

LITHIUM JOINT VENTURE AGREED WITH ALTURA AT KAIROS'S WODGINA EAST PROJECT

Highlights

- **Altura to earn 75% of the Lithium Rights by expenditure of \$1.35M.**
- **Kairos to retain a 25% free-carried interest.**
- **JV Area contains a mapped pegmatite field with rock chip assays up to 1.6% Li₂O.**
- **Area located ~15km from Pilgangoora – likely to become the main lithium producing centre in Australia.**
- **JV allows Kairos to unlock value from one of its key Pilbara lithium projects while maintaining its focus on gold exploration at Mt York and Roe Hills.**

Kairos Minerals Ltd (ASX:KAI – “Kairos”) is pleased to announce that it has entered into a lithium joint venture with Altura Mining Limited (ASX: AJM – “Altura”) at its Wodgina East Project, located approximately 15km from the main Pilgangoora Lithium Mining Centre in the Pilbara region of Western Australia (Figure 1).

The farm-out deal, with one of the major lithium developers region, will allow Kairos to realise value from one of its key East Pilbara lithium projects while continuing to focus on developing the gold resources at its 100%-owned Mount York Gold-Lithium Project.

Under the terms of the agreement, Altura can earn a 75% interest in the lithium rights over the Wodgina East tenements (E45/4780 and E45/4715 – see Figure 2) by spending a total of \$1.25 million over 5 years, with an upfront cash payment of \$100,000 upon execution.

Once Altura has earned its interest, Kairos will retain a free-carried 25% interest in the project.

Kairos acquired the Wodgina East Lithium Project earlier this year as part of an extensive and high-quality lithium portfolio which it established in the East Pilbara lithium-tantalum province following its acquisition of the Mt York Project.

Located ~90km south-east of Port Hedland, Wodgina East is strategically situated immediately adjacent to Mineral Resources' (ASX: MIN) Wodgina Tantalum-Lithium Project and ~15km from the Pilgangoora Lithium Mining Centre.

It includes an extensive pegmatite field with well-documented lithium (spodumene) mineralization and grades of up to 1.6% Li₂O reported from historical reconnaissance rock chip sampling. The regional geological and structural setting is similar to that of the Pilgangoora Syncline which hosts the major lithium-tantalum deposits at Pilgangoora.

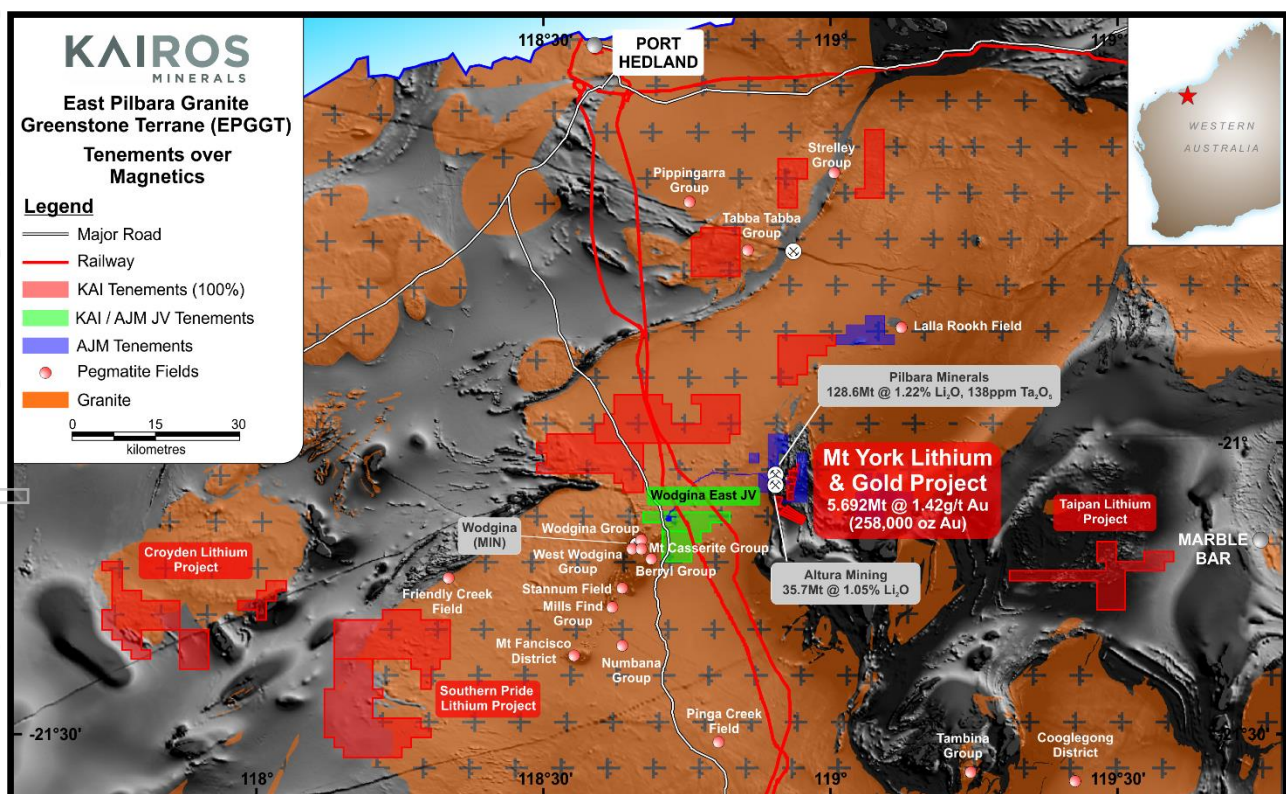
Despite its high prospectivity, the Wodgina East Project remains essentially unexplored for lithium due to an historical focus on tantalum mining.

Kairos' Managing Director, Mr Joshua Wellisch, said the Company was pleased to have secured the involvement of one of the leading lithium explorer-developers in the Pilbara region to progress exploration at Wodgina East.

"We were able to assemble a significant strategic lithium exploration package in the East Pilbara region earlier this year, including the Wodgina East package which we secured in May. These tenements were acquired following a state-of-the-art regional targeting exercise, and we believe they offer some of the best lithium exploration potential in the East Pilbara district.

"We are pleased to have developed a strong working relationship with Altura, and we look forward to working with them as they take the project forward, with our 25% free-carried interest giving us exposure to any future exploration success.

"This deal is also consistent with our strategic focus on the exploration and development of the significant gold potential at Mt York, where our maiden drilling program is continuing to expand the existing gold resource inventory."



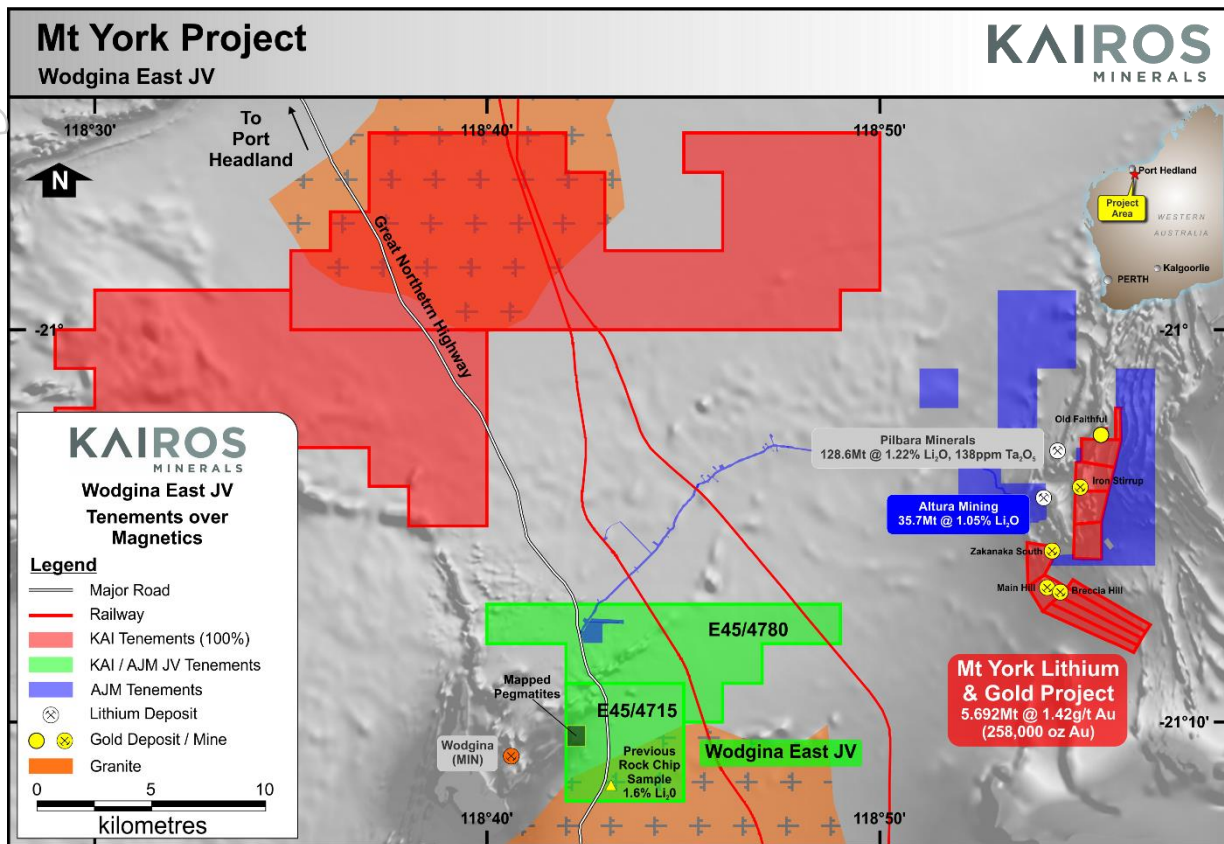


Figure 2 – Wodgina East tenements subject to the joint venture with Altura Mining

Key Joint Venture Terms

The key terms of the farm-in agreement between Kairos and Altura are set out below:

- Altura must pay \$100,000 (ex GST) to Kairos within seven days of the execution of the Letter Agreement;
- Altura and Kairos have agreed to strategic cooperation on certain other aspects relating to their respective East Pilbara tenure;
- Kairos must use all reasonable endeavours to procure the grant of E45/4780 and E45/4715 as soon as reasonably practicable;
- Once granted, Kairos must keep the tenements in good standing by complying with their expenditure conditions, while granting Altura the right to explore for and mine for lithium on the tenements;
- Altura may acquire a 75% interest in the lithium rights over E45/4780 and E45/4715 by spending \$250,000 per annum on exploration or mining activities for a five-year period, or by spending a total of \$1.25 million less any expenditure already incurred;
- Once Altura has acquired a 75% interest in E45/4780 and E45/4715, Kairos must do anything necessary to enable Altura to become the registered holder of a 75% interest in the tenements and Kairos will retain a 25% free-carried interest.

ENDS

For further information, please contact:

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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. Mr Vallance has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person 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 has consented to the inclusion in the report of the matters based on his 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.

Contributing Technical Team:

Dr Nigel Brand
Mr Neil Hutchison
Mr Ian Finch

Reference	ASX Announcement
1	<i>Pilbara Minerals Limited (ASX: PLS) September Quarterly Report 2016</i>
2	<i>Altura Mining Limited (ASX: AJM) September Quarterly Report 2016</i>