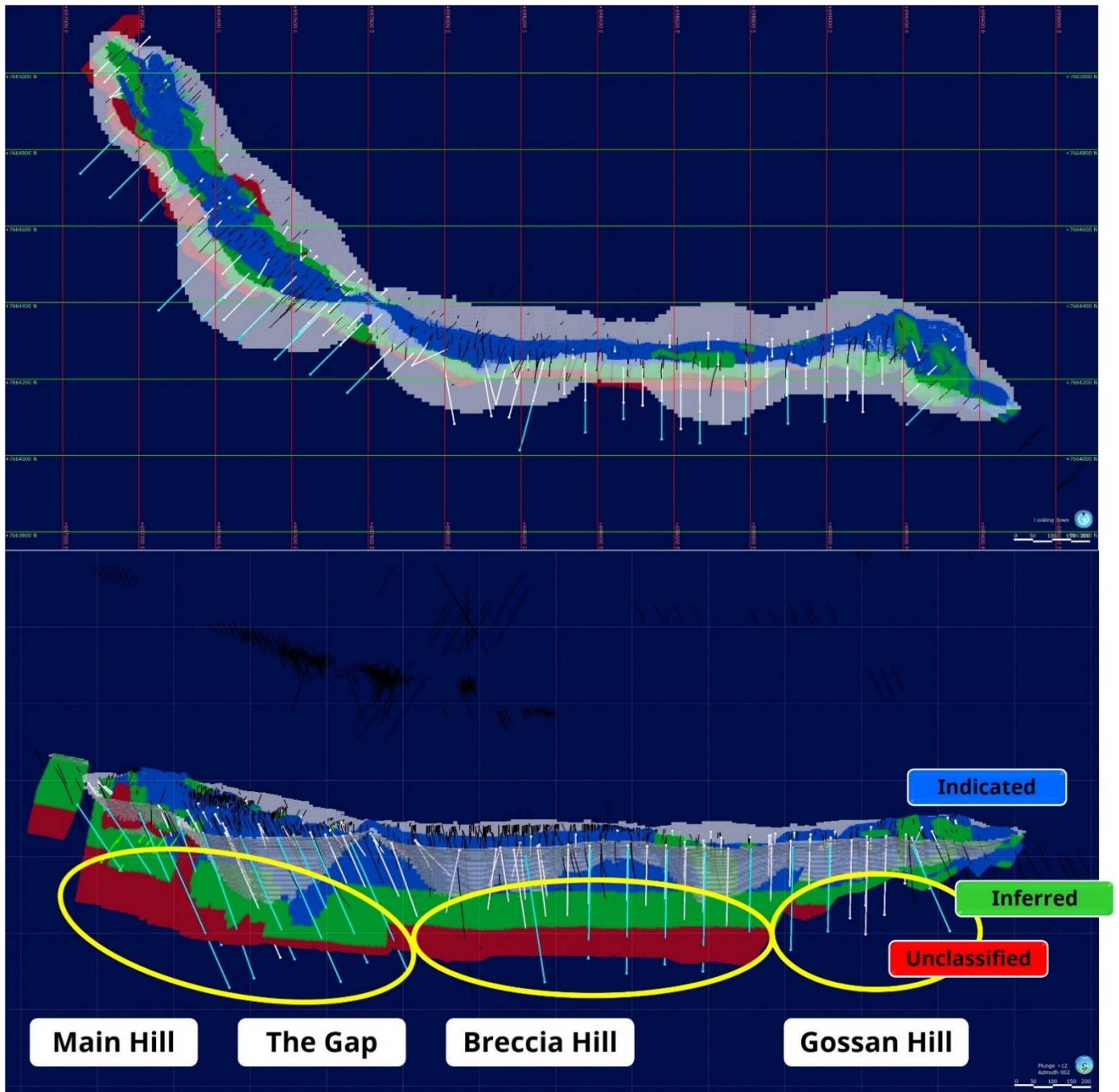


Figure 13 - Plan view (top) and oblique longsection (bottom) of the Main Trend of the Mt York Gold Project with planned RC and DDH holes shown in white, light blue and green. The coloured dataset is the ordinary kriged resource model coloured on resource category (blue is indicated, green is inferred, red is unclassified). The optimal pit shells shown are based on a gold price of \$2,500/oz and a mill throughput rate of 3 MTPA. The planned drilling targets high-grade shoots below the current pit shell bases along the entire 2,800m mineralised trend (see Figure 14) and to convert the resources to a higher level of confidence (inferred to indicated, unclassified to inferred).

At the end of December, 46 drill holes for 11,039m were completed (54% of the drilling was diamond core). The drill holes were positioned to focus on 1) resource growth, especially at depth and 2) increased confidence of resource category for the current resource along the Main Trend.

A total of 89 drill holes for approximately 20,000m of drilling were planned at Mt York in July 2022 with just over half completed to date before the onset of summer. Drilling of the remaining holes will be rescheduled once results are received and a thorough review completed of the effectiveness of the 47 holes.

Directors' Report

Results for the 46 holes (3 additional holes were part-drilled but failed due to ground conditions) are expected in February, March and April 2023.

Completed drill holes are shown on drill plan below (Figure 16).

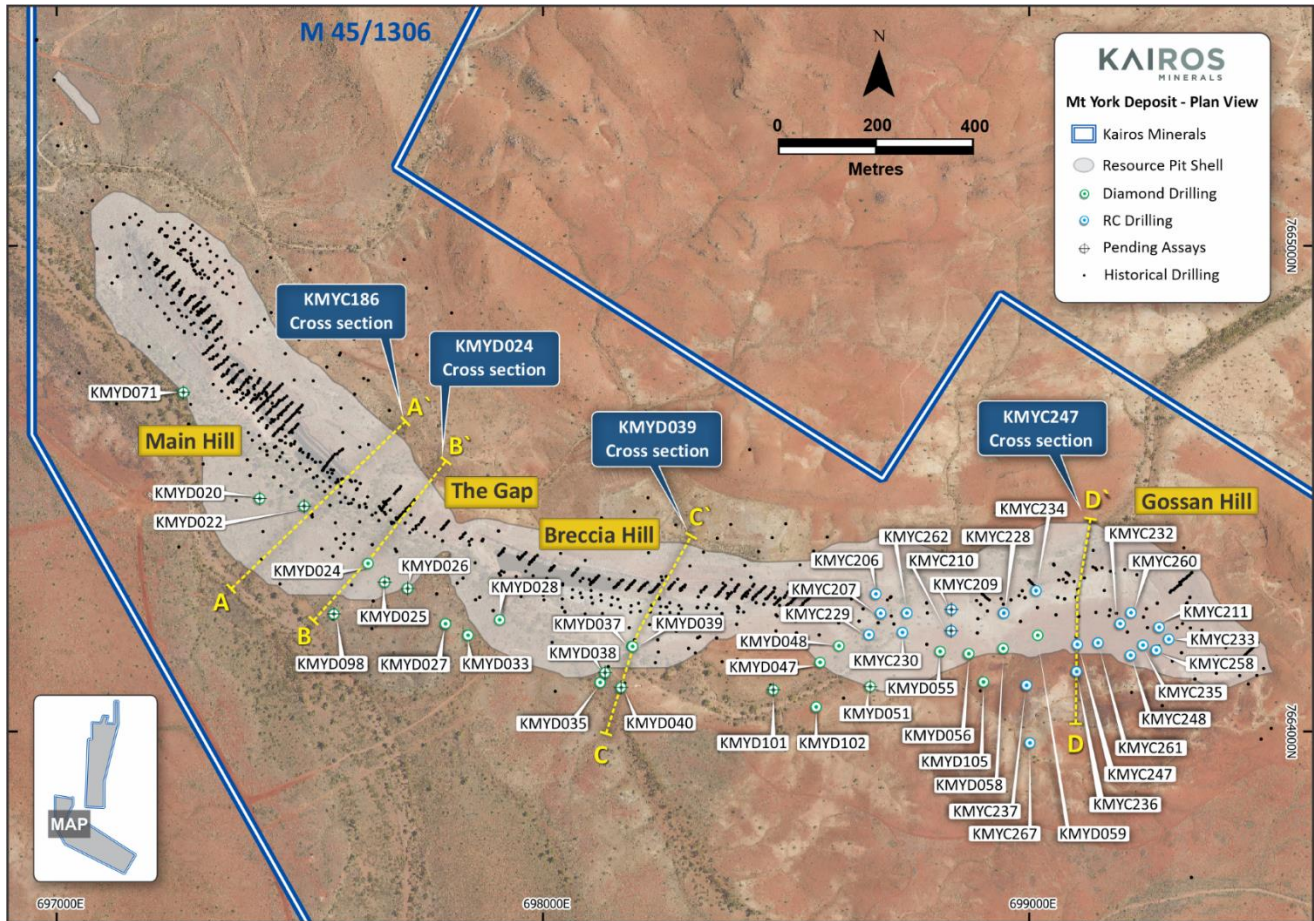


Figure 14 – Drill plan showing all 2022 drill holes completed in the period. (Note: no sections are shown in this report).

Mining Lease Applications (MLAs)

The Company, through its wholly-owned subsidiary Mt York Operations Pty Ltd, lodged two Mining Lease Applications (MLAs) for the Mt York Gold Project with Department of Mines, Industry Regulation and Safety (DMIRS) during the period. The MLAs are called Mount York North and Mount York South (Figure 17) and cover the entire areas of the Company’s prospecting licences (and all mineral resources) they replace (Table 4).

| Mining Licence | Prospecting Licence |
|--------------------------|--|
| Mt York North (M45/1307) | P45/2988, P45/2992, P45/2993, P45/2995, P45/2997, P45/2998 |
| Mt York South (M45/1306) | P45/2987, P45/2989, P45/2990, P45/2991, P45/2994, P45/2996 |

Table 4. Mining Licence Application conversions from Prospecting Licences to Mining Licence.

The MLAs were submitted separately but form part of the same project area. Miscellaneous Licences will be applied for to provide haul road and infrastructure corridors between the two Mining Lease Applications.

Directors' Report

The MLAs were accompanied by a Mineralisation Report under Section 74(1)(ca)(ii) and a supporting statement about likely mining operations ('Supporting Statement').

Formal notification of the two MLAs has been received from DMIRS. The grant process is expected to take a minimum of six months.

Figure 17 provides a conceptual outline of the mining operation with the final design layout to be determine during the feasibility study.

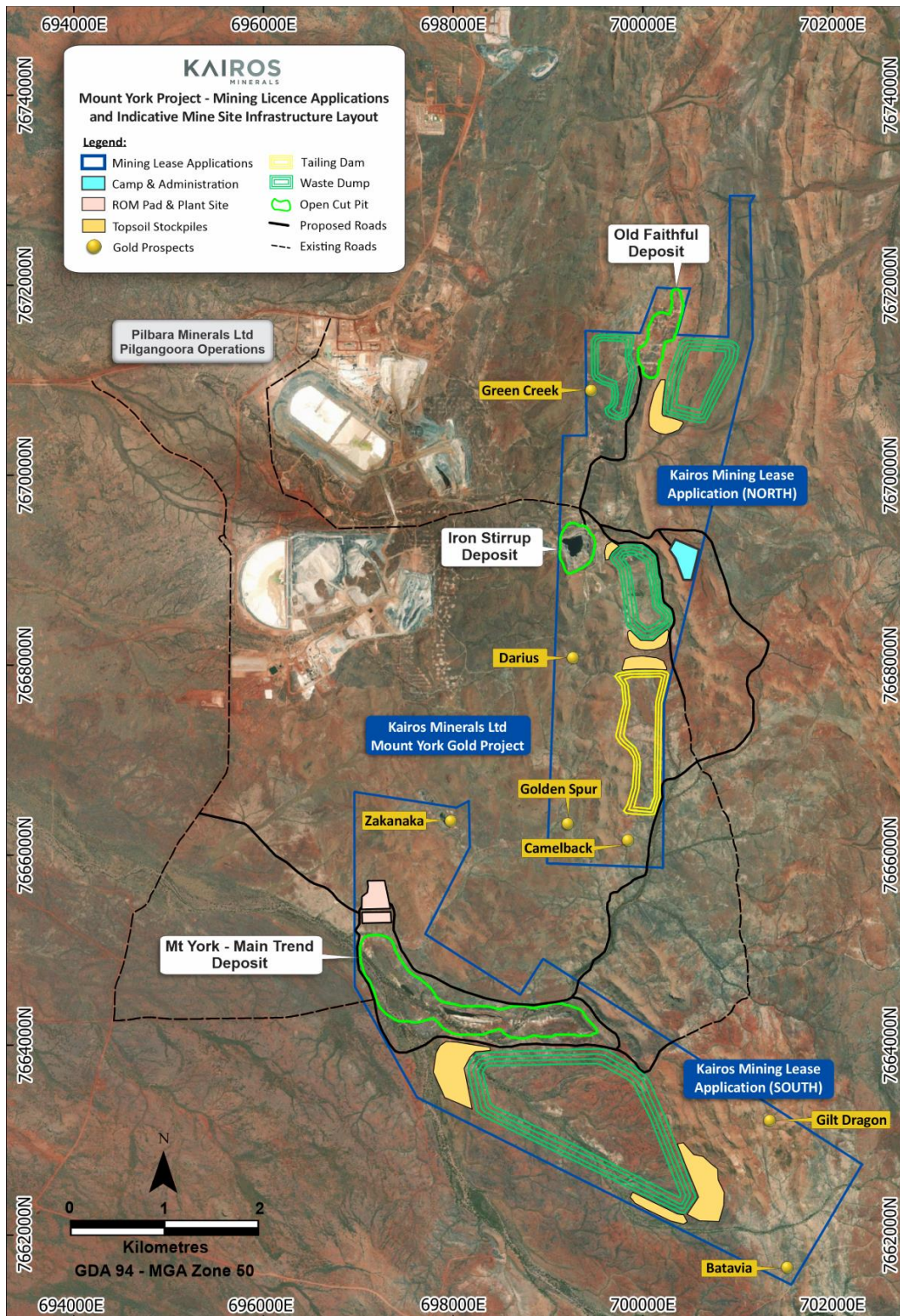


Figure 15 - Google Earth image showing the two MLAs and approximate infrastructure corridors.

Directors' Report

Mt York Camp Construction

The Board of Kairos committed to building an exploration camp and covered core yard at Mt York. Two 40 ft modified containers have been set in place with concrete footings in preparation for a dome shelter structure to be fitted across the containers. A temporary core yard was constructed as well as two shower-toilet units (**Figure 18**). Construction of the septic system will be completed as soon as Shire approval is given. All core processing was done on site using a 20 ft, rented core-cutting container.



Figure 16 - Exploration camp construction underway with levelling and compaction of 70m x 70m area in preparation for dome-sheltered core yard, accommodation, ablution block, workshop and offices. The prominent hill in the background is the western part of the Main Hill deposit. View looking southwest.

REGIONAL PILBARA PROJECTS (KAI: 100%)

CROYDON PROJECT (KAI 100%)

Kairos has identified new gold and lithium targets at its 100 per cent-owned Croydon Project in WA's Pilbara. The targets have been identified by the successful geochemical sampling program in which 1,304 soil samples were collected at 200m x 80m and 800m x 160m spacing and submitted for Ultrafine+™ analysis at the Labwest Laboratory in Perth. Results were released to the ASX on the 11 October 2022.

The complete data analysis has identified a new gold target at the Viento prospect and four new lithium targets. The Tierra and Eastern 1 lithium targets show similar geological settings to the Mt Cassiterite pegmatite suite, part

Directors' Report

of the 259Mt @ 1.17%Li₂O deposit, owned by Mineral Resources and Albemarle Corporation (ASX: MIN and NYSE: ALB).

Kairos has also completed the in-fill soil sampling program at Tierra and Aqua prospects, with targets now ready to be drill-tested.

Lithium Targets

The geochemical soil sampling program defined four new lithium targets based on elevated lithium and pathfinder elements and the local geology.

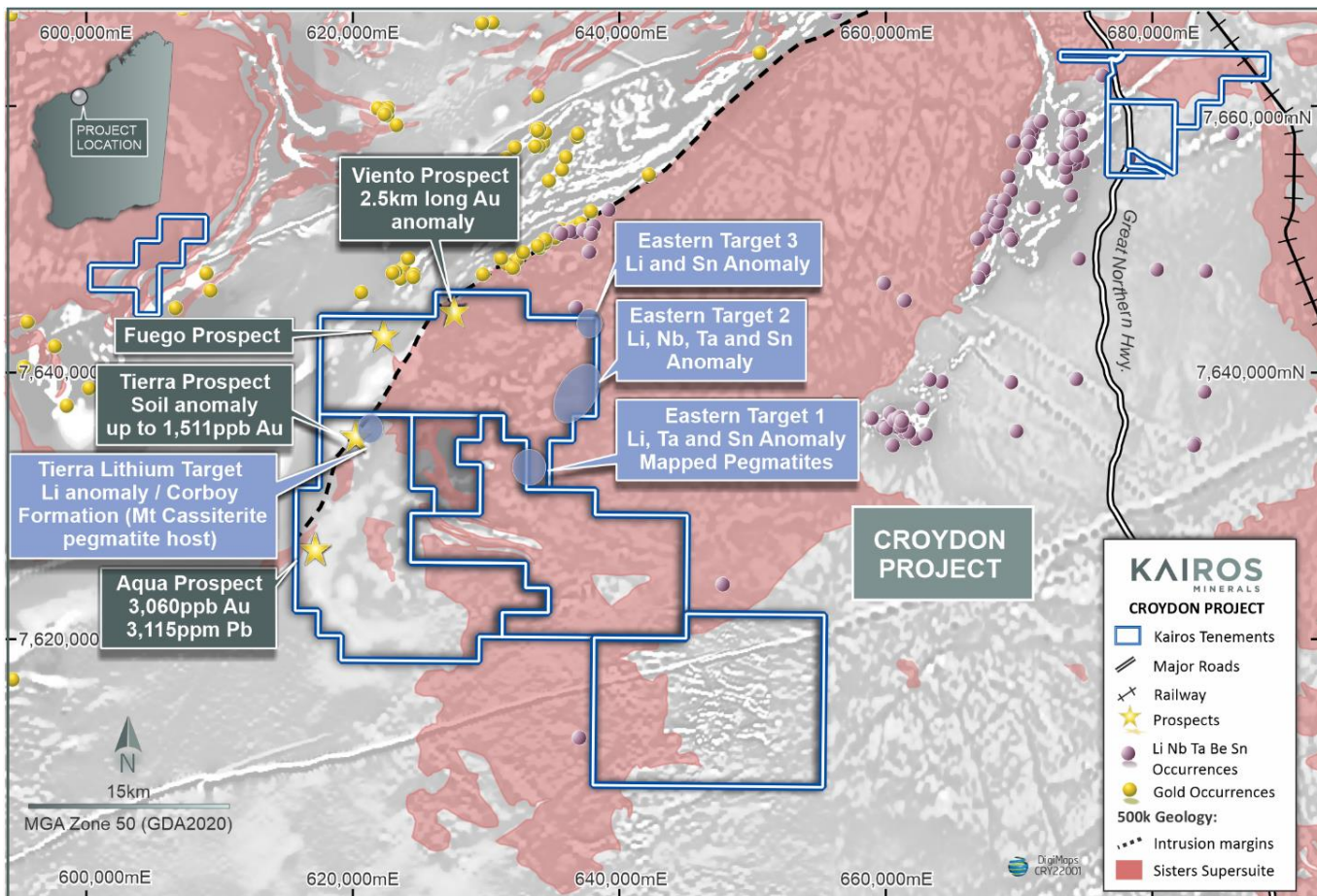


Figure 17 – Kairos lithium and gold targets at the Croydon Project, Pilbara.

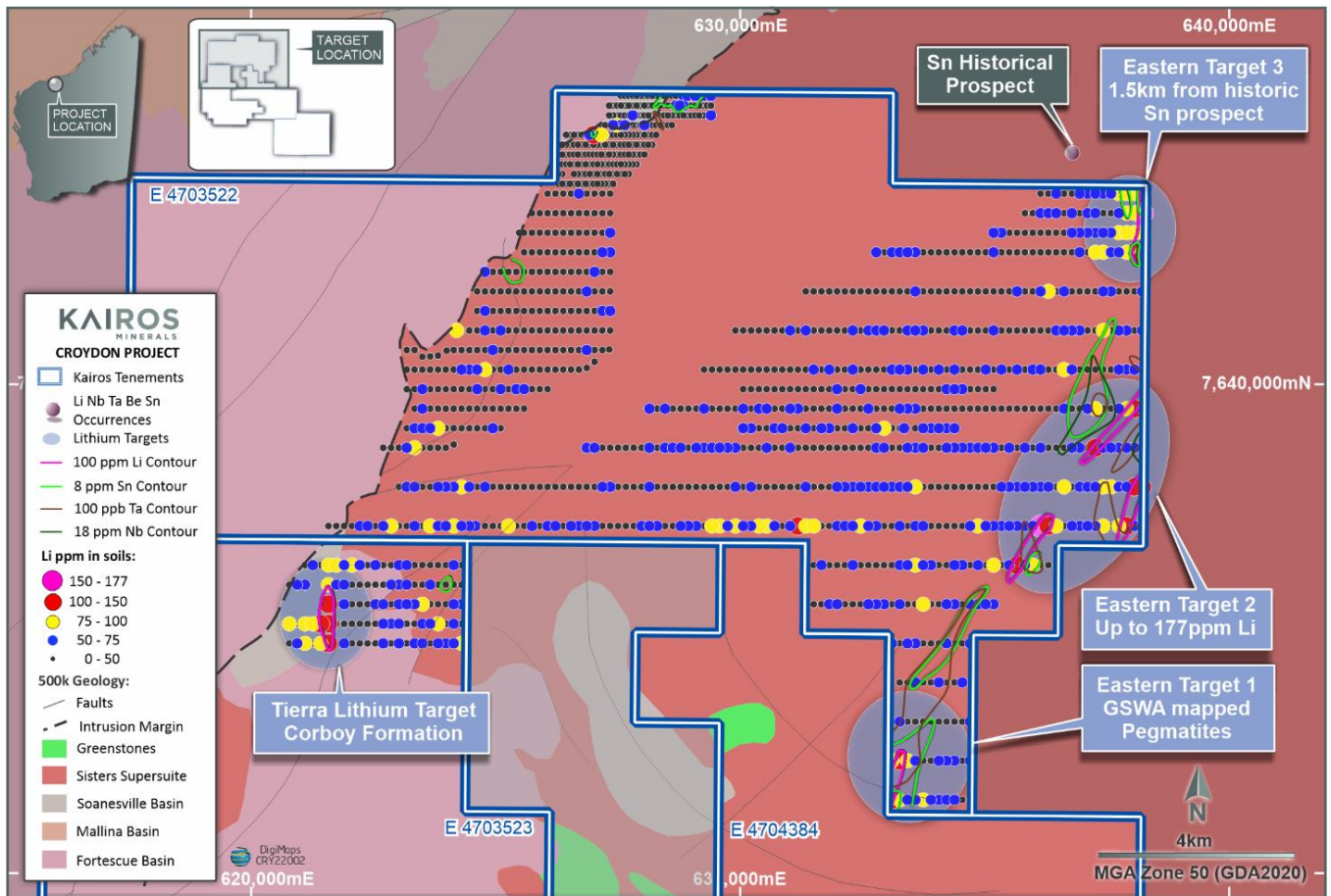


Figure 20 - Lithium targets from the Ultrafine soil sampling program.

Tierra Lithium Target

An 800m-long lithium anomaly returned from the samples collected over the mapped Corboy Formation, GSWA 1:500k map (**Figure 20**). The metasediments of this formation host the Mt Cassiterite spodumene-type pegmatites, owned by Mineral Resources and Albemarle Corporation (ASX: MIN and NYSE: ALB). This is a highest-priority target with field reconnaissance mapping planned ahead of drilling.

Eastern Target 1

This target area is defined by an 800m long lithium anomaly, up to 133ppm Li, with coincident elevated tin and tantalum. Immediately to the west of this anomaly, there are two pegmatites mapped by GSWA and found on 1:100k Satirist sheet; these pegmatites extend for approximately 1.9km and are visible on aerial images (**Figures 21 and 22**). Kairos has started the process to obtain access to conduct exploration activities within the E47/4384 that was granted in 2021.

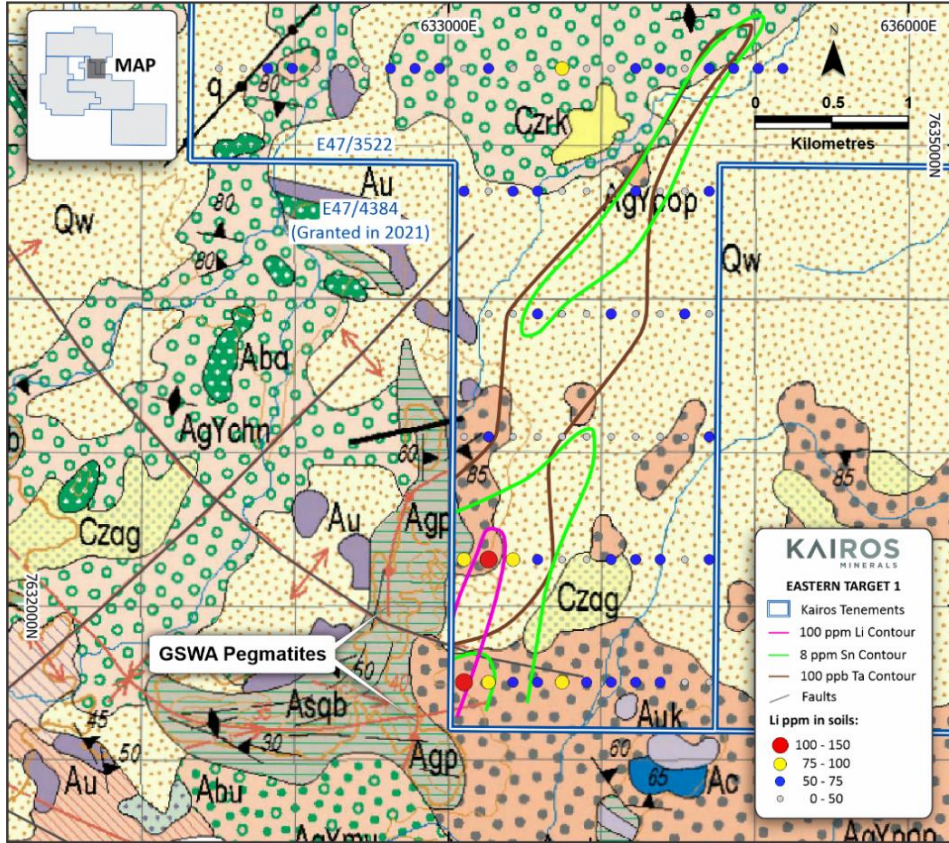


Figure 21 - The Eastern Target 1, defined by the Ultrafine soil sampling program and the pegmatites (Agp) mapped by GSWA (1:100k Satirist sheet).

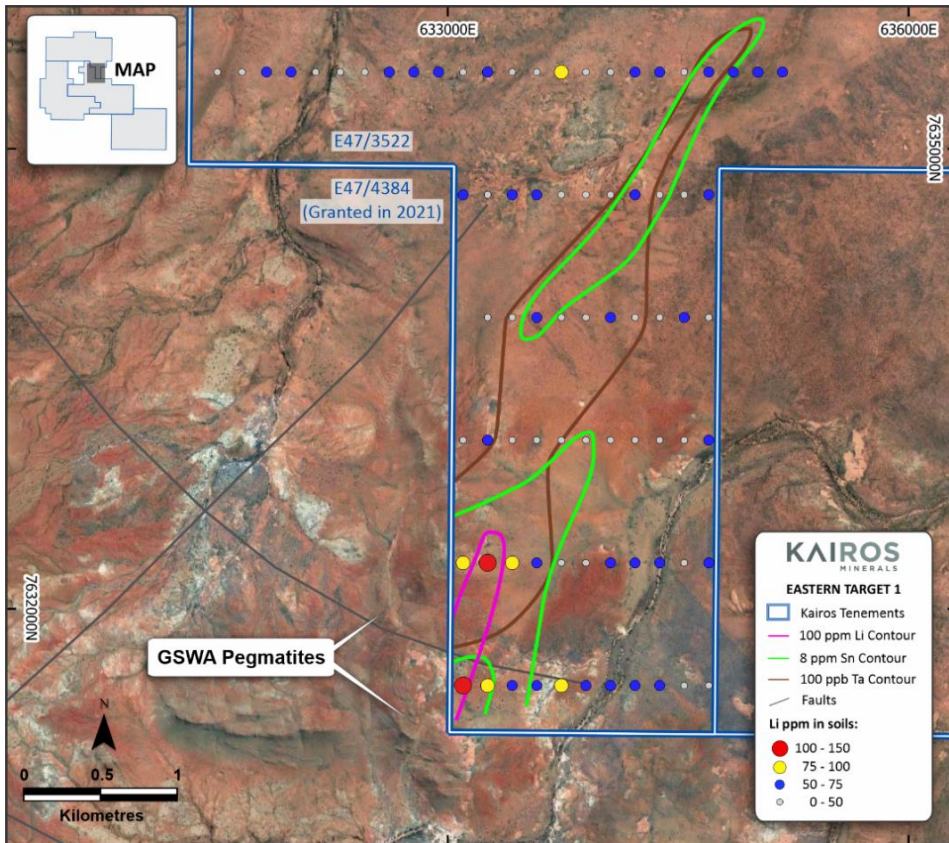


Figure 22 - The Eastern Target 1, defined by the Ultrafine soil sampling program and the pegmatites (Agp) within the recently granted E47/4384 tenement.

Directors' Report

Eastern Target 2

A 4km-long northeast striking target area is defined by lithium anomalies, up to 177ppm Li, with coincident elevated niobium, tin and tantalum. It sits near the contact between the Powdar Monzogranite (2,935Ma) and the Cheearra Monzogranite (3,065Ma) of the Sister Supersuit; the Cheearra unit includes pegmatites that could be associated with the later intrusion of the younger Powdar granites.

Eastern Target 3

This target is defined by lithium anomalies, up to 137ppm Li, with coincident elevated tin. The Warden Pool Tin Prospect is located 1.5km northwest of this anomaly in Sayona Mining tenement.

Gold Targets – Viento Prospect

The Ultrafine soil sampling program results identified a new target area defined by a 2.5km long gold anomaly. This target area is located on the highly prospective zone, the margins of the Sisters Supersuite intrusion. Several gold, copper, tin, tantalum, lithium, and tungsten prospects are located on the margins of this intrusion. See **Figure 19** for location of these prospects.

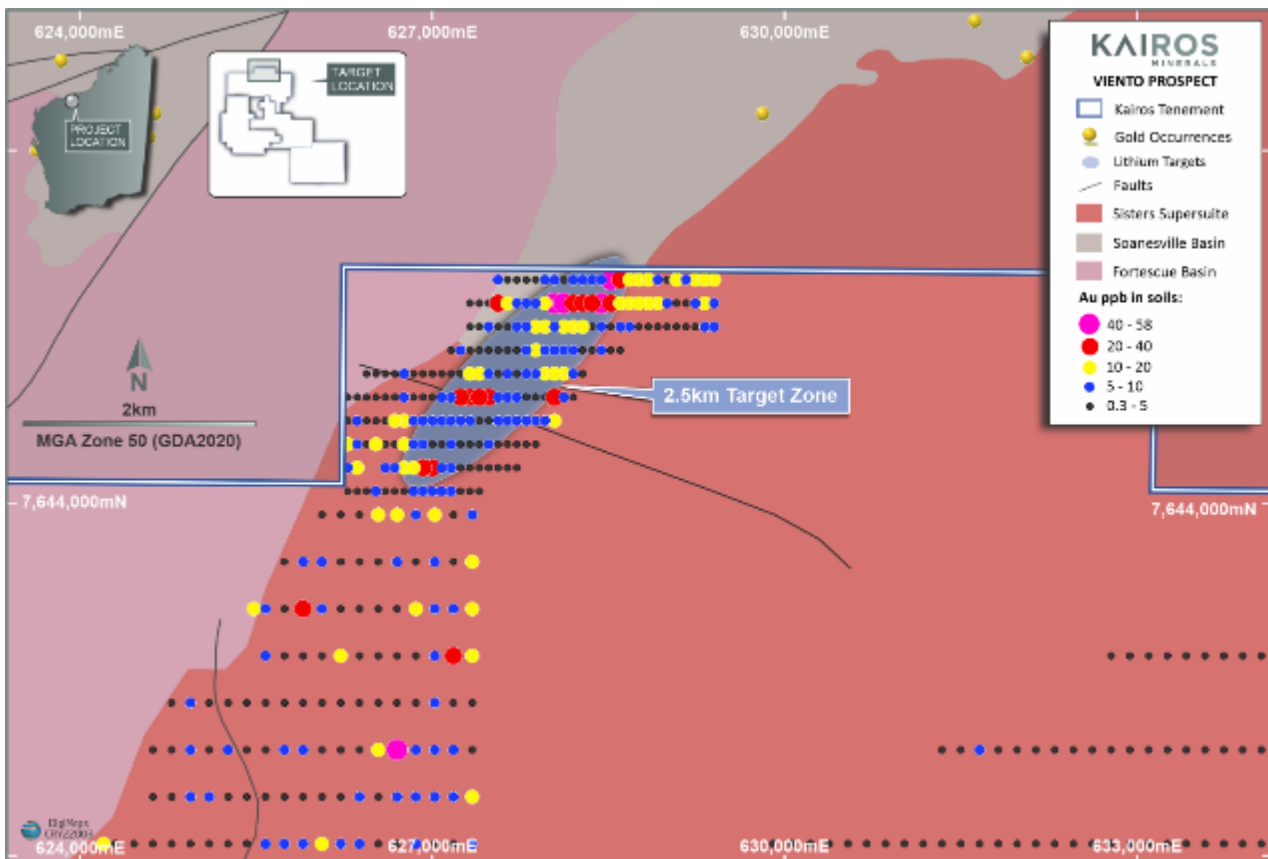


Figure 18 - Detailed image showing the Viento Prospect and the gold results from the Ultrafine soil sampling program on 1:500k GSWA geology.

Gold Targets – Aqua and Tierra prospects

In 2021, Kairos conducted an in-fill and extensional soil sampling program at Aqua and Tierra prospects to refine previously defined targets and test new areas for intrusion-related gold mineralisation.

At the Aqua prospect, the analysis of the complete surface geochemistry data has generated a consistent and robust anomalous zone of elevated Pb, Cu and Zn, up to 3,115ppm Pb, 663ppm Zn, 265ppm Cu, next to a 1km long gold anomaly, up to 3,060ppb Au (**Figure 24**). The 1km anomalous zone is manifest as >100ppb Au results consistently over 7 of 10 sample lines illustrating the robustness of the anomalism. The underlying gold source is a high priority

Directors' Report

target that will be drill-tested in the 2023 field season. This Viento-Fuego-Tierra-Aqua Prospects provide Kairos with an exciting pipeline of new gold prospect that require serious and imminent drill-testing.

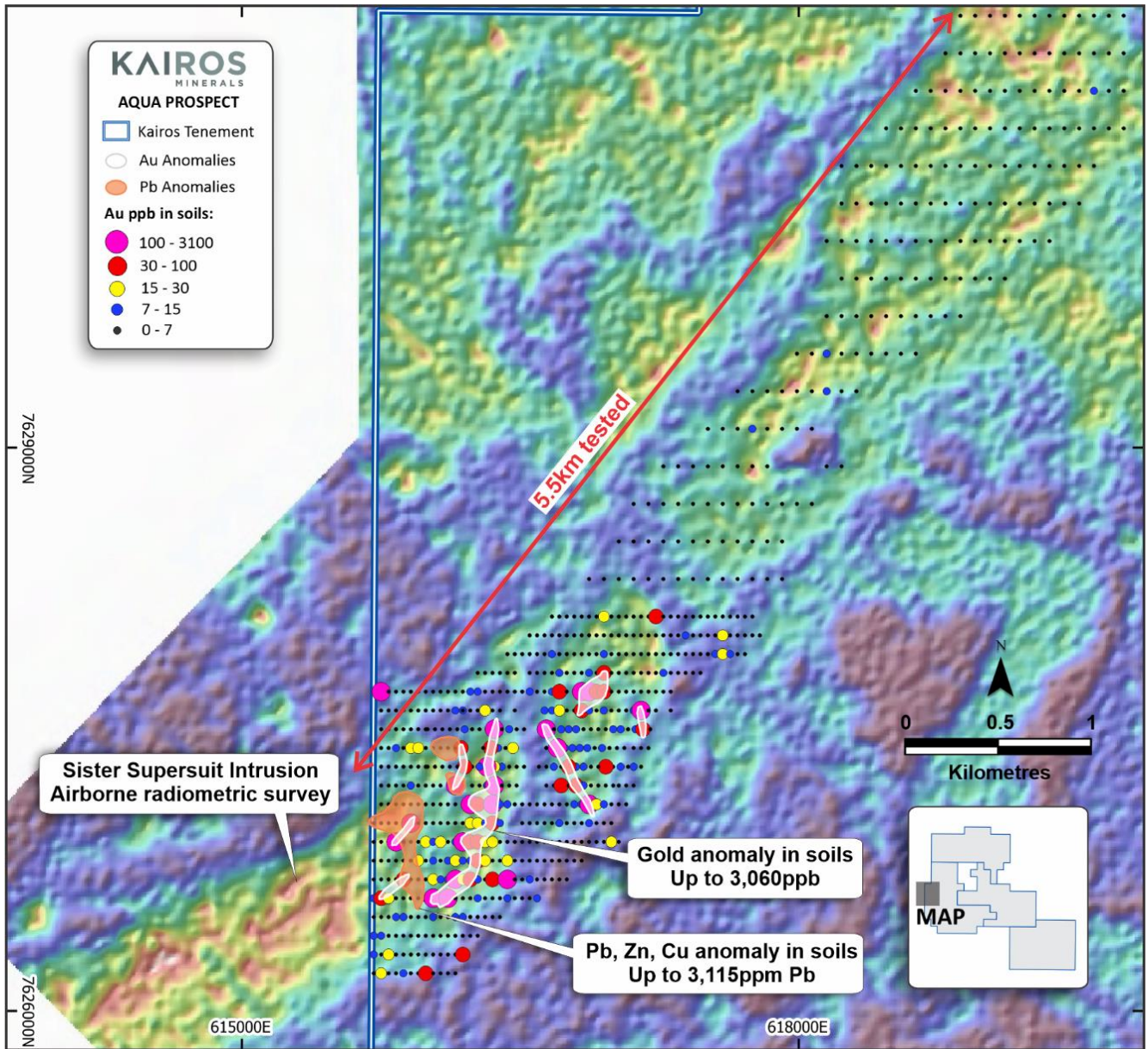


Figure 19 - Complete results from the soil sampling program at Aqua prospect on the potassium radiometric image showing a strong, coherent gold anomaly over 1 km.

At the Tierra prospect, the in-fill soil sampling program confirmed and refined the previously defined target: the 2.5km long corridor of highly anomalous soils and rock chips, including outstanding surface copper and gold grades up to 16.8% Cu and 4.3 g/t Au. The in-fill sampling program returned the highest gold value from soils of 1,511ppm Au for this prospect. Kairos has conducted heritage and environmental surveys over the area of the mineralised corridor in preparation for drill planning in 2023.

REGIONAL PILBARA PROJECTS (KAI 100%)

No field work was conducted during the period at the Wodgina, Skywell, Lalla Rookh, Kangan and Rock Lea Projects. Field visits are being planned to visit all regional Pilbara Projects to review the lithium occurrences/anomalies and to follow-up remote sensing (satellite image) features that may relate to alteration and/or mineralisation.

Directors' Report

COMPETENT PERSON STATEMENT:

The information contained in this report relating to Exploration Results, and Minerals Resources has been previously reported by the Company as set out in the respective references within the presentation (Announcements). The Company confirms that it is not aware of any new information or data that would materially affect the information included in the Announcements and, in the case of estimates of Mineral Resources, released on 30 August 2022, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Events subsequent to reporting date

No matter or circumstance has arisen since 31 December 2022 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.

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.



Dr Peter Turner
Managing Director

Perth, Australia.

Dated this the 15th day of March 2023.

To the Board of Directors

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

As lead audit Director for the review of the financial statements of Kairos Minerals Limited for the half year ended 31 December 2022, 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,


HALL CHADWICK WA AUDIT PTY LTD


MARK DELAURENTIS CA
Director

Dated 15th day of March 2023
Perth, Western Australia

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2022

| | Note | 31 December 2022 \$ | 31 December 2021 \$ |
|--|------|---------------------------|---------------------------|
| REVENUE | | | |
| Interest Income | | 20,734 | 5,202 |
| Research and Development Incentive | | 560,656 | - |
| Other | | 18,808 | - |
| | | 600,198 | 5,202 |
| Depreciation | | (155,260) | (23,141) |
| Depreciation – right-of-use asset | | (28,482) | (28,482) |
| Directors' fees | | (152,420) | (80,667) |
| Share based remuneration | 4d | (615,515) | - |
| Impairment on tenement assets | 5 | - | (429,870) |
| Travel and marketing | | (67,202) | (167,494) |
| Administration and other expenses | | (138,898) | (308,520) |
| Finance costs | | (10,459) | (5,469) |
| Professional and consulting fees | | (188,912) | (210,573) |
| Occupancy expenses | | (38,540) | (44,490) |
| Loss before income tax | | (795,490) | (1,293,504) |
| Income tax expense | | - | - |
| Loss for the period after income tax | | (795,490) | (1,293,504) |
| Other comprehensive income: | | | |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | |
| Change in fair value of equity instruments | | - | 38,633 |
| Other comprehensive income for the period, net of tax | | - | 38,633 |
| Total comprehensive loss for the period | | (795,490) | (1,254,871) |
| Loss attributable to: | | | |
| Owners of Kairos Minerals Limited | | (795,490) | (1,293,504) |
| Non-controlling interests | | - | - |
| | | (795,490) | (1,293,504) |
| Total comprehensive loss attributable to: | | | |
| Owners of Kairos Minerals Limited | | (795,490) | (1,254,871) |
| Non-controlling interests | | - | - |
| | | (795,490) | (1,254,871) |
| Basic (loss) per share (cents per share) | 6 | (0.04) | (0.08) |
| Diluted (loss) per share (cents per share) | 6 | (0.04) | (0.08) |

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2022

| | Note | 31 December 2022 \$ | 30 June 2022 \$ |
|---|------|------------------------|--------------------|
| ASSETS | | | |
| <i>Current assets</i> | | | |
| Cash and cash equivalents | | 2,624,853 | 6,998,072 |
| Trade and other receivables | | 926,577 | 524,090 |
| Total Current Assets | | 3,551,430 | 7,522,162 |
| <i>Non-Current Assets</i> | | | |
| Property, plant and equipment | | 312,753 | 310,503 |
| Rights-of-used asset | | 208,888 | 237,372 |
| Exploration and evaluation costs | 5 | 26,323,593 | 21,476,758 |
| Total Non-Current Assets | | 26,845,234 | 22,024,633 |
| TOTAL ASSETS | | 30,396,664 | 29,546,694 |
| LIABILITES | | | |
| <i>Current Liabilities</i> | | | |
| Trade and other payables | | 1,314,402 | 335,262 |
| Lease Liability | | 56,100 | 54,286 |
| Provisions | | 43,819 | 16,352 |
| Total Current Liabilities | | 1,414,321 | 405,900 |
| <i>Non-Current Liabilities</i> | | | |
| Lease Liability | | 168,473 | 196,950 |
| Total Non-Current Liabilities | | 168,473 | 196,950 |
| TOTAL LIABILITES | | 1,582,794 | 602,489 |
| NET ASSETS | | 28,813,870 | 28,943,845 |
| EQUITY | | | |
| Contributed equity | 4 | 92,127,736 | 92,077,736 |
| Performance Rights/ Option fair value reserve | | 7,150,575 | 6,535,060 |
| Accumulated losses | | (70,463,330) | (69,667,840) |
| Parent interests | | 28,814,981 | 28,944,956 |
| Non-controlling interests | | (1,111) | (1,111) |
| TOTAL EQUITY | | 28,813,870 | 28,943,845 |

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2022

| Consolidated Entity | Contributed equity | Financial assets at fair value reserve through other comprehensive income | Performance Rights/ Option Fair Value Reserve | Accumulated losses | Non-controlling interests | Total |
|--|--------------------|---|---|---------------------|---------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 30 June 2022 | 92,077,736 | - | 6,535,060 | (69,667,840) | (1,111) | 28,943,845 |
| Loss for the period attributed to owners | - | - | - | (795,490) | - | (795,490) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive (loss) for the period | - | - | - | (795,490) | - | (795,490) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | | |
| Shares issued (net of costs) | 50,000, | - | - | - | - | 50,000 |
| Options issued | - | - | 615,515 | - | - | 615,515 |
| Balance at 31 December 2022 | 92,127,736 | - | 7,150,575 | (70,463,330) | (1,111) | 28,813,870 |
| Balance at 30 June 2021 | 84,712,777 | 317,996 | 5,254,915 | (65,847,765) | (1,111) | 24,436,812 |
| Loss for the period attributed to owners | - | - | - | (1,293,504) | - | (1,293,504) |
| Other comprehensive income | - | 38,633 | - | - | - | 38,633 |
| Total comprehensive (loss) for the period | - | 38,633 | - | (1,293,504) | - | (1,254,871) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | | |
| Shares issued (net of costs) | - | - | - | - | - | - |
| Options issued | 2,514,213 | - | (271,756) | - | - | 2,242,457 |
| Balance at 31 December 2021 | 87,226,990 | 356,629 | 4,983,159 | (67,141,269) | (1,111) | 25,424,398 |

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2022

| | 31 December 2022 | 31 December 2021 |
|--|--------------------|--------------------|
| | \$ | \$ |
| <i>Cash flows from operating activities</i> | | |
| Payments to suppliers and employees | (534,425) | (749,408) |
| Research and development Incentive | 387,317 | - |
| Other income | 18,808 | - |
| Interest received | 20,637 | 5,202 |
| Net cash flows used in operating activities | (107,663) | (744,406) |
| <i>Cash flows related to investing activities</i> | | |
| Payment for purchases of plant and equipment | (158,639) | (149,495) |
| Payment for tenements and exploration | (4,045,667) | (4,690,966) |
| Net cash flows used in investing activities | (4,204,306) | (4,840,461) |
| <i>Cash flows related to financing activities</i> | | |
| Proceeds from issues of securities | - | 2,390,098 |
| Capital raising costs | - | (30,405) |
| Repayment of lease liabilities | (61,250) | - |
| Net cash flows from financing activities | (61,250) | 2,359,693 |
| Net Increase/ (Decrease) in cash and cash equivalents | (4,373,219) | (3,225,174) |
| Cash and cash equivalents at the beginning of the period | 6,998,072 | 8,299,019 |
| Cash and cash equivalents at the end of the period | 2,624,853 | 5,073,845 |

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 2022 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 2022 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.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$795,490 (2021: \$1,293,504) and net cash outflows from operating activities of \$107,663 (2021: \$744,406). The Group is currently in a working capital surplus position of \$2,137,109 (2021: \$7,116,262).

The directors have prepared an estimated cash flow forecast for the 12 month period from the date of this report to determine if the Group will require additional funding during the period. Based on the cash flow forecast, the Directors are satisfied that there are reasonable grounds to believe that the Group will be able to operate as a going concern on the basis that the Group will be able to raise further funds through capital raisings and/or reduce operating expenditure as required.

Should the Company be unable to raise the required funding, there is a material uncertainty as to whether the consolidated entity will be able to continue as a going concern and therefore, whether they will be able to realise their assets and discharge their liabilities in the normal course of business.

The financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities that might be necessary should the Group not be able to continue as a going concern.

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.

Notes to the Condensed Financial Statements

Note 3 – Contingent Liabilities and Assets

There were no material contingent liabilities and contingent assets not disclosed in the financial statements of the Company as at 31 December 2022.

Note 4 – Contributed Equity

| | Note | 31 December 2022 \$ | 30 June 2022 \$ |
|----------------------------|------|------------------------|--------------------|
| Ordinary shares fully paid | | 92,127,736 | 92,077,736 |
| | | 92,127,736 | 92,077,736 |

4a Ordinary Shares

| Ordinary Shares | 31 December 2022 | |
|--------------------------------------|----------------------|-------------------|
| \$ | No. | \$ |
| At the beginning of reporting period | 1,962,093,491 | 92,077,736 |
| <i>Shares issued during period</i> | | |
| - Issue of shares as settlement | 2,000,000 | 50,000 |
| At reporting date | 1,964,093,491 | 92,127,736 |

4b Options

| Options | 31 December 2022 | |
|--|--------------------|------------------|
| | No. | \$ |
| At the beginning of reporting period | 439,399,994 | 6,197,560 |
| <i>Options movements during period</i> | | |
| - Issue of options | 62,000,000 | 615,515 |
| At reporting date | 501,399,994 | 6,831,075 |

4c Performance Rights

| Performance Rights | 31 December 2022 | |
|--|-------------------|----------------|
| | No. | \$ |
| At the beginning of the reporting period and as at the reporting date | 25,000,000 | 337,500 |

Notes to the Condensed Financial Statements

4d Share Based Payments

The Company issued 62,000,000 options as share based payments to Directors and employees during the period totalling \$615,516.

| Equity settled share-based payments expenses | 31 December 2022 \$ |
|---|------------------------|
| Directors ¹ | 600,211 |
| Employees ² | 15,304 |
| Total equity settled share-based payments expenses | 615,515 |

(1) As approved by ordinary resolution at a General Meeting held on 20 July 2022, the Company issued 50,000,000 options with an exercise price of \$0.05 expiring 1 May 2026 to Directors. The 50,000,000 options were issued Directors Mr Phillip Coulson (32,500,000) and Mr Zane Lewis (12,500,000). The fair value of options issued (\$600,211) was estimated at the date of grant using a Black-Scholes valuation model taking into account the terms, the underlying values of the shares, the exercise price, the impact of dilution and the risk-free interest rate. A summary of the inputs used in the valuation of the options is listed below. This amount was recognised in the Consolidated Statement of Profit or loss and Other Comprehensive Income.

| Unlisted Options issued to Directors | Incentive options 5c expiring 1 May 2026 |
|--------------------------------------|---|
| Expiry Date | 1-5-2026 |
| Exercise Price | \$0.05 |
| Fair Value per Option | \$0.012 |
| Share Price at date of issue | \$0.023 |
| Expected Volatility | 94.70 |
| Risk Free Interest Rate | 3.34% |

(2) The Company issued 12,000,000 options under its employee incentives plan with an exercise price of \$0.05 expiring 1 May 2025. The fair value of options issued (\$15,304) was estimated at the date of grant using a Black-Scholes valuation model taking into account the terms, the underlying values of the shares, the exercise price, the impact of dilution and the risk-free interest rate. A summary of the inputs used in the valuation of the options is listed below. This amount was recognised in the Consolidated Statement of Profit or loss and Other Comprehensive Income.

| Unlisted Options issued to Employee | Incentive options 5c expiring 1 May 2025 |
|-------------------------------------|---|
| Expiry Date | 1-5-2025 |
| Exercise Price | \$0.05 |
| Fair Value per Option | \$0.0072 |
| Share Price at date of issue | \$0.019 |
| Expected Volatility | 94.70 |
| Risk Free Interest Rate | 3.79% |

Notes to the Condensed Financial Statements

Note 5 – Exploration and Tenement Expenditures

| | 31 December 2022 (\$) | 30 June 2022 (\$) |
|--|--------------------------|----------------------|
| Balance at the start of the year | 21,456,758 | 16,961,790 |
| Exploration expenditure capitalised | 4,846,835 | 5,292,033 |
| Capitalised exploration costs written down | - | (777,065) |
| Total capitalised exploration expenditure | 26,323,593 | 21,456,758 |

Note 6 – Loss per Share

| | 31 December 2022 | 31 December 2021 |
|---|------------------|------------------|
| Basic (loss) per share (cents) | (0.04) | (0.08) |
| Diluted (loss) per share (cents) | (0.04) | (0.08) |
| a) Net loss used in the calculation of basic and diluted loss per share | (795,490) | (1,293,504) |
| b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share | 1,963,667,261 | 1,679,006,891 |

Note 7 – Events Subsequent to Reporting Date

No matter or circumstance has arisen since 31 December 2022 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 31 to 38, 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 2022 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.



Dr Peter Turner
Managing Director

Perth, Australia.

Dated this the 15th day of March 2023.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF KAIROS MINERALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Kairos Minerals Limited (“the Company”) and Controlled Entities (“the Consolidated Entity”) which comprises the condensed consolidated statement of financial position as at 31 December 2022, 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 Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity’s financial position as at 31 December 2022 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$795,490 during the half year ended 31 December 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity’s ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company 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 2022 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.



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA
Director

Dated 15th day of March 2023
Perth, Western Australia

Corporate Directory

COMPANY

Kairos Minerals Limited
ACN 006 189 331

DIRECTORS

| | |
|--------------------|------------------------|
| Mr Klaus Eckhof | Non-Executive Chairman |
| Dr Peter Turner | Managing Director |
| Mr Mark Calderwood | Non-Executive Director |
| Mr Zane Lewis | Non-Executive Director |
| Mr Philip Coulson | Non-Executive Director |

COMPANY SECRETARY

Mr Sebastian Andre

COMPANY WEBSITE

www.kairosminerals.com.au

REGISTERED OFFICE

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West Perth, Western Australia
Australia 6005

Phone: +61 (0)8 6380 1904
Facsimile: +61 (0)3 9614 0550

SOLICITORS

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152-158 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Advanced Share Registry Limited
110 Stirling Highway
Nedlands Western Australia
Australia 6009

Telephone: +61 (0)8 9389 8033
Facsimile: +61 (0)8 9262 3723

AUDITORS

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

SECURITIES QUOTED

Australian Securities Exchange (ASX)
Shares – KAI

BANKERS

National Australia Bank
Melbourne, Victoria
Australia 3000