

6 July 2016

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Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO APPROXIMATELY \$4.04 MILLION (BEFORE COSTS)

On 14 June 2016, the Company announced that it would be offering shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise up to approximately \$4.04 million (before costs) (**Entitlement Offer**), on the basis of two fully paid ordinary shares in the capital of the Company (**New Shares**) for every 7 fully paid ordinary shares held at the record date, at an issue price of \$0.05 per New Share.

The Entitlement Offer is fully underwritten by BW Equities Pty Ltd (**BW Equities**).

A total of 80,763,904 New Shares will be issued pursuant to the Entitlement Offer (subject to rounding).

Only shareholders with a registered address in Australia and New Zealand are eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

The Entitlement Offer is made to Eligible Shareholders registered at 5.00pm (AEST) on the record date of 8 July 2016 (**Record Date**).

The Entitlement Offer will be made pursuant to a prospectus lodged with ASIC on or about 5 July 2016 (**Prospectus**) and which is available on the Company's website at www.kairosminerals.com.au and on the ASX website at www.asx.com.au.

Purpose of the Entitlement Offer

Successful completion of the Entitlement Offer will raise up to approximately \$4.04 million (before costs). The Company intends to use the funds raised from the Entitlement Offer to fund exploration at its Pilbara and Eastern Goldfields Projects and for general working capital.

Indicative Timetable

The timetable for the Entitlement Offer is as follows:

Event	Date
Lodgement of Prospectus with ASIC and ASX	Tuesday, 5 July 2016
Notice of Entitlement Offer sent to shareholders	Wednesday, 6 July 2016
Ex-Date	Thursday, 7 July 2016
Record Date	Friday, 8 July 2016
Prospectus and Entitlement Acceptance Form dispatched to shareholders	Wednesday, 13 July 2016
Opening date	Wednesday, 13 July 2016
Closing date	Friday, 22 July 2016
New Shares quoted on a deferred settlement basis	Monday, 25 July 2016
Notification of shortfall	Wednesday, 27 July 2016
Issue date. Allotment and issue of New Shares	Friday, 29 July 2016

The above timetable is indicative only and all dates may be subject to change. The Directors of Kairos Minerals Limited reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

Shortfall

If Eligible Shareholders do not wish to take up any part of their entitlement they are not required to take any action. That part of their entitlement that is not taken up, and which is not subscribed for under the Shortfall Offer by other Eligible Shareholders, will form the shortfall and will be subscribed by BW Equities (or its nominees) in accordance with the underwriting agreement.

Prospectus

Details of the Entitlement Offer and the Shortfall Offer are contained in the Prospectus. Eligible Shareholders should consider the Prospectus carefully before deciding whether to participate in the Offer and Shortfall Offer and consult with their professional advisors if they have any queries.

Yours sincerely



JOSHUA WELLISCH
MANAGING DIRECTOR

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On 14 June 2016, the Company announced that it would be offering shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise up to approximately \$4.04 million (before costs) (Entitlement Offer), on the basis of two fully paid ordinary share in the capital of the Company (New Shares) for every 7 fully paid ordinary shares held at the record date, at an issue price of \$0.05 per New Share.

If the Entitlement Offer is fully subscribed, a total of 80,763,904 New Shares will be issued (subject to rounding).

Only shareholders with a registered address in Australia or New Zealand are eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

The Entitlement Offer is made to Eligible Shareholders registered at 5.00pm (AEST) on the record date of 8 July 2016 (**Record Date**).

If Eligible Shareholders do not wish to take up any part of their entitlement under the Entitlement Offer they are not required to take any action.

Purpose of Entitlement Offer

Successful completion of the Entitlement Offer will raise up to approximately \$4.04 million (before costs). The funds raised from the Entitlement Offer will be used to fund exploration at its Pilbara and Eastern Goldfields Projects and for general working capital.

Ineligible Shareholders

The Company has determined that it would be unreasonable to extend participation in the Entitlement Offer to shareholders who do not have a registered address in Australia or New Zealand (Ineligible Shareholders) having regard to:

- (a) the number Ineligible Shareholders;
- (b) the number and value of the New Shares that would otherwise be offered to Ineligible Shareholders; and
- (c) the cost of complying with overseas legal and regulatory requirements.

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Yours sincerely



JOSHUA WELLISCH
MANAGING DIRECTOR