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ABN 84 006 189 331

**HALF-YEAR FINANCIAL
REPORT
31 DECEMBER 2019**

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Directors' Report

The Directors of Kairos Minerals Limited ("KAI" or "the Company") provide the following Report in relation to the Company for the half year ended 31 December 2019.

Directors

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

- Mr Terence Topping
- Mr Neil Hutchison
- Mr Bruno Seneque

Results

For the six months ended 31 December 2019, the Company incurred a consolidated loss of \$822,562 (31 December 2018: \$2,242,036).

Review of Operations

Kairos Minerals (ASX: KAI – "Kairos" or "the Company") maintained its active exploration programs over the six months to 31 December 2019, with a core focus on unlocking the potential of its 100%-owned Pilbara Gold Project in Western Australia. The main focus through the six months was a regional soil sampling and mapping project at the Croydon Project and a review and update of the resources at Mount York.

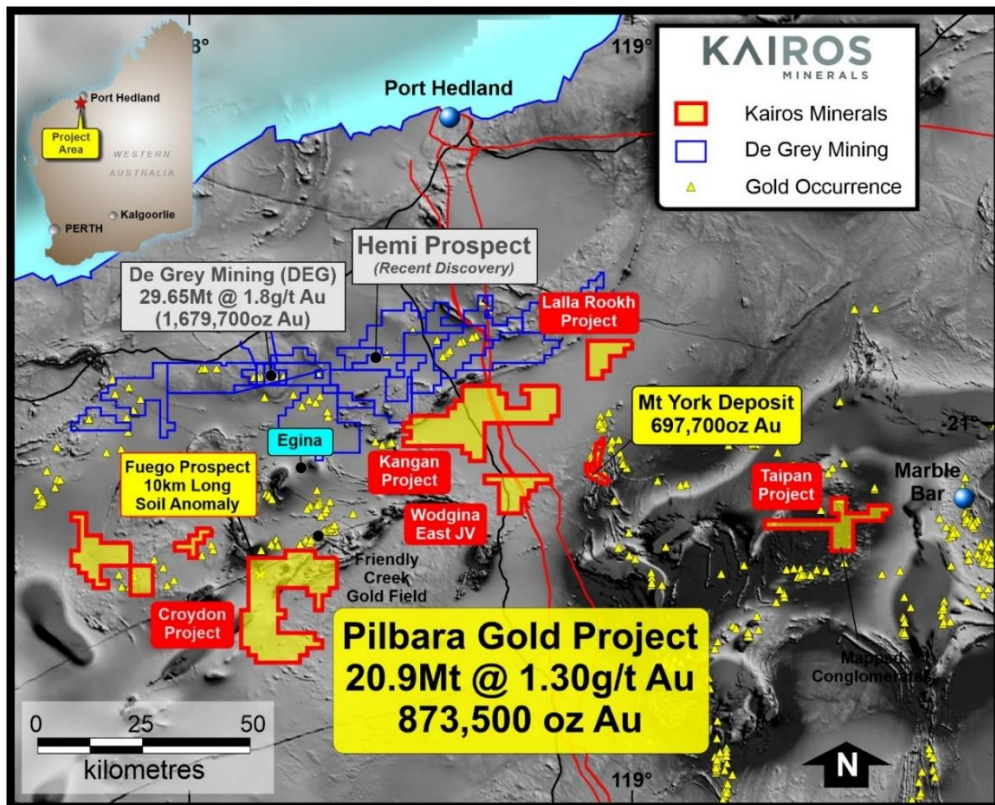


Figure 1. Pilbara Gold Project and the Mt York Deposit locations

Directors' Report

PILBARA GOLD PROJECT, WA (KAI: 100%)

In the Pilbara, Kairos' flagship asset is the advanced Mt York deposit, located ~100km south-east of Port Hedland. Together with the nearby Iron Stirrup and Old Faithful deposits, this forms the cornerstone of the Company's Pilbara Gold Project. Since acquiring the project in early 2016, Kairos has rapidly established a substantial JORC compliant Mineral Resource inventory totalling 20.9Mt at 1.3g/t Au for 873,500 ounces, initially by re-evaluating the known resources from the historical Lynas Find gold mine (which produced 125,000oz between 1994 and 1998) and subsequently through highly successful drilling programs.

In addition to the Mt York deposits, Kairos also holds 1,158 square kilometres of tenure which is highly prospective for conglomerate-hosted gold discoveries. The Company's portfolio includes ~100 strike kilometres of prospective lower Fortescue Group rocks including both the base of the Hardey Formation and the basal sequence of the Mount Roe Basalt.

Major exploration programs are underway targeting these highly prospective stratigraphic horizons, which have been associated with a number of recent high-profile gold discoveries in the Pilbara. The recent focus of conglomerate gold exploration has been at the Croydon Project, located within the central part of the Pilbara Gold Project ~100km to the west of Mt York.

Following an extensive review of existing data, including the results from the latest drilling program over the Mt York Deposit and with the application of new parameters, the new global Indicated and Inferred Mineral Resource for the centrally located Mt York, Iron Stirrup and Old Faithful deposits brings the Global Mineral Resource estimate at the Pilbara Gold Project to:

- **20.9 million tonnes at 1.30g/t for 873,500 ounces** of contained gold, confirming that it is emerging as a significant new WA gold project.

The updated Indicated and Inferred Global Mineral Resource estimate for the Mt York Gold Deposit (which is included in the above 20.9 million tonnes) is:

- **17.2 million tonnes at 1.26g/t for 697,700 ounces** of contained gold, which was previously comprised of three distinct deposits: Main Hill, Breccia Hill and Gossan Hill.

Technical work on the Mineral Resources was completed by independent consultants Auralia Mining Consulting, Perth WA. The updated Mineral Resource was based on an extensive review of all Project data that included:

- A review of all the historical data and drilling completed by Kairos in 2016 and 2017, (see ASX Announcements – 28 October 2016, 9 November 2016, 17 November 2016, 19 December 2016, 10 February 2017, 29 May 2017, 30 November 2017, 4 December 2017 and 18 December 2017).
- Re-interpretation and the subsequent wireframing of the mineralisation envelope for the Mt York Deposit, including the data from the drilling completed by Kairos in 2018 (see ASX Announcement – 2 October 2018).
- Validation and wireframing of the Base of Oxidation Zone and Fresh Rock profile, based on all drilling data, to obtain a more accurate tonnage for oxide, transitional and fresh ore.

Directors' Report

CROYDON GOLD PROJECT, PILBARA REGION (KAIROS 100%)

Ground-based soil and rock chip sampling and mapping undertaken has identified an extensive area of anomalous gold-in-soil related to sedimentary units of the Hardey Formation.

Results from this initial program defined a 150m to 200m wide gold anomaly above 30ppb gold extending over a strike length of 8.1km. A high-grade core extending over a strike length of 1.1km at greater than 100ppb gold was identified in the central part of the anomaly. Seven samples from the anomaly returned elevated gold results above 200ppb gold (0.2 g/t gold) up to a peak of 648ppb gold (0.64 g/t gold)

This is now been named the Fuego Prospect and has had all necessary government and heritage approvals for drilling and trenching in 2020.

Subsequent analysis of gold pathfinder elements was conducted over the results, with four elements indicating a correlation to structural controls of the gold mineralisation. Arsenic (As), Bismuth (Bi), Molybdenum (Mo) and Antimony (Sb) anomalies have extended the anomalous zone to a total strike length of over 8 km which includes the original 4.1km long gold anomaly (refer ASX announcement of 24 September 2019) (Figure 2).

A major fault system of the Archaean North Pilbara Terrain has been mapped along the anomalous strike and is interpreted to be related to the geochemical anomalies. Several structural events have been defined for this Terrain and cross-cutting faults are being investigated for possible mineralisation control.

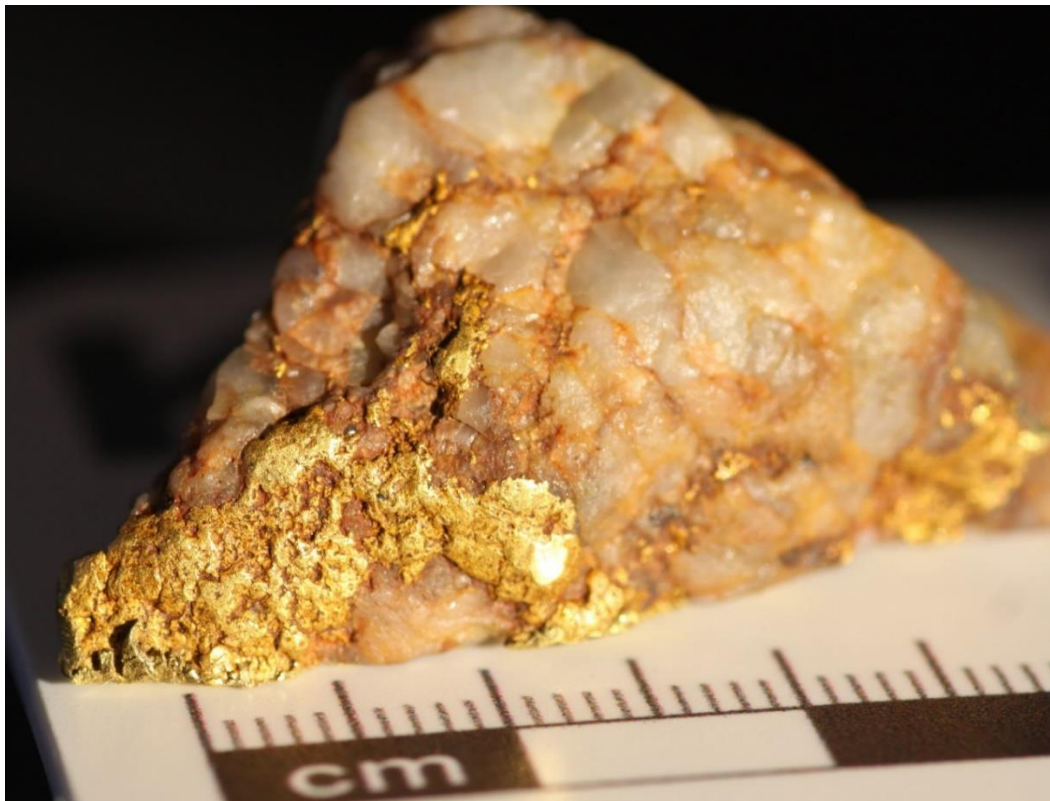


Plate 1: Primary Gold-Quartz-Arenite from the Fuego Prospect, found in the Hardey Formation sediments.

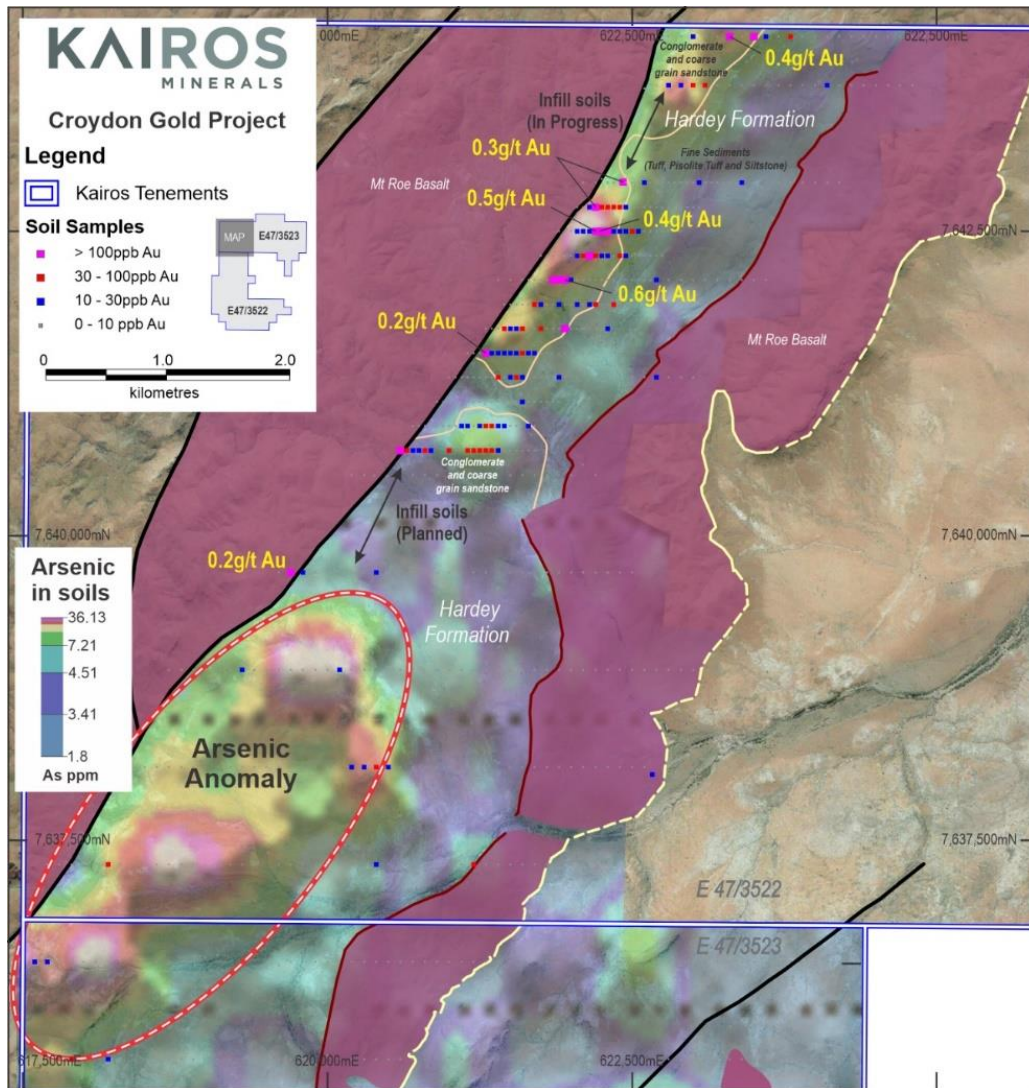


Figure 2: Croydon Project Gold and pathfinder element geochemistry

ROE HILLS PROJECT, WA (KAI 100%)

The 100%-owned Roe Hills Project, located 120km east of Kalgoorlie in WA's Eastern Goldfields, comprises an extensive tenement portfolio which is highly prospective for gold, nickel and cobalt discoveries.

Kairos has so far completed just four gold-focused exploratory drilling campaigns at the Roe Hills Project. Located approximately 120km east of Kalgoorlie, Roe Hills is situated along strike to the south of Breaker Resources' (ASX: BRB) Lake Roe gold discovery (24.6Mt @ 1.4g/t Au for 1,084,000oz) and immediately adjacent to Silver Lake Resources' (ASX: SLR) Aldiss Gold Project (7.5Mt @ 2.1g/t Au for 494,000oz).

Due to the successful exploration on the Company's Pilbara Gold Project, minimal exploration was completed on the Roe Hills Gold Project during the reporting period.

Directors' Report

COMPETENT PERSON STATEMENT:

Competent Person: The information in this report that relates to Mineral Resources is based on information compiled and reviewed by Mr Richard Maddocks for Auralia Mining Consultants who is a Fellow of AusIMM. The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled and reviewed by Mr Terry Topping, who is a Director of Kairos Minerals Ltd and who is also a Member of AusIMM. Mr Maddocks and Topping both 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 Maddocks 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.

Pilbara Gold Deposit Resources – Reported at a 0.5g/t Au Cut

Table 1: Global Resources for the Pilbara Gold Project, at March 2020, reported above a cut-off grade of 0.5g/t Au.

Deposit	Indicated			Inferred			Total		
	Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)	Tonnes (kt)	Au (g/t)	Ounces (koz)
Mt York	6,844	1.29	284	10,419	1.23	413	17,263	1.26	698
Iron Stirrup	797	1.63	41	843	1.65	45	1,639	1.64	86
Old Faithful	925	1.33	39	1,102	1.41	50	2,027	1.37	89
Total	8,565	1.33	366	12,364	1.28	507	20,929	1.30	873

For full details on the resources calculation and parameters see ASX announcement from 4 March 2020

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of Directors.



Mr Terence Topping
Executive Chairman

Perth, Australia

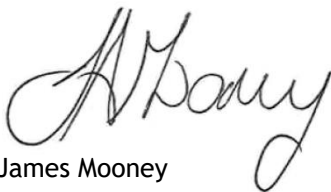
Dated this the 13th day of March 2020

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF KAIROS MINERALS LIMITED

As lead auditor for the review of Kairos Minerals Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Kairos Minerals Limited and the entities it controlled during the period.



James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 13 March 2020

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2019

	Note	31 December 2019 \$	31 December 2018 \$
REVENUE			
Interest Income		5,235	4,738
Other		-	8,213
		5,235	12,951
Depreciation		(11,447)	(8,344)
Directors' fees and share based remuneration		(200,260)	(86,883)
Impairment on tenement assets	5	-	(1,522,940)
Travel and marketing		(124,992)	(79,633)
Administration and other expenses		(196,225)	(242,036)
Professional and consulting fees		(198,150)	(199,777)
Rent		(96,723)	(115,374)
Loss before income tax		(822,562)	(2,242,036)
Income tax expense		-	-
Loss for the period after income tax		(822,562)	(2,242,036)
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of equity instruments		3,243	(44,196)
Other comprehensive income for the period, net of tax		3,243	(44,196)
Total comprehensive loss for the period		(819,319)	(2,286,232)
Loss attributable to:			
Owners of Kairos Minerals Limited		(822,562)	(2,242,036)
Non-controlling interests		-	-
		(822,562)	(2,242,036)
Total comprehensive loss attributable to:			
Owners of Kairos Minerals Limited		(819,319)	(2,286,232)
Non-controlling interests		-	-
		(819,319)	(2,286,232)
Basic (loss) per share (cents per share)	6	(0.09)	(0.26)
Diluted (loss) per share (cents per share)	6	(0.09)	(0.26)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019 \$	30 June 2019 \$
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents		1,307,147	1,497,140
Trade and other receivables		160,976	61,109
Other assets		24,790	39,402
Total Current Assets		1,492,913	1,597,651
<i>Non-Current Assets</i>			
Other financial assets		350,476	324,156
Property, plant and equipment		37,160	48,607
Exploration and evaluation costs	5	10,233,925	9,202,277
Total Non-Current Assets		10,621,561	9,575,040
TOTAL ASSETS		12,114,474	11,172,691
LIABILITIES			
<i>Current Liabilities</i>			
Trade and other payables		436,461	419,279
Total Current Liabilities		436,461	419,279
TOTAL LIABILITIES		436,461	419,279
NET ASSETS		11,678,013	10,753,412
EQUITY			
Contributed equity	4	71,411,175	69,667,255
Revaluation reserve		(229,901)	(233,144)
Performance rights reserve		2,344,650	2,344,650
Accumulated losses		(61,846,800)	(61,024,238)
Parent interests		11,679,124	10,754,523
Non-controlling interests		(1,111)	(1,111)
TOTAL EQUITY		11,678,013	10,753,412

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2019

Consolidated Entity	Contributed equity	Revaluation Reserve	Performance rights reserve	Accumulated losses	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 30 June 2019	69,667,255	(233,144)	2,344,650	(61,024,238)	(1,111)	10,753,412
Loss for the period attributed to owners	-	-	-	(822,562)	-	(822,562)
Other comprehensive income	-	3,243	-	-	-	3,243
Total comprehensive (loss) for the period	-	3,243	-	(822,562)	-	(819,319)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued (net of costs)	1,456,486	-	-	-	-	1,456,486
Options issued	287,434	-	-	-	-	287,434
Balance at 31 December 2019	71,411,175	(229,901)	2,344,650	(61,846,800)	(1,111)	11,678,013
Balance at 30 June 2018	69,457,589	(21,287)	2,344,650	(50,140,203)	(1,111)	21,639,638
Loss for the period attributed to owners	-	-	-	(2,242,036)	-	(2,242,036)
Other comprehensive income	-	(44,196)	-	-	-	(44,196)
Total comprehensive income / (loss) for the period	-	(44,196)	-	(2,242,036)	-	(2,286,232)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued (net of costs)	70,907	-	-	-	-	70,907
Options converted	138,759	-	-	-	-	138,759
Balance at 31 December 2018	69,667,255	(65,483)	2,344,650	(52,382,239)	(1,111)	19,563,072

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2019

	31 December 2019	31 December 2018
	\$	\$
<i>Cash flows from operating activities</i>		
Payments to suppliers and employees	(704,028)	(607,665)
Interest received	5,235	1,917
Net cash flows used in operating activities	(698,793)	(605,748)
<i>Cash flows related to investing activities</i>		
Payment for purchases of plant and equipment	-	(1,066)
Payment for tenements and exploration	(1,065,832)	(2,755,832)
Payment for investments	(23,077)	(214,740)
Net cash flows used in investing activities	(1,088,909)	(2,971,638)
<i>Cash flows related to financing activities</i>		
Proceeds from issues of securities	1,716,001	138,758
Capital raising costs	(118,292)	(4,093)
Net cash flows from financing activities	1,597,709	134,665
Net (Decrease) in cash and cash equivalents	(189,993)	(3,442,721)
Cash and cash equivalents at the beginning of the period	1,497,140	6,506,276
Cash and cash equivalents at the end of the period	1,307,147	3,063,555

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note 1 – Basis of Preparation

The general purpose financial report for the interim half-year reporting period ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

AASB 16 Leases became effective for the group on 1 July 2019. The Group does not have material long term leases and there has not been a material impact on adoption of this new accounting standard.

Going Concern

The Group incurred a net loss after income tax of \$822,562 for the period ended 31 December 2019 and had net cash outflows from operating and investing activities of \$1,787,702. At 31 December 2019, the Group had cash and cash equivalents of \$1,307,147 and had positive working capital, being current assets less current liabilities, of \$1,056,452.

Based on planned and committed expenditure, the Group will need to raise additional capital within the next 12 months to fund its activities. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the entity to continue as a going concern. The financial report has been prepared on a going concern basis which assumes the realisation of assets and discharge of liabilities in the normal course of business at the amounts stated in the financial report, for the following reasons:

- The budgets and forecasts reviewed by the Directors for a period of 12 months from the date of signing the financial report anticipate the business will hold cash and cash equivalents to fund its operations and exploration commitments.
- Management of the Group will actively manage the current level of discretionary expenditures in line with the funds available to the Group.
- Exploration expenses on the current exploration program and working capital requirements will also be actively managed.
- The Group has the capacity to place securities under Chapter 7 of ASX Listing Rules which will be used for working capital and project expenditure; and
- Should additional funding be required the Group may attempt future equity capital raising initiatives, however, it should be noted that while this source of funding has been used in the past, any future capital raising would be dependent on financial market conditions at the time that any additional equity funds are being sought.

Based on the above successfully occurring, the Directors are satisfied adequate plans are in place and that the consolidated entity will have sufficient sources of funding to meet its obligations and anticipated expenditure. On this basis the financial report has been prepared on the going concern basis.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the half year financial statements. These half year financial statements do not include any adjustments related to the recoverability and classification or recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Notes to the Financial Statements

Note 2 – Segment Information

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews NPBT (net profit before tax). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Note 3 – Contingent Liabilities and Assets

The level of the Company's contingent liabilities and contingent assets have not changed materially from those disclosed in the annual report for the year ended 30 June 2019.

Notes to the Financial Statements

Note 4 – Contributed Equity

	Note	31 December 2019 \$	30 June 2019 \$
Ordinary shares fully paid	4a	70,685,742	69,229,255
Options over ordinary shares	4b	725,433	438,000
		71,411,175	69,667,255

	Note	31 December 2019		30 June 2019	
		No.	\$	No.	\$
4a) Ordinary Shares					
At the beginning of reporting period		852,272,839	69,229,255	837,399,784	69,019,589
<i>Shares issued during period</i>					
- Issue of shares		-	-	-	-
- Issue of shares in lieu of payment for services	(i)	9,400,090	103,401	1,536,193	75,001
- Issue of shares for private placement	(ii)	122,727,278	1,350,000	-	-
- Issue of shares for share purchase plan	(iii)	35,272,812	388,001	-	-
- Issue of shares for exploration milestone achievements	(iv)	-	-	8,000,000	-
- Exercise of options		-	-	5,336,862	138,758
- Transaction costs relating to share issues		-	(384,915)	-	(4,093)
At reporting date		1,019,673,019	70,685,742	852,272,839	69,229,255

During the Half Year ended 31 December 2019, the Company issued the following securities:

Note	31-Dec-19	Details	Number	Issue Price \$	Total \$
(i)	28-Oct-2019	Issued in lieu of payment for services	9,400,090	0.011	103,401
(ii)	28-Oct-2019	Issued in relation to a private placement	122,727,278	0.011	1,350,000
(iii)	9-Dec-2019	Issued in relation to Share Purchase Plan	35,272,812	0.011	388,001
			167,400,180		1,841,402

iv) Contingent consideration payable in respect of the acquisition of the Mt York tenements in January 2016. These shares were required to be issued to the vendors upon the mineral resource reaching 500,000 ounces of gold.

Notes to the Financial Statements

	Note	31 December 2019		30 June 2019	
		No.	\$	No.	\$
4b) Options					
At the beginning of reporting period		158,878,680	438,000	158,215,542	438,000
<u>Options movements during period</u>					
- Issue of options to consultants		6,362,000	20,810	-	-
- Issue of Badging options to CPS Capital		20,000,000	65,420	-	-
- Issue of Broker options to CPS Capital		61,300,000	201,203	-	-
- Exercise of options		-	-	(5,386,862)	-
At reporting date		246,540,680	725,433	152,878,680	438,000

	31 December 2019		30 June 2019	
	No.	\$	No.	\$
4c) Performance Rights				
At the beginning of reporting period	31,500,000	2,344,650	31,500,000	2,344,650
<u>Movements during year</u>				
- Issued to Directors' and consultants	-	-	-	-
- Conversion to shares	-	-	-	-
At reporting date	31,500,000	2,344,650	31,500,000	2,344,650

Notes to the Financial Statements

Note 5 – Exploration and Tenement Expenditures

	31 December 2019	30 June 2019
	\$	\$
Exploration and tenement expenditure:		
<i>Fraser Range Project (100%)</i>		
Balance at the start of the period	-	83,013
Exploration expenditure capitalised	-	22,594
Capitalised exploration costs written off	-	(105,607)
	-	-
<i>Roe Hills Project (100%)</i>		
Balance at the start of the period	-	7,577,256
Exploration expenditure capitalised	203,630	419,187
Capitalised exploration costs written off	-	(7,996,443)
	203,630	-
<i>Dingo Range Project (100%)</i>		
Balance at the start of the period	-	1,335,928
Exploration expenditure capitalised	-	77,311
Capitalised exploration costs written off	-	(1,413,239)
	-	-
<i>Mt York Project (Pilbra) (100%)</i>		
Balance at the start of the period	6,096,714	5,676,043
Exploration expenditure capitalised	248,020	420,671
	6,344,734	6,096,714
<i>Wodjina Project (100%)</i>		
Balance at the start of the period	428,821	215,628
Exploration expenditure capitalised	43,351	213,193
	472,172	428,821
<i>Taipan & Southern Pride Project (100%)</i>		
Balance at the start of the period	1,324,166	597,763
Exploration expenditure capitalised	406,276	726,403
	1,730,442	1,324,166
<i>Mooloo Project (100%)</i>		
Balance at the start of the period	-	25,348
Exploration expenditure capitalised/(reversed)	750	(8,547)
Capitalised exploration costs written off	-	(16,801)
	750	-
<i>Croyden Project (100%)</i>		
Balance at the start of the period	885,398	322,433
Exploration expenditure capitalised	86,348	562,965
	971,746	885,398
<i>Woodcutters Project (100%)</i>		
Balance at the start of the period	375,427	193,404
Exploration expenditure capitalised	27,015	182,023
	402,442	375,427
<i>Lalla Rookh Project (100%)</i>		
Balance at the start of the period	91,751	67,947
Exploration expenditure capitalised	16,258	23,804
	108,009	91,751
Total Capitalised Exploration Expenditure	10,233,925	9,202,277

Notes to the Financial Statements

Note 6 – Loss per Share

	31 December 2019	31 December 2018
Basic (loss) per share (cents)	(0.09)	(0.26)
Diluted (loss) per share (cents)	(0.09)	(0.26)
a) Net loss used in the calculation of basic and diluted loss per share	(822,562)	(2,242,036)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	902,721,765	848,045,032

Note 7 – Events Subsequent to Reporting Date

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Directors' Declaration

The Directors of the Company declare that;

1. the financial statements and notes, as set out on pages 9 to 18, are in accordance with the Corporations Act 2001; and
 - a. comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr Terence Topping
Executive Chairman

Perth, Australia.

Dated this the 13th day of March 2020.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kairos Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Kairos Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

A stylized, handwritten-style logo of the letters 'BDO' in blue.

A handwritten signature in blue ink that reads 'James Mooney'.

James Mooney
Director

Melbourne, 13 March 2020

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Corporate Directory

DIRECTORS

Mr. Terence Topping
Mr. Bruno Seneque
Mr. Neil Hutchison

Executive Chairman
Non-Executive Director
Non-Executive Director

COMPANY SECRETARY

Mr. Adrien Wing

COMPANY

Kairos Minerals Limited
ABN 84 006 189 331

WEBSITE

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Australia 3000

SECURITIES QUOTED

Australian Securities Exchange (ASX)
- Ordinary Fully Paid Shares (ASX Code: KAI)