

ASX ANNOUNCEMENT

28 March, 2018

# LARGE GOLD SYSTEM IDENTIFIED FROM RECENT DRILLING AT ROE HILLS GOLD PROJECT IN WA

*First results for 2018 further extend the known mineralisation at the Terra and Caliburn targets in line with Kairos' aim of delineating maiden Gold Resources at Roe Hills*

Kairos Minerals Ltd (ASX: KAI; "Kairos" or "the Company") is pleased to announce strong assay results from the new drilling program at its 100%-owned **Roe Hills Project**, located 120km east of Kalgoorlie in Western Australia.

The latest intersections include:

## CALIBURN

### **RHRC063**

- **54m @ 0.74 g/t Au from 10-64m, including:**
  - 16m @ 1.02 g/t Au from 22-36m, and
  - 2m @ 6.43 g/t Au from 54-56m

### **RHRC064**

- **14m @ 0.87 g/t Au from 38-52m, including:**
  - 5m @ 2.03 g/t Au from 43-48m, and
  - 1m @ 6.19 g/t Au from 47-48m

## TERRA

### **RHRC068**

- **35m @ 1.05 g/t Au from 96-131m, including**
  - 13m @ 1.65 g/t Au from 104-117m, and
  - 1m @ 8.30 g/t Au from 123-124m

### **RHRC069**

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

### **RHRC072**

- **11m @ 1.10 g/t Au from 172-183m, including**
  - 6m @ 1.58 g/t Au from 175-181m

Kairos Executive Chairman Terry Topping said the first results from the 2018 drilling program were highly promising because they provided more strong evidence of the shallow and widespread gold distribution at Roe Hills.

"We are continuing to find more gold with every drilling program," Mr Topping said. "But we are also gaining an increased understanding of the geology, which is central to our campaign to establish a maiden gold Resource.

“The results from the remainder of this program will play an important role in enabling us to prioritise the targets and further determine a clear strategy for focussing our ongoing exploration efforts and delineating maiden gold resources for the project.”

In addition to the current drilling campaign, Kairos is undertaking a detailed review of the structural framework of the entire Roe Hills Project area to assist with targeting of key gold-bearing structures, particularly in areas where the prospective basement geology is obscured beneath transported cover.

The review includes an assessment of existing detailed aeromagnetic and gravity data, with follow-up over key areas including 3D IP surveys to provide better definition of basement lithologies, structures and zones of alteration.

### **Background**

Kairos has so far completed three gold-focused exploratory drilling campaigns at the Roe Hills Project, which is located approximately 120km east of Kalgoorlie and immediately along strike to the south of Breaker Resources' (ASX: BRB) emerging Lake Roe gold discovery and adjacent to Silver Lake Resources' (ASX: SLR) Aldiss Gold Project.

The previous drilling programs have returned outstanding results from each of the areas identified for testing, confirming the Company's belief in the exceptional gold exploration opportunity at Roe Hills.

The current program will test the following targets:

### **Extensional Targets (extensions of previously defined gold mineralisation):**

- *Lingering Kiss* – where recent drilling intersected high-grade primary gold mineralisation 350m south of Silver Lake Resources' French Kiss Gold deposit, which is scheduled to be mined in 2019;
- *Lady of the Lake* – where recent drilling defined a gold mineralised zone ~150m wide by ~500m long with the mineralisation remaining open in all directions & less than 1km north west from the French Kiss Gold deposit;
- *Terra and Caliburn* – emerging prospect areas where wide zones of gold mineralisation were encountered in drilling late last year.



**Plate 1: Drilling spoils at Roe Hills**

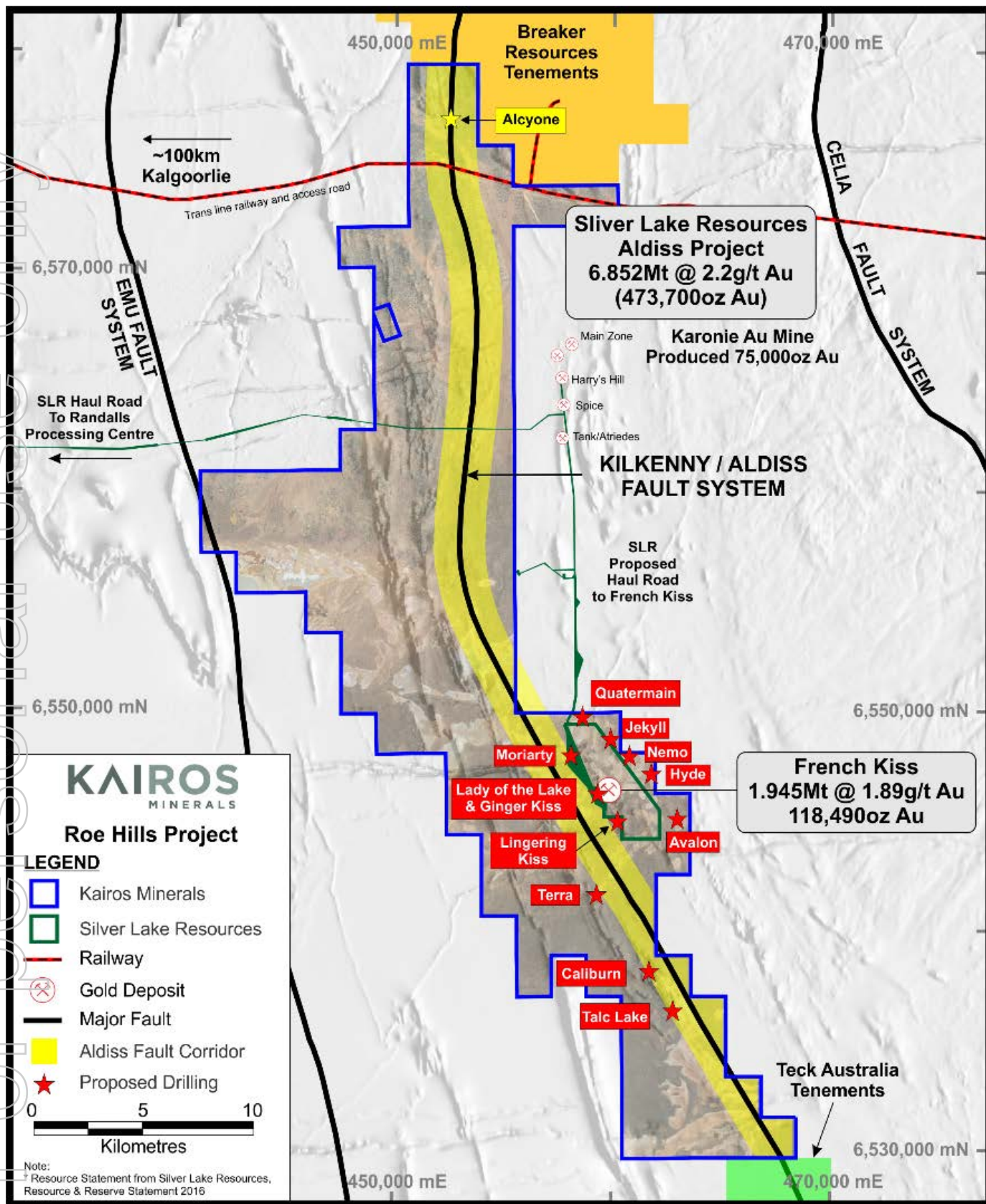


Figure 1: Roe Hills Recent Drilling Locations

## **Overview**

The current gold drilling program at Roe Hills has been designed to test for dip and strike extensions to zones of gold mineralisation identified during the highly successful 2017 campaigns. (Refer ASX Announcements 19/12/2017 & 30/1/2018).

Key prospects include:

- Caliburn,
- Terra,
- Lingerin Kiss and
- Lady of the Lake.

In addition, preliminary testing of several recently identified lithochemical and structural targets will also be undertaken, including:

- Talc Lake,
- Avalon,
- Nemo,
- Moriarty, and
- Boomer.

### **Caliburn**

The Caliburn Prospect is located towards the southern end of the Roe Hills Project tenure, just north of Talc Lake and about 5km's SSW of SLR's French Kiss Gold deposit (Refer Figure 1).

Kairos first commenced reconnaissance drilling at Caliburn in April 2017 with initial results immediately confirming the prospectivity of the area.

Caliburn is structurally complex being situated adjacent to a major NE-SW trending regional fault corridor interpreted as a series of major splays of the Keith-Kilkenny (Aldiss) Fault. The prospective basement sequences are potentially repeated via folding and faulting. (Refer Figures 1)

Significant historical WMC intersections include:

- ROE147: 22m @ 1.55 g/t gold from 144m, including
  - 10m @ 2.77 g/t gold from 144m, and
  - 2m @ 11.05 g/t gold from 146m
- ROE100: 18m @ 0.60 g/t gold from 44m, including
  - 2m @ 2.67 g/t gold from 44m

Significant previous Kairos intersections include:

- RHRC017: 16m @ 0.87 g/t gold from 106m, including,
  - 4m @ 2.30 g/t gold from 106m, and
  - 1m @ 7.17 g/t gold from 108m
- RHRC018: 9m @ 1.15 g/t gold from 81m, including
  - 4m @ 2.21 g/t gold from 81m, and
  - 1m @ 5.40 g/t gold from 82m

**Significant recent Kairos intersections from the current campaign include:**

- **RHRC063: 54m @ 0.74 g/t gold from 10m, including:**
  - 16m @ 1.02 g/t gold from 22m, and
  - 2m @ 6.43 g/t gold from 54m, and
  - 1m @ 9.53 g/t gold from 55m.
  
- **RHRC064: 14m @ 0.87 g/t gold from 38m, including:**
  - 5m @ 2.03 g/t gold from 43m, and
  - 1m @ 6.19 g/t gold from 47m.

Drilling to date at Caliburn has been carried out along three main sections spaced 80m apart with the majority of holes successfully returning well mineralised intercepts within broad strongly anomalous envelopes. Recent hole RHRC063 is particularly encouraging having encountered the thickest zone of mineralisation identified to date and commencing at just 10m below surface.

Whilst the most recent results are still being interpreted in context with previous drilling, preliminary indications are that Caliburn represents a broad zone of gold mineralisation up to 50m thick (>0.5 g/t gold), 150m wide and at least 160m in strike length, open in all directions. Gold mineralisation appears to occupy a broad dilational structure hosted within a sequence of altered mafic volcanics and intrusives including basalt/dolerite/gabbro close to the contact with a gently folded package of ultramafics. The zone plunges at a shallow angle towards the south and dips at a low to steep angle towards the west.



**Plate 2: Strike Drilling at Nemo**

# Roe Hills Project

Caliburn Prospect  
Recent RC Drilling

**KAIROS**  
MINERALS

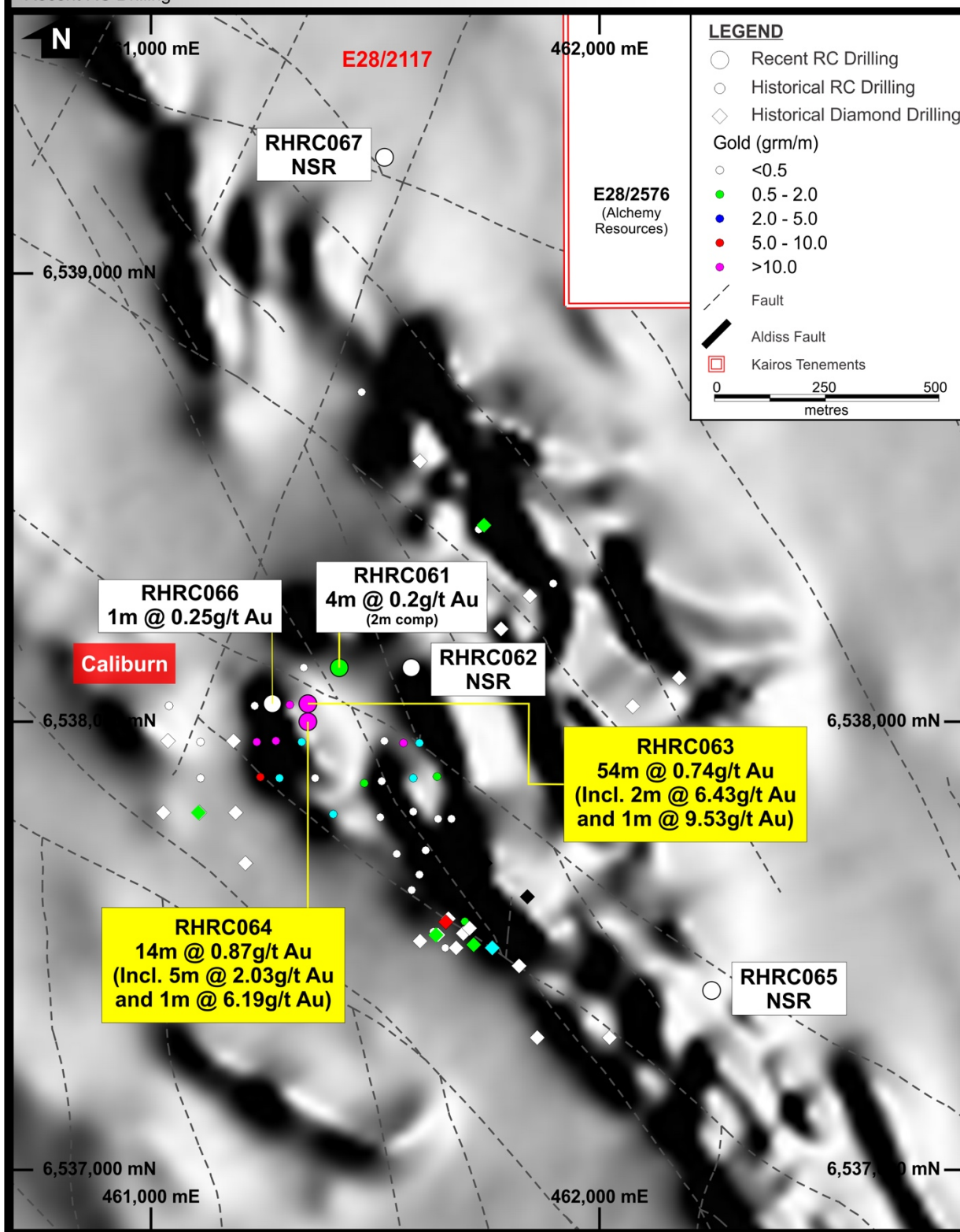


Figure 2: Caliburn Prospect, Recent drilling

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## **Terra**

The Terra trend is a completely “blind” gold occurrence showing no surface expression. It is situated immediately north of Caliburn and some 2km SW of French Kiss (Refer Figures 1 & 3). The prospective basement sequences occur beneath transported cover of up to about 50m vertical depth. Sparse historical drilling indicates gold anomalism over a strike length of at least 2 kilometres which remains open in all directions.

Kairos’ technical team interpreted the position of the main structural corridor at Terra from a relatively few historical holes in conjunction with detailed aeromagnetic and gravity survey data and moved straight into target drilling in early 2017.

The drilling was carried out along three main sections spaced 500m apart toward the northern end of the historically defined anomalous trend.

This initial program was rewarded with immediate success with the majority of the holes completed successfully reporting gold mineralisation over significant widths and good grades.

Significant historical intersections include:

- TD1: 35m @ 1.0 g/t gold from 116.5m, including:
  - 3m @ 1.8 g/t gold from 117.1m
- KD1: 25m @ 1.2 g/t gold from 161m, including:
  - 1m @ 20.4 g/t gold from 165m.

Significant previous Kairos intersections include:

- RHRC002: 23m @ 1.4 g/t gold from 79m, including:
  - 14m @ 2.2 g/t gold from 79m and
  - 6m @ 4.5 g/t gold from 82m and
- RHDD033: 13.44m @ 1.27 g/t gold from 193m, including:
  - 3.45m @ 2.23 g/t gold from 195.4m and
  - 1.62m @ 3.05 g/t gold from 203.2m.

**Significant recent Kairos intersections from the current campaign:**

- **RHRC068: 35m @ 1.05 g/t gold from 96m, including:**
  - **13m @ 1.65 g/t gold from 104m and**
  - **1m @ 8.30 g/t gold from 123m**
- **RHRC069: 38m @ 0.44 g/t gold from 127m, including:**
  - **2m @ 2.31 g/t gold from 127m and**
  - **2m @ 1.48 g/t gold from 163m.**
- **RHRC072: 11m @ 1.10 g/t gold from 172m, including:**
  - **6m @ 1.58 g/t gold from 175m**

Preliminary indications are that Terra represents a broad zone of quartz-carbonate “stock-work” hosted gold mineralisation within altered mafic lithologies including highly altered dolerite close to the contact with an upper ultramafic unit.

The mineralised zone commences at the base of transported cover, extending at least 2km along strike and at least 200m down the dip plane. It attains a maximum true thickness of approximately 20m in the areas drill tested to date, strikes NW-SE and dips steeply W. It is possible that gold bearing structures of differing orientations are present at Terra however these will only be defined with additional detailed oriented diamond core drilling.

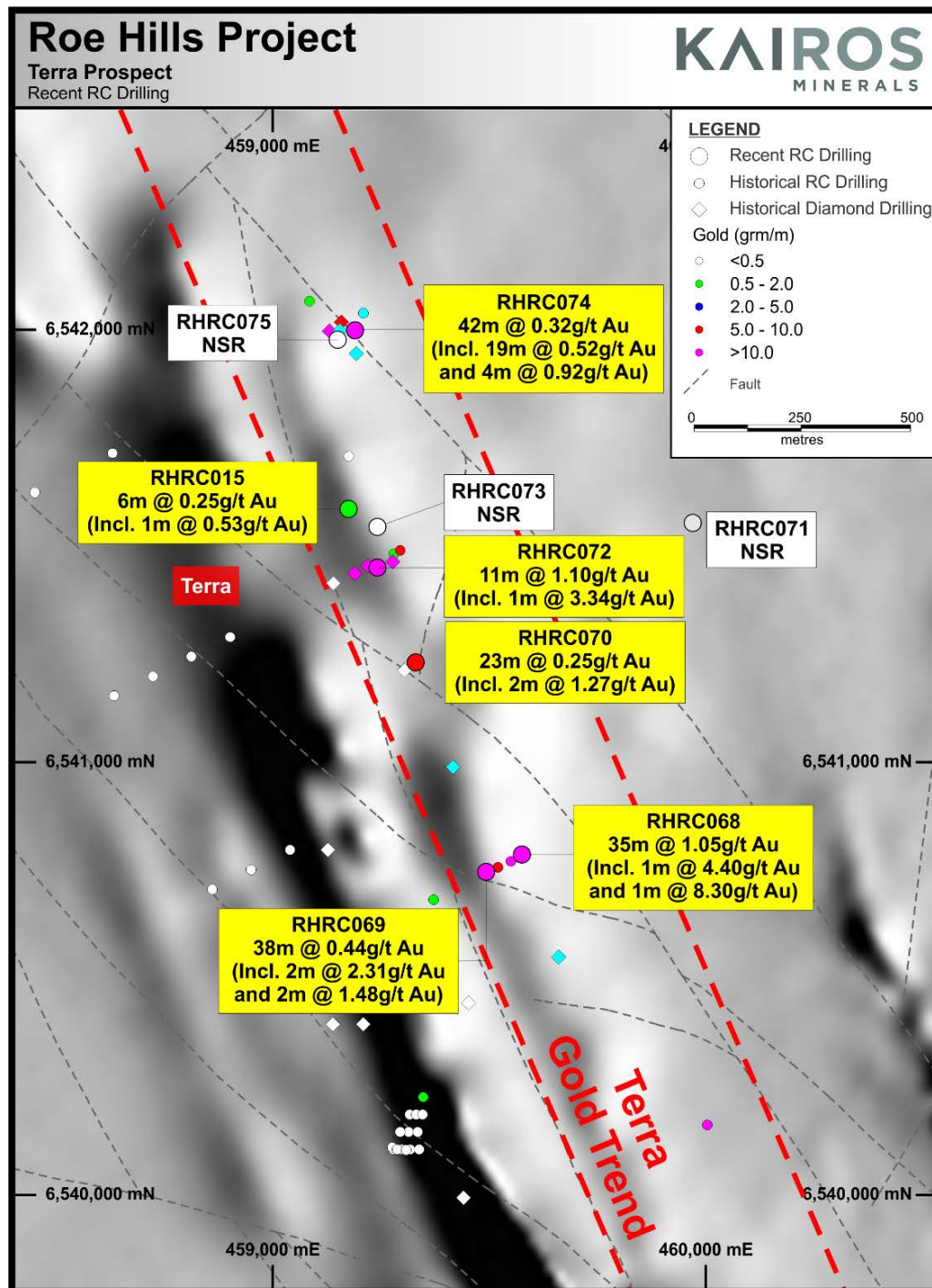


Figure 3: Terra Prospect, recent gold focused RC Drilling

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### Next Steps

Drilling is ongoing with completion planned for the end of March 2018.

A full summary of the entire program will be presented upon receipt of all outstanding results.

**ENDS**

### For further information, please contact:

#### **Investors:**

Mr Terry Topping  
Executive Chairman  
Kairos Minerals Limited

#### **Media:**

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#### **COMPETENT PERSON STATEMENT:**

*Competent Person: The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled and reviewed by Mr Steve Vallance, who is the Technical Manager for Kairos Minerals Ltd and who is a Member of The Australian Institute of Geoscientists. The information was also reviewed by Mr Terry Topping, who is a Director of Kairos Minerals Ltd and who is also a Member of AusIMM. Both Mr Vallance and Mr Topping have sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' (the JORC Code 2012). Mr Vallance and Mr Topping have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

*The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.*



**Plate 3: Selecting the right tool for the job**

Collar Location & Orientation									Intersection Summary					
Prospect	Hole	Type	E	N	RL	Dip	Az	Total Depth (m)		From (m)	To (m)	Length (m)	Au (ppm)	Comments
<b>CALIBURN</b>	RHRC061	RC	461420	6538120	319	-60	90	80		63	67	4	0.20	2m composites
<b>CALIBURN</b>	RHRC062	RC	461580	6538120	318	-60	90	80		NSR				
<b>CALIBURN</b>	RHRC063	RC	461350	6538040	318	-60	90	154		10	85	75	0.59	Composites
									incl	10	64	54	0.74	"
									incl	11	36	25	0.91	"
									incl	20	36	16	1.02	"
									incl	23	25	2	2.19	"
									and	32	36	4	1.68	"
										<b>54</b>	<b>56</b>	<b>2</b>	<b>6.43</b>	
									incl	<b>55</b>	<b>56</b>	<b>1</b>	<b>9.53</b>	
										80	84	4	0.81	
									incl	80	81	1	2.10	
<b>CALIBURN</b>	RHRC064	RC	461350	6538000	317	-60	90	120		38	52	14	0.87	
									incl	43	48	5	2.03	
									incl	<b>47</b>	<b>48</b>	<b>1</b>	<b>6.19</b>	
<b>TALC LAKE</b>	RHRC065	RC	462250	6537400	314	-60	90	120		NSR				
<b>CALIBURN</b>	RHRC066	RC	461270	6538040	318	-60	90	160		98	99	1	0.25	
<b>TERRA (Intersection)</b>	RHRC067	RC	461520	6539259	308	-60	63	122		NSR				
<b>TERRA</b>	RHRC068	RC	459576	6540787	298	-60	63	160		69	76	7	0.31	Composites
										96	131	35	1.05	
									incl	104	117	13	1.65	
									incl	<b>104</b>	<b>105</b>	<b>1</b>	<b>3.13</b>	
									and	<b>114</b>	<b>115</b>	<b>1</b>	<b>4.40</b>	
									and	<b>123</b>	<b>124</b>	<b>1</b>	<b>8.30</b>	
<b>TERRA</b>	RHRC069	RC	459493	6540747	298	-60	63	220		127	165	38	0.44	composites
									incl	127	129	2	2.31	composites
									and	154	165	11	0.63	composites
									incl	163	165	2	1.48	
<b>TERRA</b>	RHRC070	RC	459330	6541231	293	-60	63	200		110	133	23	0.25	
									incl	112	114	2	0.82	
									and	130	132	2	1.27	
										153	154	1	0.63	
										177	179	2	0.61	
<b>TERRA</b>	RHRC071	RC	459970	6541553	293	-60	63	160		NSR				Grav-mag target
<b>TERRA</b>	RHRC072	RC	459242	6541450	290	-60	63	196		172	183	11	1.10	
									incl	173	182	9	1.28	
									incl	175	181	6	1.58	
									incl	<b>175</b>	<b>176</b>	<b>1</b>	<b>3.34</b>	
<b>TERRA</b>	RHRC073	RC	459242	6541544	288	-60	63	148		NSR				
<b>TERRA</b>	RHRC074	RC	459190	6541998	291	-60	63	173		91	133	42	0.32	
									incl	114	133	19	0.52	
									incl	129	133	4	0.92	
<b>TERRA</b>	RHRC075	RC	459150	6541977	291	-60	63	169		NSR				
<b>TERRA</b>	RHRC015	RC	459176	6541585	289	-60	63	220		202	208	6	0.25	Extension
									incl	202	203	1	0.53	

**Table 1: Significant Intercepts**

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**Appendix 1 – Kairos Minerals – Roe Hills Project**  
**JORC Code, 2012 Edition – Table 1**

**Section 1 Sampling Techniques and Data**

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>RC samples were split on a 1 metre sample interval at the rig cyclone.</li> <li>All sampling is based RC chips. Sample selection is based on geological logging using 1m individual or 4m composite samples for RC chips.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>All drilling carried out by Strike Drilling using a Reverse Circulation drill rig utilising a face sampling hammer.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>RC chip quantities were checked by the supervising geologist.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Geologic logging is carried out on the RC chips and recorded as qualitative description of colour, lithological type, grain size, structures, minerals, alteration and other features.</li> </ul>

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Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable as no core was collected.</li> <li>• RC chips were riffle split to provide representative samples.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>• Samples were submitted to Intertek Genalysis Laboratories Kalgoorlie for sample preparation and couriered to Perth for multi-element analysis by sodium peroxide fusion followed by ICP-OES finish. Gold analyses were carried out via the FA 25/OE or MS technique being Fire Assay with 25g lead collection fire assay in new pots, analysed by Inductively Coupled Plasma mass Spectrometry.</li> <li>• Standards, checks, blanks were introduced regularly throughout each sample batch.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary data was collected using Excel templates utilizing lookup codes on laptop computers by supervising geologists.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill collars surveyed by GPS with an accuracy of +/- 5m.</li> <li>• All Roe Hills hole collars are in MGA94 Zone 51 (GDA94).</li> <li>• All Kairos holes are down hole surveyed with north seeking gyro</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Minimal sample spacing for assay samples is 1.0m.</li> <li>• Sample spacing width is not dependent on geological or grade distribution boundaries.</li> <li>• 2-4m composites may be submitted as considered appropriate for initial phases of RC sampling.</li> </ul>

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Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Holes are designed to intersect the geological contacts as close to perpendicular as possible.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All samples are collected in the field at the project site by Kairos personnel.</li> <li>• All samples are delivered to the laboratory by reputable courier in secure numbered polyweave/calico bags.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No audits have been completed at this stage.</li> </ul>

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