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**KAIROS MINERALS LIMITED**  
**ACN 006 189 331**

**NOTICE OF GENERAL MEETING**

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**The General Meeting of the Company will be held at the offices of DLA Piper Australia, Level 31 Central Park, 152-158 St Georges Terrace, Perth, Western Australia 6000, on Friday, 29 July 2016 at 10.00am (WST).**

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6144 4492*

**Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.**

**NOTICE OF GENERAL MEETING**

Notice is hereby given that the general meeting of shareholders of Kairos Minerals Limited (**Company**) will be held at the offices of DLA Piper Australia, Level 31 Central Park, 152-158 St Georges Terrace, Perth, Western Australia 6000, on Friday, 29 July 2016 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 27 July 2016 at 5.00pm (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

**AGENDA**

**1. RESOLUTION 1 - RATIFICATION OF ISSUE OF SHARES AND OPTIONS TO BRIAN NAYLOR**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 6,000,000 Shares and 6,000,000 Old Options to Mr Brian Naylor on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Brian Naylor and any associate of Mr Brian Naylor.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**2. RESOLUTION 2 - RATIFICATION OF ISSUE OF SHARES TO THE WODGINA VENDORS**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 4,000,000 Shares to the Wodgina Vendors, as part consideration for the acquisition of the Wodgina East Lithium-Tantalum Project, on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by the Wodgina Vendors and any associate of the Wodgina Vendors.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **3. RESOLUTION 3 - RATIFICATION OF SHARE PLACEMENT**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 24,000,000 Shares at an issue price of \$0.05 per Share (**Placement**) on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person who participated in the Placement and any associate of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **4. RESOLUTION 4 - RATIFICATION OF ISSUE OF SHARES TO BW EQUITIES**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 4,314,161 Shares to BW Equities at an issue price of \$0.0001 per Share on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by BW Equities and any associate of BW Equities.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**5. RESOLUTION 5 - APPROVAL OF ISSUE OF NEW OPTIONS**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of up to 140,852,158 New Options exercisable at \$0.10 each on or before the first anniversary of the date of issue at an issue price of \$0.005 (0.5 cents) per New Option on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**6. RESOLUTION 6 - APPROVAL OF ISSUE OF NEW OPTIONS TO BW EQUITIES**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 5,000,000 New Options to BW Equities (or its nominee) on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by BW Equities and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**7. RESOLUTION 7 - APPROVAL OF ISSUE OF SHARES TO TYRANNA RESOURCES AND TRIBAL MINING**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 10,000,000 Shares to Tyranna Resources and Tribal*

*Mining, as part consideration for the acquisition of the Pilbara Lithium-Gold Project, on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Tyranna Resources, Tribal Mining and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **8. RESOLUTION 8 - APPROVAL OF ISSUE OF SHARES TO FACTOR RESOURCES**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,276,096 Shares to Factor Resources, as consideration for the provision of corporate advisory services and asset acquisition fees in respect of the acquisition of the Pilbara Lithium-Gold Project from Tyranna Resources by the Company, on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Factor Resources and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **9. RESOLUTION 9 - APPROVAL OF ISSUE OF SHARES TO KENZOU INVESTMENTS**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,012,436 Shares to Kenzou Investments, as consideration for the asset acquisition fees in respect of the acquisition of the Pilbara Lithium-Gold Project from Tyranna Resources by the Company, on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Kenzou Investments and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **10. RESOLUTION 10 - ISSUE OF PERFORMANCE RIGHTS TO JOSHUA WELLISCH UNDER THE PERFORMANCE RIGHTS PLAN**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of:*

- (a) 2,500,000 Series D Performance Rights;
- (b) 2,500,000 Series E Performance Rights; and
- (c) 2,500,000 Series F Performance Rights,

*to Joshua Wellisch (and/or his nominee), under the Performance Rights Plan on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in the Performance Rights Plan) and any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (a) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or

- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

**11. RESOLUTION 11 - ISSUE OF PERFORMANCE RIGHTS TO IAN FINCH UNDER THE PERFORMANCE RIGHTS PLAN**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of:*

- (a) 900,000 Series D Performance Rights;
- (b) 900,000 Series E Performance Rights; and
- (c) 900,000 Series F Performance Rights,

*to Ian Finch (and/or his nominee), under the Performance Rights Plan on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in the Performance Rights Plan) and any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

**12. RESOLUTION 12 - ISSUE OF PERFORMANCE RIGHTS TO NEIL HUTCHISON UNDER THE PERFORMANCE RIGHTS PLAN**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of:*

- (a) 500,000 Series D Performance Rights;
- (b) 500,000 Series E Performance Rights; and
- (c) 500,000 Series F Performance Rights,

*to Neil Hutchison (and/or his nominee), under the Performance Rights Plan on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in the Performance Rights Plan) and any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

### **13. RESOLUTION 13 - ISSUE OF PERFORMANCE RIGHTS TO DEHONG YU UNDER THE PERFORMANCE RIGHTS PLAN**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of:*

- (a) 500,000 Series D Performance Rights;
- (b) 500,000 Series E Performance Rights; and
- (c) 500,000 Series F Performance Rights,



*to Dehong Yu (and/or his nominee), under the Performance Rights Plan on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in the Performance Rights Plan) and any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

Dated: 27 June 2016

By order of the Board

Adrien Wing

Company Secretary

**EXPLANATORY MEMORANDUM**

**1. INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of DLA Piper Australia, Level 31 Central Park, 152-158 St Georges Terrace, Perth, Western Australia 6000, on Friday, 29 July 2016 at 10.00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Resolution 1 - Ratification of Issue of Shares and Options to Brian Naylor
Section 4:	Resolution 2 - Ratification of Issue of Shares to the Wodgina Vendors
Section 5:	Resolution 3 - Ratification of Share Placement
Section 6:	Resolution 4 - Ratification of Issue of Shares to BW Equities
Section 7:	Resolution 5 - Approval of Issue of New Options
Section 8:	Resolution 6 - Approval of Issue of New Options to BW Equities
Section 9:	Resolution 7 - Approval of Issue of Shares to Tyranna Resources and Tribal Mining
Section 10	Resolution 8 - Approval of Issue of Shares to Factor Resources
Section 11	Resolution 9 - Approval of Issue of Shares to Kenzou Investments
Section 12:	Resolutions 10 to 13 - Issue of Performance Rights to Directors Under Performance Rights Plan
Schedule 1:	Definitions
Schedule 2	Terms and Conditions of Old Options
Schedule 3:	Terms and Conditions of New Options
Schedule 4:	Terms and Conditions of Performance Rights

A Proxy Form is located at the end of this Explanatory Memorandum.

## **2. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### **2.1 Proxies**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10.00am (WST) on 27 July 2016, being at least 48 hours before the Meeting

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **3. RESOLUTION 1 - RATIFICATION OF ISSUE OF SHARES AND OPTIONS TO BRIAN NAYLOR**

### **3.1 General**

Resolution 1 seeks to ratify the previous issue of 6,000,000 Shares and 6,000,000 Old Options, on a pre-consolidation basis, to Mr Brian Naylor on 15 April 2016, which was prior to the issued capital of the Company being consolidated on a 1 for 10 basis on 18 April 2016. The 6,000,000 Shares and 6,000,000 Old Options were issued using the Company's placement capacity under Listing Rule 7.1 in consideration for consulting services provided by Mr Brian Naylor.

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The effect of passing Resolution 1 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

### **3.2 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the issue of Shares and Options as follows:

- (a) 6,000,000 Shares and 6,000,000 Old Options (pre-consolidation), were issued to Mr Brian Naylor on 15 April 2016.
- (b) The Shares and Old Options were issued in consideration for consulting services provided by Mr Brian Naylor. Accordingly, no funds were raised from the issue.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) The Old Options are exercisable at \$0.10 with an expiry date on 30 June 2016. The full terms and conditions of the Old Options are set out in Schedule 2.
- (e) A voting exclusion statement is included in the Notice for Resolution 1.

### **3.3 Director Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

## **4. RESOLUTION 2 - RATIFICATION OF ISSUE OF SHARES TO THE WODGINA VENDORS**

### **4.1 General**

Resolution 2 seeks to ratify the issue of 4,000,000 Shares the Company made to the Wodgina Vendors as part consideration for the acquisition of the Wodgina East Lithium-Tantalum Project. The Company issued the Shares using its placement capacity under Listing Rule 7.1. The Shares were issued, to the following individuals and entity (the **Wodgina Vendors**) as follows:

- (a) Peter Romeo Gianni - 666,667 Shares;
- (b) Robert Andrew Jewson - 606,667 Shares;
- (c) Andrew Neil Taylor and Michael Christopher Taylor - 60,000 Shares; and
- (d) Energy Capital Partners Pty Ltd - 1,333,333 Shares.

A summary of Listing Rule 7.1 and 7.4 is provided in section 3.1.

The effect of passing Resolution 2 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

#### **4.2 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the issue as follows:

- (a) An aggregate total of 4,000,000 Shares were issued to the Wodgina Vendors as set out in Section 4.1, on 22 April 2016.
- (b) The Shares were issued as part consideration for the acquisition of the Wodgina East Lithium-Tantalum Project. Accordingly, no funds were raised from the issue.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) A voting exclusion statement is included in the Notice for Resolution 2.

#### **4.3 Director Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

### **5. RESOLUTION 3 - RATIFICATION OF SHARE PLACEMENT**

#### **5.1 General**

Resolution 1 seeks to ratify the placement of 24,000,000 Shares the Company has made to sophisticated and professional investors on 22 June 2016 at an issue price of \$0.05 per Share using its placement capacity under Listing Rule 7.1, to raise \$1,200,000 (before costs) (**Placement**).

A summary of Listing Rule 7.1 and 7.4 is provided in section 3.1.

The effect of passing Resolution 3 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

#### **5.2 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) 24,000,000 Shares were issued to sophisticated and professional investors, associated with or introduced to the Company by BW Equities, on 22 June 2016.
- (b) The Shares were issued for \$0.05 per Share to raise \$1,200,000 before costs.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.

- (d) The Company intends to use the funds raised from the Placement, together with the funds raised from the Option Issue, to continue to develop the growth of the Company while strategically focusing on the mining of lithium and gold resources, and as general working capital.
- (e) A voting exclusion statement is included in the Notice for Resolution 3.

### **5.3 Director Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

## **6. RESOLUTION 4 - RATIFICATION OF ISSUE OF SHARES TO BW EQUITIES**

### **6.1 General**

Resolution 4 seeks to ratify the issue of 4,316,161 Shares to BW Equities on 22 June 2016. The Company issued the Shares to BW Equities using its placement capacity under Listing Rule 7.1. The Company was required to issue the Shares to BW Equities in accordance with the terms of an engagement letter dated 9 June 2016.

A summary of Listing Rule 7.1 and 7.4 is provided in section 3.1.

The effect of passing Resolution 4 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

### **6.2 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the issue as follows:

- (a) 4,316,161 Shares were issued to BW Equities on 22 June 2016.
- (b) The Shares were issued for \$0.0001 per Share. Accordingly, \$431.61 was raised by the issue.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) The Company intends to use the funds raised from the issue, together with funds raised pursuant to the Placement and Option Issue to continue to develop the growth of the Company while strategically focussing on the mining of lithium and gold resources, and as general working capital.
- (e) A voting exclusion statement is included in the Notice for Resolution 4.

### **6.3 Director Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

## **7. RESOLUTION 5 - APPROVAL FOR ISSUE OF NEW OPTIONS**

### **7.1 General**

On 30 June 2016, 140,852,158 listed options on issue in the Company will expire (**Old Options**). The Board has resolved that, subject to Shareholder approval, up to 140,852,158 New Options should be granted to those persons who were registered as the holders of the Old Options on 30 June 2016 (**Expiry Date**), on the basis of one New Option for every Old Option held on the Expiry Date (**Option Issue**).

The New Options will be issued at a price of \$0.005 (0.5 cents) per New Option and shall be exercisable at \$0.10 each on or before the first anniversary of the date of issue. The New Options will, otherwise, have the terms detailed in Schedule 3.

The Board believes that the issue of the New Options will provide the former holders of the Old Options with a method to participate in the ongoing development of the Company's assets and provide a source of capital for the Company both at the time of issue of the New Options and, potentially, in the future should any New Options ultimately be exercised.

The Company has issued a prospectus in respect of the Option Issue, in order to comply with the disclosure requirements of the Corporations Act. Subject to compliance with the Listing Rules, the Company intends to apply to ASX for quotation of the New Options.

Resolution 5 seeks Shareholder approval for the Option Issue. If approved, the Option Issue will raise approximately \$704,260.

Resolution 5 is an ordinary resolution.

### **7.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 and 7.4 is provided in section 3.1.

The effect of Resolution 5 will be to allow the Directors to issue the New Options during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

### **7.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the Option Issue as follows:

- (a) The maximum number of New Options to be issued is 140,852,158 .
- (b) The offer of New Options will be made to persons who held Old Options at the time of their expiry on 30 June 2016.
- (c) The New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The issue price of the New Options will be \$0.005 each.
- (e) The New Options are exercisable at \$0.10 on or before the first anniversary of the date of issue. The full terms and conditions of the New Options are set out in Schedule 3.

- (f) The Company intends to use the funds raised from the Option Issue, together with funds raised from the Placement, to continue to develop the growth of the Company while strategically focusing on the mining of lithium and gold resources, and as general working capital.
- (g) Subject to Section 7.3(c), the allotment and issue of the New Options will occur as soon as practicable after the Meeting.
- (h) A voting exclusion statement is included in the Notice for Resolution 5.

## **8. RESOLUTION 6 - APPROVAL OF ISSUE OF NEW OPTIONS TO BW EQUITIES**

### **8.1 General**

Resolution 6 seeks Shareholder approval for the issue of 5,000,000 New Options to BW Equities (or its nominee).

Pursuant to the terms of the engagement letter between the Company and BW Equities, on completion of the Placement, the Company is required to issue BW Equities 5,000,000 New Options.

BW Equities is not a related party or an associate of a related party of the Company.

Resolution 6 is an ordinary resolution.

### **8.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is provided in section 3.1.

The effect of Resolution 6 will be to allow the Directors to issue 5,000,000 New Options to BW Equities (or its nominee) during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

### **8.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the issue of the New Options as follows:

- (a) The maximum number of New Options to be issued pursuant to Resolution 6 is 5,000,000.
- (b) The New Options will be issued to BW Equities (or its nominee).
- (c) The New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The New Options will be issued to BW Equities (or its nominee) for nil cash consideration.
- (e) The New Options are exercisable at \$0.10 on or before the first anniversary of the date of issue.
- (f) The full terms and conditions of the New Options are set out in Schedule 3.



- (g) As the New Options are being issued for nil cash consideration, no funds will be raised from the issue.
- (h) Subject to Section 8.3(c), the allotment and issue of the New Options will occur as soon as practicable after the Meeting
- (i) A voting exclusion statement is included in the Notice for Resolution 6.

#### **8.4 Directors' Recommendation**

The Directors recommend that Shareholders approve Resolution 6.

### **9. RESOLUTION 7 - APPROVAL OF ISSUE OF SHARES TO TYRANNA RESOURCES AND TRIBAL MINING**

#### **9.1 General**

Resolution 7 seeks Shareholder approval for the issue of 10,000,000 Shares to Tyranna Resources and Tribal Mining, who are neither a related party nor an associate of a related party of the Company. The shares are being issued as part consideration for the acquisition of the Pilbara Lithium-Gold Project.

The issue of Shares pursuant to Resolution 7 is subject to the Pilbara Lithium-Gold Project tenements being transferred to the Company.

The Shares will be subject to voluntary escrow for a period of 12 months from completion of the Company's acquisition of the Pilbara Lithium-Gold Project.

Resolution 7 is an ordinary resolution.

#### **9.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is provided in section 3.1.

The effect of Resolution 7 will be to allow the Directors to issue 10,000,000 Shares to Tyranna Resources and Tribal Mining during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

#### **9.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the issue as follows:

- (a) The maximum number of Shares to be issued pursuant to Resolution 7 is 10,000,000.
- (b) The Shares will be issued to Tyranna Resources and Tribal Mining.
- (c) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The Shares are being issued as part of the consideration for the acquisition of the Pilbara Lithium-Gold Project pursuant to the Term Sheet announced to ASX by the Company on 28 January 2016.

- (e) The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) As the Shares are being issued as part consideration for the acquisition of the Pilbara Lithium-Gold Project, no funds will be raised from the issue.
- (g) Subject to Section 9.3(c), the allotment and issue of the Shares will occur as soon as practicable after the Meeting.
- (h) A voting exclusion statement is included in the Notice for Resolution 7.

#### **9.4 Directors' Recommendation**

The Directors recommend that Shareholders approve Resolution 7.

### **10. RESOLUTION 8 - APPROVAL OF ISSUE OF SHARES TO FACTOR RESOURCES**

#### **10.1 General**

Resolution 8 seeks Shareholder approval for the issue of 1,276,096 Shares to Factor Resources, who is neither a related party nor an associate of a related party of the Company.

263,660 Shares are being issued as part consideration for corporate advisory services provided between the period 12 January 2016 to 11 May 2016, and a further 1,012,436 Shares are being issued as part consideration for asset acquisition fees for the acquisition of the Pilbara Lithium-Gold Project from Tyranna Resources and Tribal Mining by the Company.

Resolution 8 is an ordinary resolution.

#### **10.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is provided in section 3.1.

The effect of Resolution 8 will be to allow the Directors to issue 1,276,096 Shares to Factor Resources during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

#### **10.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the issue as follows:

- (a) The maximum number of Shares to be issued pursuant to Resolution 8 is 1,276,096.
- (b) The Shares will be issued to Factor Resources.
- (c) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The Shares are being issued as part consideration for corporate advisory services provided between the period 12 January 2016 to 11 May 2016 and asset

acquisition fees for the acquisition of the Pilbara Lithium-Gold Project from Tyranna Resources and Tribal Mining by the Company.

- (e) The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) As the Shares are being issued as part consideration for corporate advisory services provided and asset acquisition fees, no funds will be raised from the issue.
- (g) Subject to Section 10.3(c), the allotment and issue of the Shares will occur as soon as practicable after the Meeting.
- (h) A voting exclusion statement is included in the Notice for Resolution 8.

#### **10.4 Directors' Recommendation**

The Directors recommend that Shareholders approve Resolution 8.

### **11. RESOLUTION 9 - APPROVAL OF ISSUE OF SHARES TO KENZOU INVESTMENTS**

#### **11.1 General**

Resolution 9 seeks Shareholder approval for the issue of 1,012,436 Shares to Kenzou Investments, who is neither a related party nor an associate of a related party of the Company. The shares are being issued as part consideration for asset acquisition fees for the acquisition of the Pilbara Lithium-Gold Project from Tyranna Resources and Tribal Mining by the Company.

Resolution 9 is an ordinary resolution.

#### **11.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is provided in section 3.1.

The effect of Resolution 9 will be to allow the Directors to issue 1,012,436 Shares to Kenzou Investments during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

#### **11.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the issue as follows:

- (a) The maximum number of Shares to be issued pursuant to Resolution 9 is 1,012,436.
- (b) The Shares will be issued to Kenzou Investments.
- (c) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

- (d) The Shares are being issued as part of the consideration for asset acquisition fees for the acquisition of the Pilbara Lithium-Gold Project from Tyranna Resources and Tribal Mining by the Company.
- (e) The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) As the Shares are being issued as part consideration for asset acquisition fees, no funds will be raised from the issue.
- (g) Subject to Section 11.3(c), the allotment and issue of the Shares will occur as soon as practicable after the Meeting.
- (h) A voting exclusion statement is included in the Notice for Resolution 9.

#### **11.4 Directors' Recommendation**

The Directors recommend that Shareholders approve Resolution 9.

## **12. RESOLUTIONS 10 TO 13 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS UNDER PERFORMANCE RIGHTS PLAN**

### **12.1 General**

Resolutions 10 to 13 seeks Shareholder approval in accordance with Listing Rule 10.14 for the grant of Performance Rights to the Directors under the Performance Rights Plan.

The Board considers that the grant of Performance Rights is a cost effective and efficient reward for the Company to make to appropriately incentivise the parties' continued performance, and is consistent with the strategic goals and targets of the Company.

Refer to Schedule 4 for the terms and conditions of the Performance Rights.

The Performance Rights to be issued pursuant to Resolution 10 to 13 will be subject to the following performance conditions and milestone dates as follows:

<b>Series</b>	<b>Series D</b>	<b>Series E</b>	<b>Series F</b>
Milestone	The Company achieving a market capitalisation of \$50,000,000 or more.	The Company achieving a market capitalisation of \$60,000,000 or more.	The Company raising at least \$5,000,000.
Term	Within 4 years of the date of issue.	Within 5 years of the date of issue.	Within 5 years from 1 June 2016.
Joshua Wellisch	2,500,000	2,500,000	2,500,000
Ian Finch	900,000	900,000	900,000
Neil Hutchison	500,000	500,000	500,000
Dehong Yu	500,000	500,000	500,000

Series	Series D	Series E	Series F
Total	4,400,000	4,400,000	4,400,000

If the performance condition of a Performance Right is satisfied prior to the relevant milestone date, the Performance Right will vest. If the performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date, then the Performance Right will lapse.

The Performance Rights will continue to be held by the holder even if the holder of the Performance Rights ceases to be a director or employee of the Company.

It should be noted that the Company intends to issue up to an additional:

- (a) 2,399,999 Series D;
- (b) 2,399,999 Series E; and
- (c) 2,399,999 Series F,

Performance Rights to eligible participants under the Performance Rights Plan who are not related parties. Approval in accordance with Listing Rule 7.1 will not be sought in respect of this proposed issue as the issue falls within exception 9 of Listing Rule 7.2.

Resolutions 10 to 13 are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 10 to 13 (inclusive).

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 10 to 13, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 12.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Each of Mr Joshua Wellisch, Mr Ian Finch, Mr Neil Hutchison and Mr Dehong Yu are related parties of the Company for the purposes of section 208 of the Corporations Act.

The issue of Shares to the above named individuals constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

The Directors have formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights to Mr Joshua Wellisch, Mr Ian Finch, Mr Neil Hutchison and Mr Dehong Yu, under the Performance Rights Plan, as the exception in section 211 of the Corporations Act applies. The Directors have determined that the remuneration would be reasonable given:

- (a) the circumstances of the Company; and
- (b) the related party's circumstances (including the responsibilities involved in the office or employment).

### 12.3 Listing Rule 10.14

In accordance with Listing Rule 10.14, the Company must not permit a Director and any of his associates to acquire securities under an employee incentive scheme unless it obtains Shareholder approval.

Each of Mr Joshua Wellisch, Mr Ian Finch, Mr Neil Hutchison and Mr Dehong Yu are Directors of the Company for the purposes of Listing Rule 10.14.

The Directors are of the view that none of the exceptions detailed in Listing Rule 10.15B apply in the current circumstances. Accordingly, Shareholder approval is sought for the allotment and issue of Performance Rights to Mr Joshua Wellisch, Mr Ian Finch, Mr Neil Hutchison and Mr Dehong Yu.

Pursuant to Listing Rule 7.2, exception 14, as Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

### 12.4 Specific information required by Listing Rule 10.15

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The Performance Rights will be granted to the individuals (and/or his/her nominee) and in such quantities as follows:

<b>Director</b>	<b>Performance Rights proposed to be issued</b>	<b>Total Shares issued if all Performance Rights convert</b>
Joshua Wellisch	7,500,000	7,500,000
Ian Finch	2,700,000	2,700,000
Neil Hutchison	1,500,000	1,500,000
Dehong Yu	1,500,000	1,500,000

- (b) The Company will grant the Performance Rights no later than 12 months after the date of the Meeting or such longer period of time as ASX allows.
- (c) Under the rules of the Performance Rights Plan, Directors are entitled to participate in the Performance Rights Plan.
- (d) The Performance Rights will be granted for nil cash consideration. The exercise price of the Performance Rights will be nil cash consideration.
- (e) No funds will be raised by the grant of the Performance Rights as they are being granted for nil consideration.

- (f) Since 28 July 2015, securities have been issued under the Performance Rights Plan as follows:

Series	Recipient	Number of Performance Rights	Milestone	Achieved
A	Joshua Wellisch	16,500,000	Market capitalisation of the Company of \$20 million or more.	Within 4 years (by 28 July 2019).
	Neil Hutchison	3,333,333		
	Dehong Yu	3,333,333		
	Adrien Wing	6,666,666		
B	Joshua Wellisch	16,500,000	Market capitalisation of the Company of \$30 million or more.	Within 5 years (by 28 July 2020).
	Neil Hutchison	3,333,333		
	Dehong Yu	3,333,333		
	Adrien Wing	6,666,666		
C	Joshua Wellisch	22,000,000	Market capitalisation of the Company of \$40 million or more.	Within 5 years (by 28 July 2020).
	Neil Hutchison	4,333,334		
	Dehong Yu	4,333,334		
	Adrien Wing	8,666,668		

- (g) No loans have been provided by the Company in connection with the issue of the Performance Rights.
- (h) Details of any securities issued under the Performance Rights Plan will be published in annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14
- (i) Any additional persons who become entitled to participate in the Performance Rights Plan and who is not named in this Explanatory Statement will not participate until further shareholder approval is obtained under ASX Listing Rule 10.14.
- (j) Voting exclusion statements are included in the Notices for Resolutions 10 to 13.
- (k) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 10 to 13.

## 12.5 Director Recommendation

The Directors have an interest in Resolutions 10 to 13 and therefore believe it inappropriate to make a recommendation.

## SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$ or AUD\$** means Australian Dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Board** means the board of Directors.

**BW Equities** means BW Equities Pty Ltd (ACN 146 642 462).

**Chairman** means the person appointed to chair the Meeting convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Kairos Minerals Limited (ACN 006 189 331).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Factor Resources** means Factor Resources Pty Ltd (ACN 149 858 300).

**Kenzou Investments** means Kenzou Investments Pty Ltd (ACN 602 327 551).

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**New Option** means an Option having the terms and conditions set out in Schedule 3.

**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Old Option** has the meaning given in Section 7.1 and the terms and conditions set out in Schedule 2.

**Option** means an option which entitles the holder to subscribe for a Share.

**Option Issue** has the meaning given in Section 7.1.



**Performance Right** means a Performance Right having the terms and conditions set out in Schedule 4.

**Performance Rights Plan** means the Kairos Minerals Limited Performance Rights Plan.

**Placement** has the meaning given in Section 5.1.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Tribal Mining** means Tribal Mining Pty Ltd (ACN 066 011 854).

**Tyranna Resources** means Tyranna Resources Limited (ACN 124 990 405).

**Wodgina Vendors** has the meaning given in Section 4.1.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 2: TERMS AND CONDITIONS OF OLD OPTIONS

1. Each Old Option entitles the holder to acquire one ordinary fully paid Share in the capital of the company.
2. The Old Options are exercisable at any time prior to 5:00pm Melbourne time on 30 June 2016 (**Expiry Date**) by completing the Old Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Old Options are exercised to the registered office of the Company. Any Old Option that has not been exercised prior to the Expiry Date automatically lapses.
3. The exercise price of the Old Options is 10 cents (\$0.10) per Old Option payable in full on exercise.
4. Subject to the Corporations Act, the ASX Listing Rules, and the Constitution of the Company, Old Options are freely transferable. All Shares upon exercise of Old Options will rank *pari passu* in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of Old Options, subject to any restriction obligations imposed by ASX.
5. The Old Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Old Options.
6. There are no participation rights or entitlements inherent in the Old Options. Old Option holders are not entitled to participate in new issues of securities offered to the shareholders without first exercising the Old Options. Subject to any waiver granted by ASX, the Company will send notices to Old Option holders at least five business days prior to the record date applying to offers of securities made to shareholders during the currency of Old Options.
7. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Old Options or the exercise price of the Old Options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganization of capital at the time of the reconstruction.
8. Shares issued upon the exercise of Old Options will be fully paid ordinary shares and will have the same voting rights as the existing Shares of the Company.

### **SCHEDULE 3: TERMS AND CONDITIONS OF NEW OPTIONS**

#### **1 Exercise Price**

Each New Option shall have an exercise price of A\$0.10 (**Exercise Price**).

#### **2 Expiry Date**

Each New Option will expire on the date which is 12 months after the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

#### **3 Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

#### **4 Exercise of New Options**

The New Options may only be exercised during the Exercise Period.

#### **5 Official Quotation of New Options**

The Company will apply for official quotation of the New Options.

#### **6 Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of each New Option.

#### **7 Notice of Exercise**

The New Options may be exercised by giving written notice to the Company at any time during the Exercise Period. The notice (Exercise Notice) must:

- (a) specify the number of New Options being exercised and the number of Shares to be issued;
- (b) specify whether the Shares are to be issued to the holder of the New Options or a nominee; and
- (c) be accompanied by payment of the Exercise Price for each New Option being exercised.

Any Exercise Notice in respect of a New Option received by the Company will be deemed to be notice of the exercise of that New Option as at the date of the receipt.

#### **8 Shares Issued on Exercise**

Shares issued on exercise of the New Options rank equally with the then issued Shares currently on issue.

#### **9 Official Quotation of Shares on Exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the New Options.

## **10 Timing of Issue of Shares**

Within 3 Business Days after the receipt of an Exercise Notice, given in accordance with these terms and conditions and payment of the Exercise Price for each New Option being exercised, the Company will allot and issue the Shares pursuant to the exercise of the New Options.

## **11 Participation in New Issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options.

However, the Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least 5 Business Days after the issue is announced. This will give the holders of New Options the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.

## **12 Adjustment for Bonus Issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the New Option holder would have received if the New Option holder had exercised the New Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

## **13 Adjustment for Rights Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (except a bonus issue) the Exercise Price of a New Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the New Option.

E = the number of underlying Shares into which one New Option is exercisable.

P = average market price (as defined in the ASX Listing Rules) per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

**14 Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the New Option holders will, be varied to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation.

**15 New Options Transferable**

The New Options are transferable.

**16 Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the New Options with the appropriate remittance should be lodged at the Company's share registry.

## SCHEDULE 4: TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

### 1 Definitions

In these terms and conditions, unless the context requires otherwise:

**Expiry Date** means:

- (a) in respect of a Series D Performance Right, the date that is 4 years from the date of issue; and
- (b) in respect of Series E Performance Right and Series F Performance Right, 5 years from the date of issue.

**Performance Right** means a Series D Performance Right, Series E Performance Right and/or a Series F Performance Right, as the context requires.

**Performance Rightholder** means the holder of a Performance Right.

**Series D Performance Right** means a Class D Performance Right issued pursuant to Resolutions 8 to 13, under the Performance Rights Plan, and subject to the Series D Milestone and these terms.

**Series D Milestone** means the Company achieving a market capitalisation of \$50,000,000 or more within 4 years after the date the Series D Performance Rights are issued.

**Series E Performance Right** means a Class E Performance Right issued pursuant to Resolutions 8 to 13, under the Performance Rights Plan, and subject to the Series E Milestone and these terms.

**Series E Milestone** means the Company achieving a market capitalisation of \$60,000,000 or more within 5 years after the date the Series E Performance Rights are issued.

**Series F Performance Right** means a Class F Performance Right issued pursuant to Resolutions 8 to 13 under the Performance Rights Plan, and subject to the Series F Milestone and these terms.

**Series F Milestone** means the Company raising at least \$5,000,000 within 5 years after the date the Series F Performance Rights are issued.

### 2 Dividend

Performance Rightholders are not entitled to a dividend.

### 3 Conversion

- (a) Conversion

The Performance Rights will convert to Shares in accordance with this clause 3.

- (b) Conversion of Series D Performance Right:

Subject to clause 3(f), each Series D Performance Right will convert into one (1) Share upon the satisfaction, prior to the Expiry Date, of the Series D Milestone.

- (c) Conversion of Series E Performance Right:

Subject to clause 3(f), each Series E Performance Right will convert into one (1) Share upon the satisfaction, prior to the Expiry Date, of the Series E Milestone.

(d) Conversion of Series F Performance Right:

Subject to clause 3(f), each Series F Performance Right will convert into one (1) Share upon the satisfaction, prior to the Expiry Date, of the Series F Milestone.

(e) Conversion after expiry date

(i) If the Series D Milestone is not met by 5:00pm on the Expiry Date, the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Series D Performance Rights into 1 Share. For the avoidance of doubt, the Series E Performance Rights or Series F Performance Rights are independent and will not convert in such circumstances.

(ii) If the Series E Milestone is not met by 5:00pm on the Expiry Date, the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Series E Performance Rights into 1 Share. For the avoidance of doubt, the Series D Performance Rights or Series F Performance Rights are independent and will not convert in such circumstances.

(iii) If the Series F Milestone is not met by 5:00pm on the Expiry Date, the Company will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Series F Performance Rights into 1 Share. For the avoidance of doubt, the Series D Performance Rights or Series E Performance Rights are independent and will not convert in such circumstances.

(f) Takeover Provisions

(i) If the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Right that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1). Following a deferment under this clause 3(f)(i), the Company shall at all times be required to convert that number of Performance Rights that would not result in a contravention of section 606(1).

(ii) The Performance Rightholders shall give notification to the Company in writing if they consider that the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) may result in the contravention of section 606(1), failing which the Company shall assume that the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) will not result in any person being in contravention of section 606(1).

(iii) The Company may (but is not obliged to), by written notice, request the Performance Rightholders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) may

result in the contravention of section 606(1). If the Performance Rightholders do not give notification to the Company within seven (7) days that they consider the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) may result in the contravention of section 606(1), then the Company shall assume that the conversion of Performance Rights (or part thereof) under clauses 3(b) to 3(e) will not result in any person being in contravention of section 606(1).

(g) After Conversion

The Shares issued on conversion of any Performance Right will, as from 5:00pm on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares upon the date of conversion. Shares issued on conversion of the Performance Right must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Rights are freely tradeable, without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.

**4 Issue of Shares for No Consideration**

The Company shall allot and issue Shares Immediately upon conversion of the Performance Rights for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.

**5 Reconstruction**

In the event of any reconstruction, consolidation or division into (respectively) a lesser or greater number of securities of the Shares and the Performance Rights shall be reconstructed, consolidated or divided in the same proportion as the Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on the Performance Rights which are not conferred on the Shareholders.

**6 Winding Up**

If the Company is wound up prior to conversion of all of the Performance Rights into Shares then the Performance Rightholders will have:

- (a) no right to be paid cash for the Performance Rights; and
- (b) no right to participate in surplus assets or profits of the Company on winding up.



**7 Non-transferable**

The Performance Rights are not transferable.

**8 Copies of Notices and Reports**

The Performance Rightholders have the same right as Shareholders to receive notices, reports and audited accounts and to attend general meetings of the Company but are only entitled to vote in circumstances referred to in clause 9.

**9 Voting Rights**

The Performance Rightholders shall have no right to vote, subject to the Corporations Act.

**10 Participation in New Issues**

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

**11 Quotation**

The Performance Rights are not quoted. No application for quotation of the Performance Rights will be made by the Company.

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# KAIROS MINERALS LIMITED

ACN: 006 189 331

REGISTERED OFFICE:  
43 OUTRAM STREET  
WEST PERTH WA 6005

## SHARE REGISTRY:

Security Transfer Registrars Pty Ltd  
PO BOX 535, APPECROSS WA 6953  
AUSTRALIA  
770 Canning Highway, APPECROSS WA 6153  
AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

«EFT\_REFERENCE\_NUMBER»

«Company\_code» «Sequence\_number»

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

Code:

KAI

Holder Number:

«HOLDER\_NUM

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10:00am WST on Friday 29 July 2016 the offices of DLA Piper Australia, Level 31 Central Park, 152-158 St Georges Terrace, Perth, Western Australia 6000, and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*	For	Against	Abstain*
1. Ratification of issue of Shares and Options to Brian Naylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Approval of issue of shares to Factor Resources	<input type="checkbox"/>	<input type="checkbox"/>
2. Ratification of issue of shares to the Wodgina Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval of issue of shares to Kenzou Investments	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Issue of Performance Rights to Joshua Wellisch under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of issue of shares to BW Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Issue of Performance Rights to Ian Finch under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of issue of new options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Issue of Performance Rights to Neil Hutchison under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of issue of new options to BW Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Issue of Performance Rights to Dehong Yu under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of Issue of Shares to Tyranna Resources and Tribal Mining	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Kairos Minerals Limited no later than 10:00am WST on Wednesday 27 July 2016.

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KAIPX3290716

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My/Our contact details in case of enquiries are:

**Name:**

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**Number:**

( 

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 )

**1. NAME AND ADDRESS**

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

**2. APPOINTMENT OF A PROXY**

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

**3. DIRECTING YOUR PROXY HOW TO VOTE**

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

**4. APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

**5. SIGNING INSTRUCTIONS**

**Individual:** where the holding is in one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

**6. LODGEMENT OF PROXY**

Proxy forms (and any Power of Attorney under which it is signed) must be received by Kairos Minerals Limited no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

**KAIROS MINERALS LIMITED**

**By Delivery** 43 Outram Street  
WEST PERTH WA 6005

**By Post** 43 Outram Street  
WEST PERTH WA 6005

**Facsimile** +61 3 9614 0550

**Email** amwing@nae.net.au

**PRIVACY STATEMENT**

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

