



**ABN 84 006 189 331**

**HALF-YEAR FINANCIAL  
REPORT**

**31 DECEMBER 2023**

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# Directors' Report

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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 2023.

## Directors

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

Dr Peter Turner  
Mr Mark Calderwood  
Mr Zane Lewis  
Mr Phil Coulson  
Mr Klaus Eckhof (resigned 5 February 2024)

## Results

For the six months ended 31 December 2023, the Company incurred a consolidated comprehensive loss after income tax of \$727,844 (31 December 2022: \$795,490).

## Review of Operations

### ROE HILLS PROJECT (100% KAIROS)

#### **Rare Earth Element Discovery at Black Cat Prospect**

83 reconnaissance RC drill holes for 11,138m of drilling was completed over surface lithium, gold and rare earth element targets<sup>1 2</sup> during the reporting period (**Figure 1**). The programme was intended to test whether spodumene pegmatites (lithium) occurred over the **Black Cat** and **Crystal Palace** Prospects and whether the **Blue Jay** Prospect contained significant rare earth elements in host granites. A lower priority gold target was drilled at Black Cat to follow-up on incomplete drilling along a surface gold target in 2021.

Kairos originally planned 7,000m of RC at all prospects but extended the programme because of highly encouraging geological observations during an early part of the programme.

**Drilling at Black Cat defined significant high-grade REE mineralisation** that is far more extensive and widespread than originally anticipated, **so much so that it is being considered by Kairos as a significant and potentially large discovery**. The REE mineralisation at Black Cat is blind from surface, open in all directions and has a potentially large volume target with excellent road and rail infrastructure to the project from Kalgoorlie (**Figure 2**).

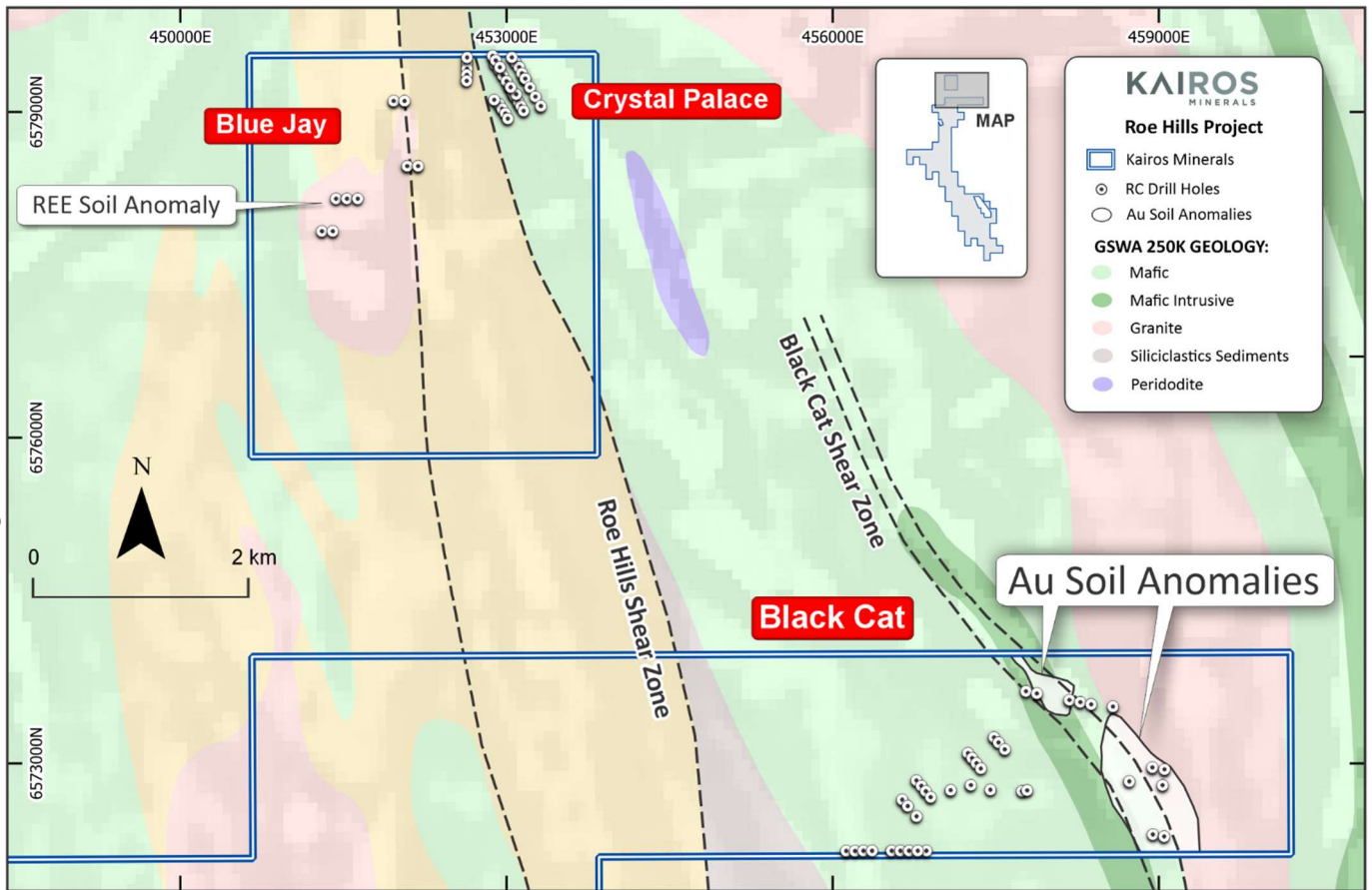
Initial drilling at Black Cat during the reporting period originally targeted significant lithium pathfinder anomalies in soils, and while no lithium pegmatites were intersected at Black Cat as hoped, initial multi-element assay results returned thick, high-grade rare earth mineralisation within clays overlying previously unknown syenite intrusions in each of 9 holes that were originally analysed for REE's. This prompted samples from the remaining holes at Black Cat to be re-submitted for REE analysis, as well as an additional 5 drill holes that were completed to test for extensions to the emerging mineralisation.

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<sup>1</sup> See KAI ASX announcement dated 30 October 2023 entitled 'Thick sequences of rare earths discovered in Roe Hills drilling'

<sup>2</sup> See KAI ASX announcement dated 19 December 2023 entitled 'High-grade assays over large area point to significant rare earths discovery'

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**Figure 1.** Roe Hills North project area showing the prospect locations and all RC collar points on a background geology image.

Results were received for all 83 holes at Black Cat during the reporting period and include some spectacular total rare earth oxide (TREO) widths and grades (see respective **Table 1s** in both releases for full table of results)<sup>1,2</sup>. Recent high-grade results using a four-acid digest, ICPMS finish\* include\*\*:

- **40m @ 2104ppm (0.21%) TREO** from 36m incl **8m @ 6023ppm (0.60%) TREO** from 40m (RHRC158)
- **78m @ 1255ppm (0.13%) TREO** from 52m incl **32m @ 2212ppm (0.22%) TREO** from 56m (RHRC136)
- **16m @ 1428ppm (0.14%) TREO** from 52m (RHRC135)
- **148m @ 821ppm (0.08%) TREO** from 36m incl **40m @ 1551ppm (0.16%) TREO** from 36m (RHRC138)
- **28m @ 3854ppm TREO** from 32m incl **4m @ 23,182ppm (2.31%) TREO** from 56m (RHRC253)
- **48m @ 1631ppm TREO** from 44m incl **12m @ 4332ppm TREO** from 48m (RHRC153)
- **36m @ 1586ppm TREO** from 36m incl **12m @ 3187ppm TREO** from 44m (RHRH125)
- **20m @ 2100ppm TREO** from 44m incl **8m @ 3152ppm TREO** from 48m (RHRC126)
- **114m @ 1185ppm TREO** from 40m incl **12m @ 2533ppm TREO** from 40m and **16m @ 2178ppm TREO** from 108m (RHRC127)
- **36m @ 1826ppm TREO** from 36m incl **24m @ 2390ppm TREO** from 40m (RHRC128).

\*While all samples above were processed at Intertek's Maddington Laboratory, Perth using a four-acid digest and ICPMS finish. Four-acid digest is considered a near-total sample digest, meaning that some minerals may not be totally dissolved. This may mean that the result from ICPMS analysis may not include a 100% of the rock's total elemental concentration due to some minerals not being completely dissolved. Another digest method called fusion is considered a total dissolution of the sample. Fusion digest may liberate additional elements through the digestion of REE-bearing minerals that other methods may not dissolve. Kairo Minerals completed some testing using fusion. The results of the fusion digest vs four-acid digest shows an average uptick



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in reported REE results of +4.7% with the fusion method. The difference is considered significant enough, but generally not a high enough difference to consider a wholesale change in analysis methods when considering the higher price of fusion digest.

\*\* TREO =  $CeO_2 + Dy_2O_3 + Er_2O_3 + Eu_2O_3 + Gd_2O_3 + Ho_2O_3 + La_2O_3 + Lu_2O_3 + Nd_2O_3 + Pr_6O_{11} + Sc_2O_3 + Sm_2O_3 + Tb_4O_7 + Tm_2O_3 + Y_2O_3 + Yb_2O_3$

LREO =  $CeO_2 + Eu_2O_3 + La_2O_3 + Nd_2O_3 + Pr_6O_{11} + Sm_2O_3$

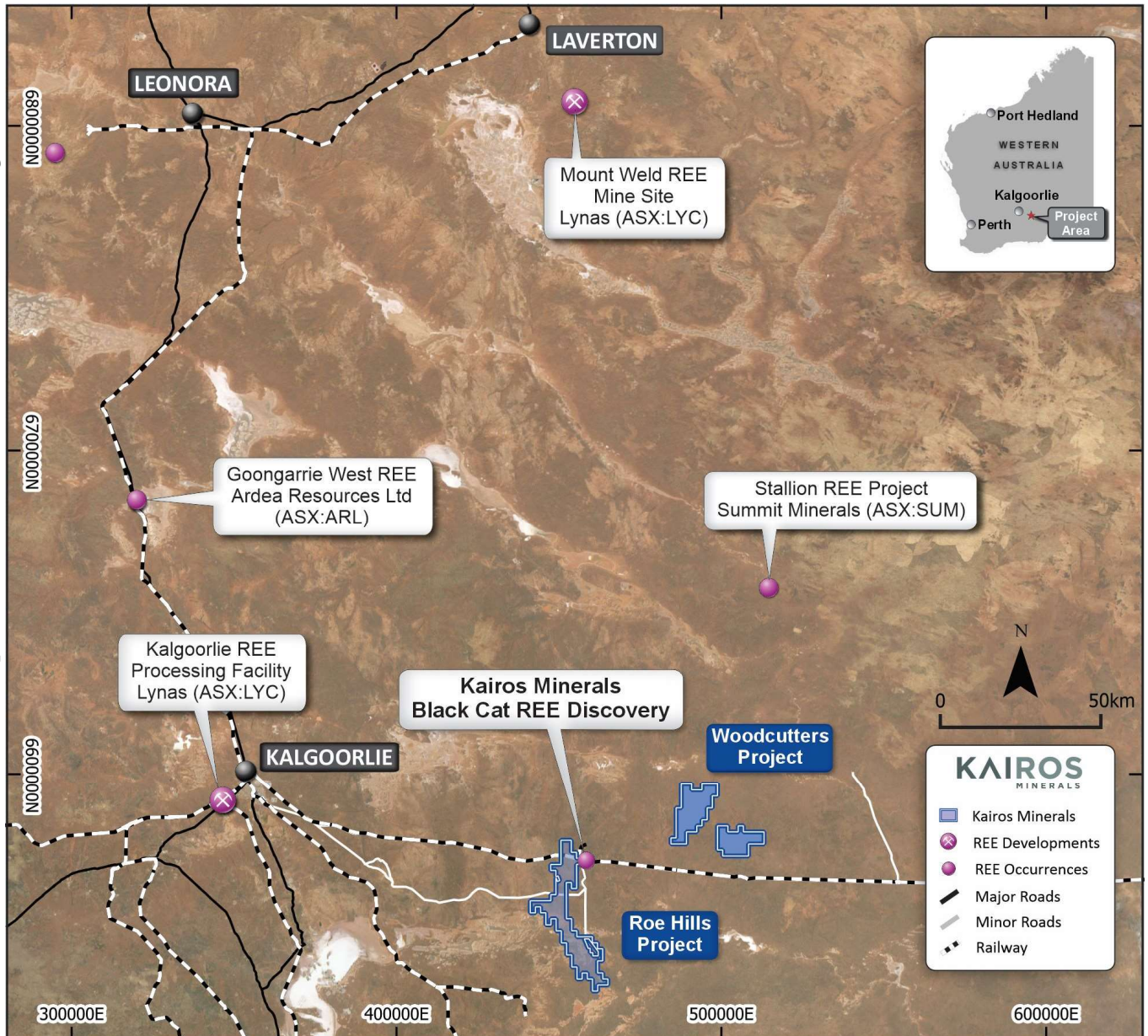
HREO =  $Dy_2O_3 + Er_2O_3 + Gd_2O_3 + Ho_2O_3 + Lu_2O_3 + Tb_4O_7 + Tm_2O_3 + Y_2O_3 + Yb_2O_3$

Mag REO =  $Dy_2O_3 + Nd_2O_3 + Pr_6O_{11} + Tb_4O_7$

Nd + Pr =  $Nd_2O_3 + Pr_6O_{11}$

NdPr% =  $Nd_2O_3 + Pr_6O_{11}$  as a percentage of TREO

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**Figure 2.** Location of the Roe Hills project in relation to infrastructure and other known REE deposits, occurrences and process facilities.

Mineralisation at Black Cat contains a significant proportion of the valuable neodymium + praseodymium rare earths (NdPr) and magnet rare earths (Mag REO). NdPr ratios across the deposit average 23% of TREO values, with local ratios up to 38% of TREO. In addition the Mag REO ratios average 28% of TREO values with local ratios up to

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47% of TREO. These are exceptionally high proportions relative to most REE deposits and highlights the significance of the rare earths at Black Cat.

All significant intercepts are associated with deeply weathered clays that have enriched REEs in highly mineralised zones by simple weathering above the syenite intrusions. The highly mineralised clays form a broad, thick, sub-horizontal sheet-like body of REE enriched material that remains open in all directions (**Figures 3, 4 and 5**).



The mineralisation in the clays is generally non-visual and forms at the transition from upper saprolite to lower saprolite, and through to the base of complete weathering. Mineralisation in the saprock and fresh rock is generally constrained to the syenite intrusions and their immediate country rock. The potential volumes of saprolitic clays enriched in REEs is thought to be very large indeed. Further drill testing will be required to determine a mineral resource over the Black Cat area and will be guided by ground geophysics.

A ground gravity survey on a 200m line spaced with 50m spaced stations along the E-W lines has been completed over the Black Cat, Crystal Palace and Blue Jay prospects at Roe Hills North to assist in identifying additional buried syenite bodies under cover that may be prospective for similar high-grade REE mineralisation (**see Photo left** showing technicians from Atlas Geophysics using a Scintrex CG5 relative gravity meter at a test station and differential GPS unit).

Kairos will be working closely on the processed gravity data with a view to highlighting the aerial extent of the granitoids for further REE-driven drilling and to look for structural conduits that are the preferential host to lithium-bearing pegmatites in the Manna-Crystal Palace area.

Four composite samples of the mineralised clay material (**Table 1**) have been selected for initial metallurgical test work under the auspices of IMO Pty Ltd. Preliminary metallurgical test work will involve determination of beneficiation potential via detailed sizing analysis and rare earth recovery under both ammonium sulphate and hydrochloric acid leach conditions. The aim of the initial tests are to determine if 1) the REE mineralisation has 'ionic' affinities and 2) if the clay-hosted mineralisation grade can be significantly upgraded by a simple beneficiation process.

Four composites have been selected (**Table 1**) from the clay-rich saprolite mineralised zone from RHRC136 and RHRC158 (see **Figures 3 & 4** for location of holes and cross-section respectively). Results will be announced to the ASX in the current quarter.

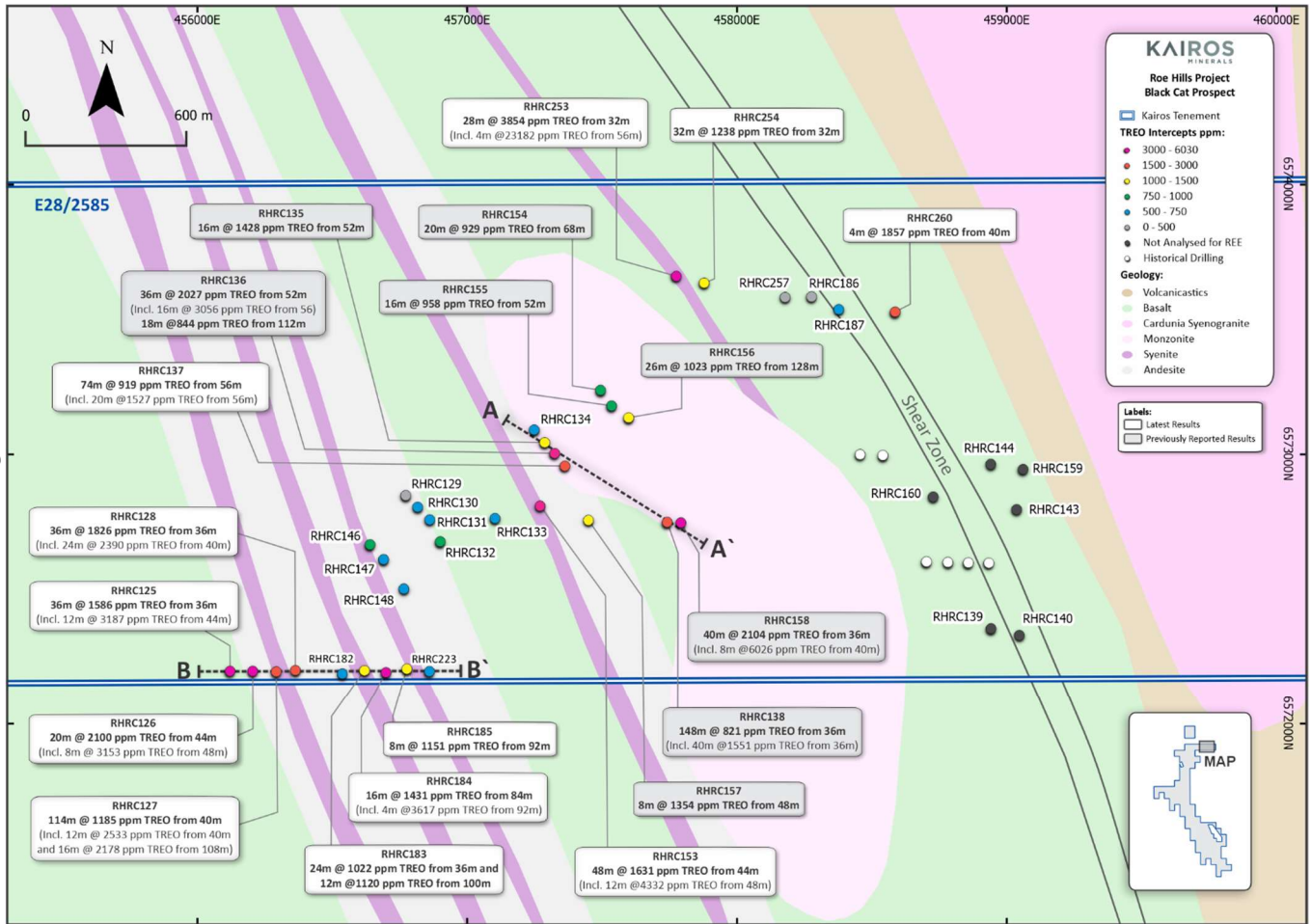
Hole ID	From (m)	To (m)	Interval (m)	Comment
RHRC136	56	60	4	Composite: Lower Saprolite (upper contact)
RHRC136	64	68	4	Composite: Lower Saprolite (lower contact)
RHRC158	40	44	4	Composite: Lower Saprolite (upper contact)
RHRC158	48	52	4	Composite: Lower Saprolite (lower contact)

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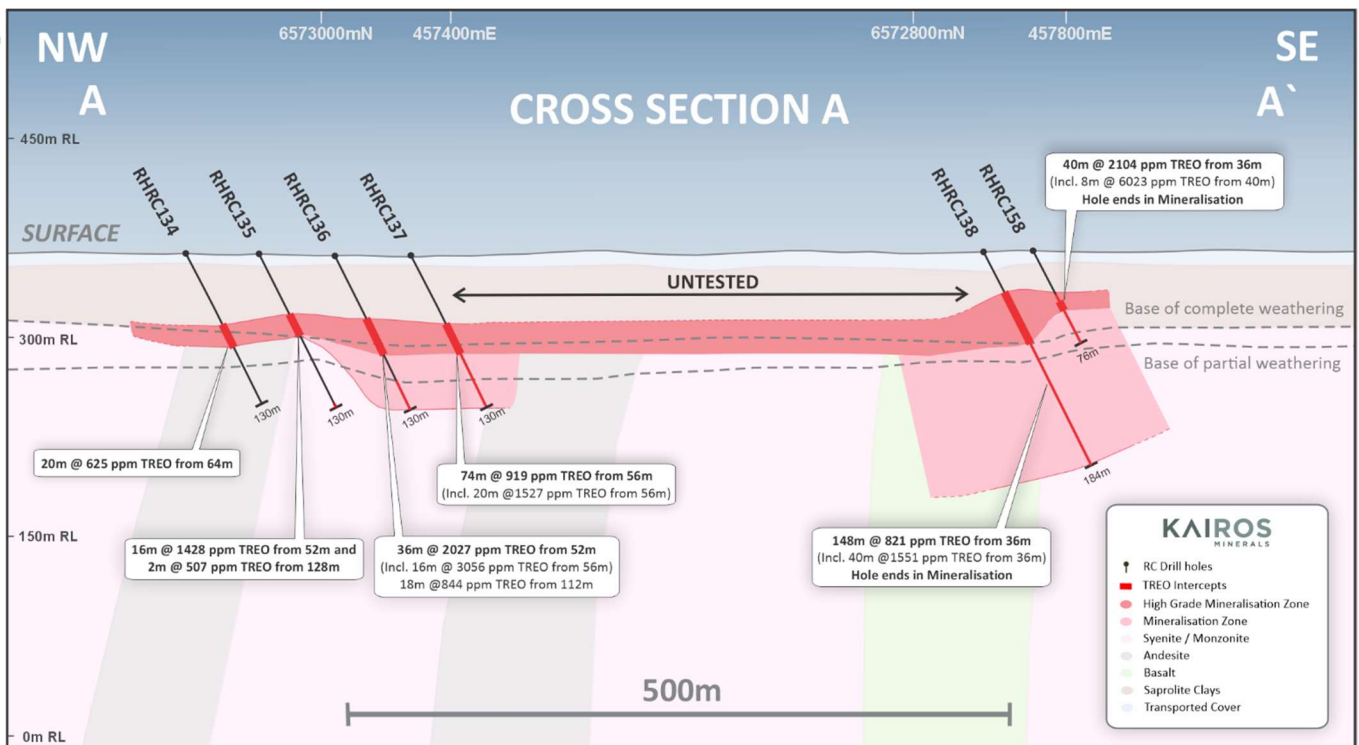


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**Table 1.** Composite samples for initial sighter test work for the REE samples at Black Cat.

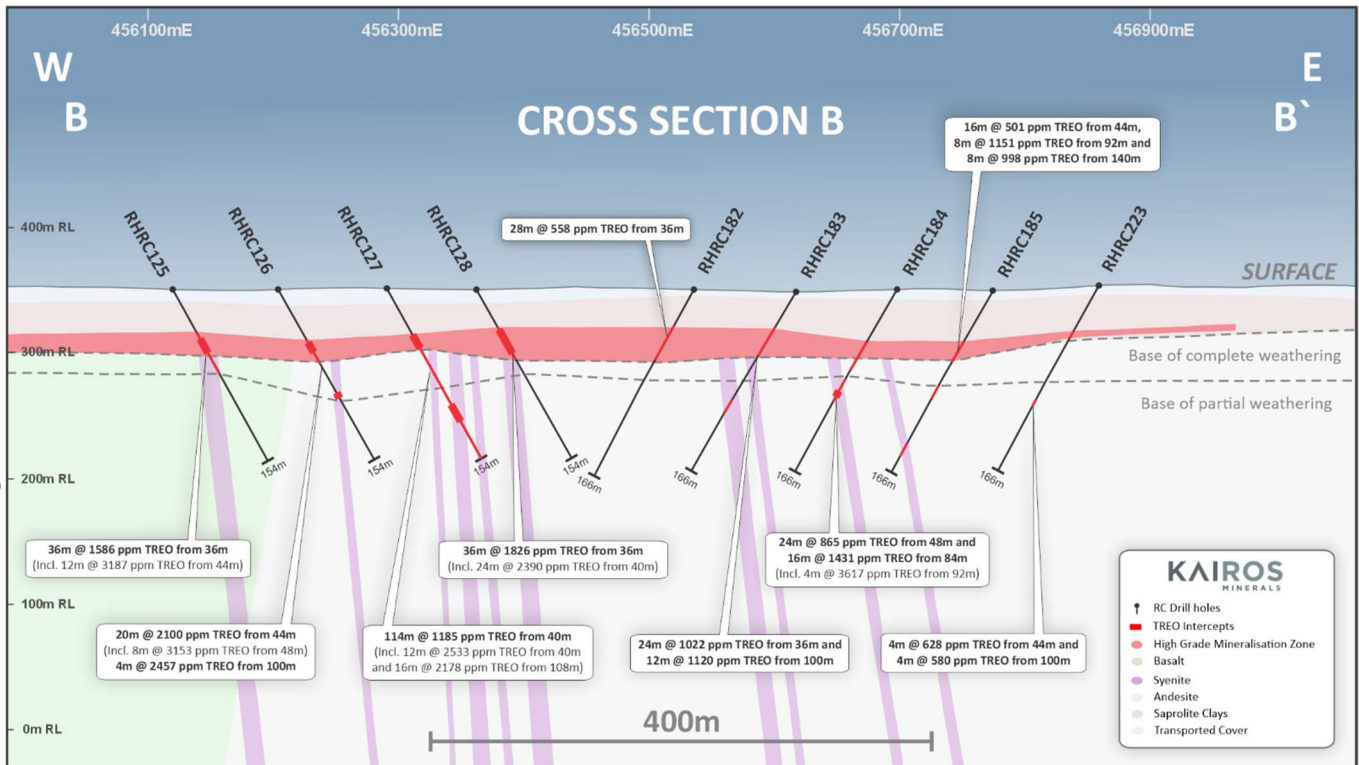


**Figure 3:** Black Cat REE drill results. See Figures 4 and 5 for cross-sections.



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**Figure 4:** Cross-section A-A` with rare earth intercepts. See **Figure 3** for section location.



**Figure 5:** Cross-section B-B` with rare earth drillhole intercepts. See **Figure 3** for section location.

## Crystal Palace Lithium

Drilling at Crystal Palace targeted a west-south-west trending swarm of pegmatites mapped in surface sub-crop (**Figure 6**), with coincident strong lithium and associated pathfinder soil anomalism in addition to Lithium-Tantalum-Caesium (LCT) fertility indicators such as low K/Rb ratio (<25 across pegmatite intercepts) and lithium-bearing lepidolite mica in rock chips. Several narrow 1-3m wide, steeply-dipping pegmatites were intersected in the drilling, with lepidolite noted in most intercepts which was backed up by XRD mineralogy. The best lithium grades returned (**Table 2**) were:

- **3m @ 0.23% Li<sub>2</sub>O** from 29m including **1m @ 0.46% Li<sub>2</sub>O** from 30m (RHRC166)
- **3m @ 0.41% Li<sub>2</sub>O** from 87m including **1m @ 0.67% Li<sub>2</sub>O** from 88m (RHRC168)
- **1m @ 0.14% Li<sub>2</sub>O** from 8m (RHRC172)
- **2m @ 0.33% Li<sub>2</sub>O** from 98m (RHRC195)

The presence of lepidolite in the samples is encouraging from an LCT perspective, and the mapped pegmatite swarm disappears under shallow transported cover to the west, where the ongoing gravity survey may assist in identifying further drill targets under cover (**Figure 6**).

During the drilling program a sample of pegmatite float was discovered close to one of the planned drillhole traverses. The sample contained spodumene and was submitted for analysis which returned a value of **1.67% Li<sub>2</sub>O** (**Figure 6**). While this sample was not in its original location it still gives Kairos confidence that spodumene-bearing pegmatites occur in the Crystal Palace area which is 5km along-strike to the southwest of the Manna lithium deposit (ASX: GL1).

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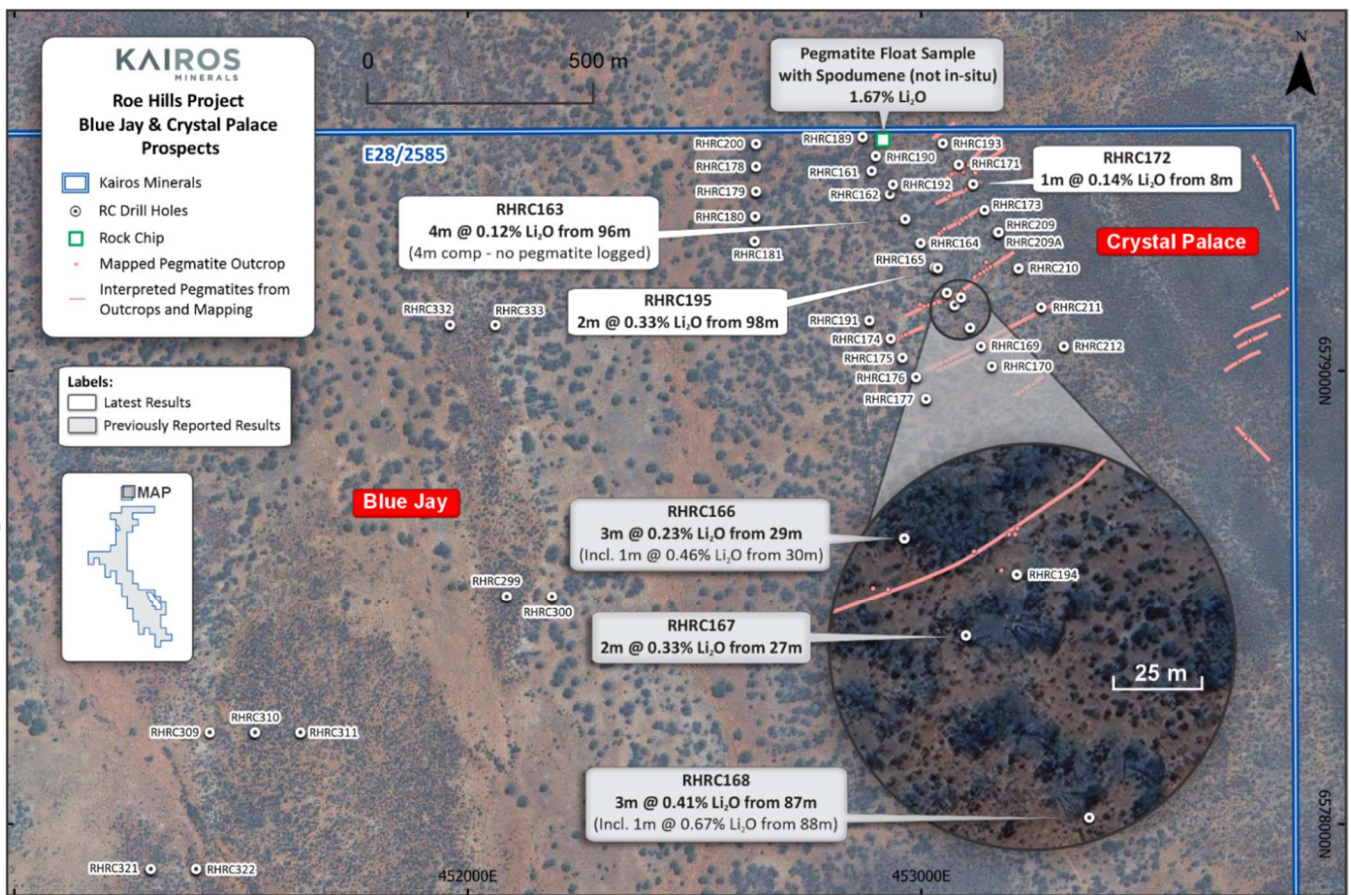


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Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)	Description
RHRC163	96	100	4	0.12	No pegmatite observed in chips
RHRC166	29	32	3	0.23	Lepidolite-bearing pegmatite in basalt
inc	30	31	1	0.46	Up to 40% lepidolite in pegmatite
RHRC167	37	39	2	0.33	Pegmatite in basalt
RHRC168	87	90	3	0.41	Pegmatite in basalt
inc	88	89	1	0.67	Pegmatite in basalt
RHRC172	8	9	1	0.14	Partially weathered pegmatite
RHRC195	98	100	2	0.33	Lepidolite-bearing pegmatite in basalt

**Table 2.** Significant drill intercepts for lithium at Crystal Palace >0.1% Li<sub>2</sub>O

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**Figure 6.** Crystal Palace (lithium) and Blue Jay (REEs) drill results. There are no significant REE results to report from Blue Jay.

## Blue Jay REEs

Drilling at Blue Jay was designed to test REE soil anomalies for significant REE mineralisation in regolith clays and primary granitic rocks. Nine RC drillholes were completed, however no significant REE mineralisation was encountered in the drillholes. It was noted that the granite body at Blue Jay did not have a well-developed clay-rich

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weathered profile like the profile observed at Black Cat, with many of the holes intersecting fairly fresh rock within a few meters of the surface.

While the results were generally disappointing, much of the broader Blue Jay area is under shallow cover and additional intrusive bodies may be identified within the gravity data currently being collected. This may lead to additional targets with potential for REE mineralisation.

## Black Cat Gold

Drilling for gold mineralisation at Black Cat returned intercepts of 4m @ 0.98g/t Au from 0m (RHRC139) and 4m @ 0.93g/t Au from 68m (RHRC160) during the quarter (**Table 3**). These results are along-strike of gold mineralisation reported from previous drilling in 2021 (4m @ 1.63g/t Au from 96m)<sup>3</sup> (**Figure 2**).

These results have most likely downgraded the prospectivity for Black Cat to host significant gold mineralisation, although the drilling did intersect REE mineralisation and syenites as reported above, and Black Cat North remains prospective for additional REE mineralisation.

Hole ID	From	To	Interval (m)	Au (g/t)	Description
RHRC139	0	4	4	0.98	Weathered basalt with 5% quartz veining
RHRC146	148	152	4	0.86	Altered andesite
RHRC147	52	56	4	0.95	Pale saprolite clay
RHRC160	68	72	4	0.93	Contact between shale and basalt. Minor pyrrhotite

**Table 3.** Significant assay results received for gold at Black Cat >0.3g/t Au

## **MT YORK GOLD PROJECT (100% KAIROS)**

During the reporting period, Kairos confirmed that the Mt York gold ore has straight-forward, non-refractory metallurgical characteristics with fast recoveries<sup>4</sup>.

Independent Metallurgical Operations Pty Ltd ('IMO') completed testwork on four fresh, representative composite samples across the whole of the strike length of the Main Trend of the Mt York Project, with gold grades ranging from 0.51 to 1.71 gpt Au.

Mt York has resources of **49.24 Mt at 1.02 g/t Au for 1.62 Moz** at a 0.5 g/t Au lower cutoff grade and **70.17 Mt at 0.84 g/t Au for 1.89 Moz** at a 0.3 g/t lower cutoff<sup>5</sup>.

Round 1 leach tests showed consistently fast leach kinetics with 86.5% to 99.6% gold recoveries after only 8 hours with notable low reagent consumption. Total gold recoveries after 48 hours were 86.6% to 95.2% (average 91.3%) which is considered by Kairos to be excellent.

Round 2 CIL leach tests with added carbon showed remarkably similar results (91.4%) to Round 1 tests, confirming highly leachable, non-refractory ore characteristics.

Future test work will optimise the recoveries of gold further.

<sup>3</sup> See KAI ASX announcement dated 13 July 2021 entitled 'Wide shallow gold zones at Roe Hills highlight potential to delineate oxide resources in active mining region'

<sup>4</sup> See KAI ASX announcement dated 20 September 2023 entitled 'Metallurgical results show excellent recoveries from simple processing route'

<sup>5</sup> See KAI ASX announcement dated 15 May 2023 entitled 'Resource increases to 1.6 Moz and remains open'

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## Mt York Gold Mining Lease Applications (MLAs)

No additional updates are available for the Mining Lease Applications submitted for the Mt York Gold Project in December 2022 although communications are ongoing with various government departments and stakeholders to advance the granting of the lease applications.

## Strategic Review of the Mt York Gold Project

Kairos announced that it is undergoing a strategic review of the Mt York Gold Project. This may involve the use of external strategic advisors and will solely focus on monetising the project to the benefit of shareholders.

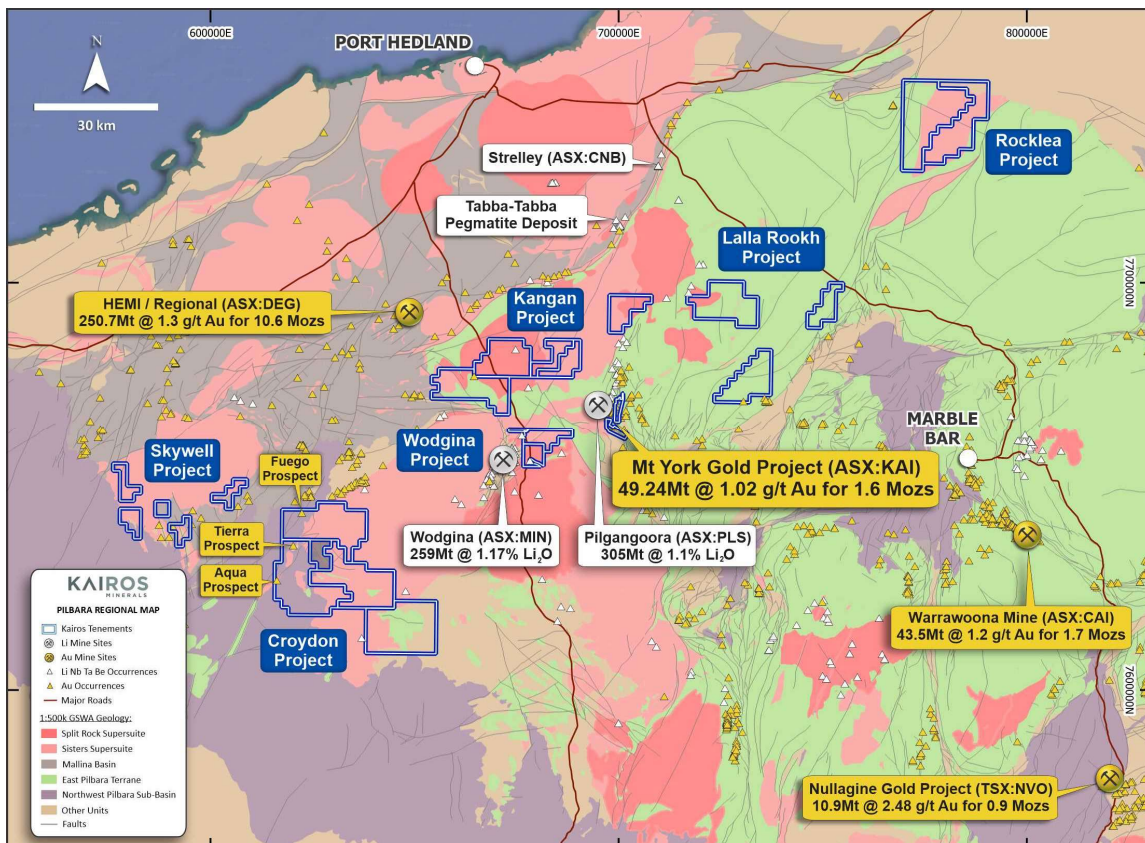
## PILBARA REGIONAL TENEMENTS (KAIROS 100%)

No fieldwork was conducted over the regional Pilbara tenement holding.

Satellite imagery interpretation of the tenement package has led to the location of possible pegmatite locations at the Croydon project where follow-up work is planned once an access agreement has been successfully negotiated with the aboriginal heritage group.

An application for Exploration Incentive Scheme (EIS) funding was successful to drill gold and lithium targets at the Kangan Project (**Figure 7**). Kairos is currently reviewing the targets and will make a final decision in the current quarter on the quality of the targets and a fully budgeted drill plan.

The regional Pilbara exploration plan is high-priority for the current quarter. Fieldwork is expected to commence once the Summer temperatures drop after the March quarter.





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Figure 7. Kairos's Pilbara tenement holding

## Next Steps

- Processing, display & geological interpretation of the gravity data over Black Cat, Crystal Palace and Blue Jay
- Target generation for REEs, drill planning and budgeting at Black Cat
- Metallurgical test work interpretation for REEs and implications for future processing
- Lithium and REE exploration at Roe Hills South area
- Access agreement negotiations for the Croydon tenements
- Review of the regional Pilbara exploration plan
- Strategic review of the 1.6 moz Mt York Gold Project

## Corporate

Kairos's Corporate office moved to Suite 12, Level 1, 100 Railway Road, Daglish, Western Australia 6008.

## Competent Person Statement:

*The information contained in this report relating to Exploration Results, and Minerals Resources has been previously reported by the Company as set out in the respective references within the presentation (Announcements). The Company confirms that it is not aware of any new information or data that would materially affect the information included in the Announcements and, in the case of estimates of Mineral Resources, released on 30 August 2022, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.*

## Events subsequent to reporting date

No matter or circumstance has arisen since 31 December 2023 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.

## 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.



Dr Peter Turner  
**Managing Director**

Perth, Australia.

Dated this the 14<sup>th</sup> day of March 2024



To the Board of Directors

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Kairos Minerals Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

*Hall Chadwick*  
HALL CHADWICK WA AUDIT PTY LTD

*Mark DeLaurentis*  
MARK DELAURENTIS CA  
Director

Dated this 14<sup>th</sup> day of March 2024  
Perth, Western Australia

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# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

## For the Half Year Ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
<b>REVENUE</b>			
Interest Income		56,741	20,734
Research and Development Incentive		-	560,656
Other		440	18,808
		<b>57,181</b>	<b>600,198</b>
Depreciation		(52,050)	(155,260)
Depreciation – right-of-use asset		(26,411)	(28,482)
Directors' fees		(162,626)	(152,420)
Share based remuneration	4d	(15,387)	(615,515)
Audit fees		(21,204)	-
Travel and marketing		(104,789)	(67,202)
Administration and other expenses		(173,185)	(138,898)
Finance costs		(4,561)	(10,459)
Professional and consulting fees		(183,734)	(188,912)
Occupancy expenses		(38,597)	(38,540)
<b>Loss before income tax</b>		<b>(725,363)</b>	<b>(795,490)</b>
Income tax expense		-	-
<b>Loss for the period after income tax</b>		<b>(725,363)</b>	<b>(795,490)</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(2,481)	-
<b>Other comprehensive income for the period, net of tax</b>		<b>(2,481)</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(727,844)</b>	<b>(795,490)</b>
<b>Loss attributable to:</b>			
Owners of Kairos Minerals Limited		(727,844)	(795,490)
Non-controlling interests		-	-
		<b>(727,844)</b>	<b>(795,490)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Kairos Minerals Limited		(727,844)	(795,490)
Non-controlling interests		-	-
		<b>(727,844)</b>	<b>(795,490)</b>
Basic (loss) per share (cents per share)	6	(0.028)	(0.04)
Diluted (loss) per share (cents per share)	6	(0.028)	(0.04)

The accompanying notes form part of these financial statements.

# Condensed Consolidated Statement of Financial Position

## As at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
<b>ASSETS</b>			
<b><i>Current assets</i></b>			
Cash and cash equivalents		6,425,679	4,140,068
Trade and other receivables		166,321	158,841
<b>Total Current Assets</b>		<b>6,592,000</b>	<b>4,298,909</b>
<b><i>Non-Current Assets</i></b>			
Other assets		26,501	20,501
Property, plant and equipment		304,673	311,869
Rights-of-used asset		103,927	9,676
Exploration and evaluation costs	5	30,491,072	27,857,726
<b>Total Non-Current Assets</b>		<b>30,926,173</b>	<b>28,199,772</b>
<b>TOTAL ASSETS</b>		<b>37,518,173</b>	<b>32,498,681</b>
<b>LIABILITIES</b>			
<b><i>Current Liabilities</i></b>			
Trade and other payables		294,809	694,816
Lease Liability		49,267	11,257
Provisions		44,722	38,399
<b>Total Current Liabilities</b>		<b>388,798</b>	<b>744,472</b>
<b><i>Non-Current Liabilities</i></b>			
Lease Liability		64,207	-
<b>Total Non-Current Liabilities</b>		<b>64,207</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>453,005</b>	<b>744,472</b>
<b>NET ASSETS</b>		<b>37,065,168</b>	<b>31,754,209</b>
<b>EQUITY</b>			
Contributed equity	4	100,504,845	95,783,706
Performance Rights/ Option fair value reserve		8,480,894	7,165,711
Accumulated losses		(71,919,460)	(71,194,097)
<b>Parent interests</b>		<b>37,066,279</b>	<b>31,755,320</b>
Non-controlling interests		(1,111)	(1,111)
<b>TOTAL EQUITY</b>		<b>37,065,168</b>	<b>31,754,209</b>

The accompanying notes form part of these financial statements.

# Condensed Consolidated Statement of Changes in Equity

## For the Half Year Ended 31 December 2023

Consolidated Entity	Contributed equity	Foreign exchange translation Reserve	Performance Rights/ Option Fair Value Reserve	Accumulated losses	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2023</b>	<b>95,783,706</b>	-	<b>7,165,711</b>	<b>(71,194,097)</b>	<b>(1,111)</b>	<b>31,754,209</b>
Loss for the period attributed to owners	-	-	-	(725,363)	-	(725,363)
Other comprehensive income	-	(2,481)	-	-	-	(2,481)
<b>Total comprehensive (loss) for the period</b>	-	<b>(2,481)</b>	-	<b>(725,363)</b>	-	<b>(727,844)</b>
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued (net of costs)	4,721,139					4,721,139
Options issued			1,317,664			1,317,664
<b>Balance at 31 December 2023</b>	<b>100,504,845</b>	<b>(2,481)</b>	<b>8,483,375</b>	<b>(71,919,460)</b>	<b>(1,111)</b>	<b>37,065,168</b>
<b>Balance at 30 June 2022</b>	<b>92,077,736</b>	-	<b>6,535,060</b>	<b>(69,667,840)</b>	<b>(1,111)</b>	<b>28,943,845</b>
Loss for the period attributed to owners	-	-	-	(795,490)	-	(795,490)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive (loss) for the period</b>	-	-	-	<b>(795,490)</b>	-	<b>(795,490)</b>
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued (net of costs)	50,000,	-	-	-	-	50,000
Options issued	-	-	615,515	-	-	615,515
<b>Balance at 31 December 2022</b>	<b>92,127,736</b>	-	<b>7,150,575</b>	<b>(70,463,330)</b>	<b>(1,111)</b>	<b>28,813,870</b>

The accompanying notes form part of these financial statements.



# Condensed Consolidated Statement of Cash Flows

## For the Half Year Ended 31 December 2023

	31 December 2023	31 December 2022
	\$	\$
<b><i>Cash flows from operating activities</i></b>		
Payments to suppliers and employees	(699,455)	(534,425)
Research and development Incentive	-	387,317
Other income	-	18,808
Interest received	56,741	20,637
<b>Net cash flows used in operating activities</b>	<b>(642,714)</b>	<b>(107,663)</b>
<b><i>Cash flows related to investing activities</i></b>		
Payment for purchases of plant and equipment	(36,862)	(158,639)
Payment for tenements and exploration	(2,711,733)	(4,045,667)
<b>Net cash flows used in investing activities</b>	<b>(2,748,595)</b>	<b>(4,204,306)</b>
<b><i>Cash flows related to financing activities</i></b>		
Proceeds from issues of securities	6,552,280	-
Capital raising costs	(858,860)	-
Repayment of lease liabilities	(16,500)	(61,250)
<b>Net cash flows from financing activities</b>	<b>5,676,920</b>	<b>(61,250)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents</b>	<b>2,285,611</b>	<b>(4,373,219)</b>
Cash and cash equivalents at the beginning of the period	4,140,068	6,998,072
<b>Cash and cash equivalents at the end of the period</b>	<b>6,425,679</b>	<b>2,624,853</b>

The accompanying notes form part of these financial statements.

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# Notes to the Condensed Consolidated Financial Statements

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## Note 1 – Basis of Preparation

The general purpose financial report for the interim half-year reporting period ended 31 December 2023 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 2023 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

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period.

There is no implementation of new standard on the financial performance or position of the Group.

### Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the period of \$725,363 (2022: \$795,490) and net cash outflows from operating activities of \$642,714 (2022: \$107,663). The Group is currently in a working capital surplus position of \$6,203,202 (30 June 2023: \$3,554,437).

The directors have prepared an estimated cash flow forecast for the 12 month period from the date of this report to determine if the Group will require additional funding during the period. Based on the cash flow forecast, the Directors are satisfied that there are reasonable grounds to believe that the Group will be able to operate as a going concern.

## 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

There were no material contingent liabilities and contingent assets not disclosed in the financial statements of the Company as at 31 December 2023.

# Notes to the Condensed Consolidated Financial Statements

## Note 4 – Contributed Equity

	Note	31 December 2023 \$	30 June 2023 \$
Ordinary shares fully paid		101,412,027	95,783,706
		<b>101,412,027</b>	<b>95,783,706</b>

### 4a Ordinary Shares

Ordinary Shares	31 December 2023	
\$	No.	\$
At the beginning of reporting period	2,184,093,491	95,783,706
<i>Shares issued during period</i>		
- Issue of shares - Placement	436,818,698	6,552,280
Less: capital raising costs	-	(1,831,141)
<b>At reporting date</b>	<b>2,620,912,189</b>	<b>100,504,845</b>

### 4b Options

Options	31 December 2023	
	No.	\$
At the beginning of reporting period	501,400,000	6,828,211
<i>Options movements during period</i>		
- Issue of options to lead manager	50,000,000	352,269
- Issue of underwriting options	145,606,233	950,008
- Expiry of options	(343,400,000)	-
- Vesting of share based payments	-	15,387
<b>At reporting date</b>	<b>353,606,233</b>	<b>8,145,875</b>

### 4c Performance Rights

Performance Rights	31 December 2023	
	No.	\$
<b>At the beginning of the reporting period and as at the reporting date</b>	<b>25,000,000</b>	<b>337,500</b>

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# Notes to the Condensed Consolidated Financial Statements

## 4d Share Based Payments

The Company issued the following options during the year:

- 50,000,000 options as share based payments to Directors and employees during the period totalling \$630,651.

Equity settled share-based payments	31 December 2023 \$
Lead manager (capital raising costs) <sup>1</sup>	352,269
Underwriter options (capital raising costs) <sup>2</sup>	950,008
Employees – vesting of previously issued options	15,387
<b>Total equity settled share-based payments</b>	<b>1,317,664</b>

(1) During the period, the Company issued 50,000,000 options to joint lead manager of the Company's non-renounceable entitlement offer completed on 26 July 2023. The fair value of options issued (\$352,269) was estimated at the date of grant using a Black-Scholes valuation model taking into account the terms, the underlying values of the shares, the exercise price, the impact of dilution and the risk-free interest rate. A summary of the inputs used in the valuation of the options is listed below. This amount was recognised as a capital raising cost (refer note 4a).

Unlisted Options issued to Lead Manager	5c expiring 1 May 2026
Expiry Date	1-5-2026
Exercise Price	\$0.05
Fair Value per Option	\$0.007
Share Price at date of issue	\$0.02
Expected Volatility	88.10
Risk Free Interest Rate	3.98%

(2) During the period, the Company issued 145,606,233 options to underwriters of the Company's non-renounceable entitlement offer completed on 26 July 2023. The fair value of options issued (\$950,008) was estimated at the date of grant using a Black-Scholes valuation model taking into account the terms, the underlying values of the shares, the exercise price, the impact of dilution and the risk-free interest rate. A summary of the inputs used in the valuation of the options is listed below. This amount was recognised as a capital raising cost (refer note 4a).

Unlisted Options issued to Underwriters	5c expiring 1 May 2026
Expiry Date	1-5-2026
Exercise Price	\$0.05
Fair Value per Option	\$0.0065
Share Price at date of issue	\$0.02
Expected Volatility	87.60
Risk Free Interest Rate	3.98%

## Note 5 – Exploration and Tenement Expenditures

	31 December 2023 (\$)	30 June 2023 (\$)
Balance at the start of the year	27,857,726	21,456,758
Exploration expenditure capitalised	2,633,346	6,400,968
<b>Total capitalised exploration expenditure</b>	<b>30,491,072</b>	<b>27,857,726</b>

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# Notes to the Condensed Consolidated Financial Statements

## Note 6 – Loss per Share

	31 December 2023	31 December 2022
Basic (loss) per share (cents)	(0.028)	(0.04)
Diluted (loss) per share (cents)	(0.028)	(0.04)
a) Net loss used in the calculation of basic and diluted loss per share	(725,363)	(795,490)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	2,561,237,503	1,963,667,261

## Note 7 – Related Party Transactions

As approved by shareholders on 13 October 2023, the directors have sub-underwritten the non-renounceable rights issue announced on 27 June 2023. As part of the fees of the sub-underwriting, the directors received sub-underwriter options with an exercise price of \$0.05 and an expiry date of 1 May 2026 as follows:

Director	Sub-underwritten amount	No. of options	Value \$
Klaus Eckoff	\$240,000	5,333,333	34,797
Phillip Coulson	\$700,000	15,555,556	104,492
Zane Lewis	\$50,000	1,111,111	7,249
Mark Calderwood	\$20,000	444,444	2,900
Peter Turner	\$20,000	444,444	2,900

In addition to the sub-underwriter options, the Director received a 1% cash fee from the Joint Underwriters (Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Limited).

Other than the above, there have been no changes to the nature of related party transactions than those described in the 30 June 2023 Annual Report.

## Note 8 – Events Subsequent to Reporting Date

No matter or circumstance has arisen since 31 December 2023 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.

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# Directors' Declaration

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The Directors of the Company declare that;

1. the financial statements and notes, as set out on pages 14 to 21, 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 2023 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.



Dr Peter Turner  
**Managing Director**

Perth, Australia.

Dated this the 14<sup>th</sup> day of March 2024.

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF KAIROS MINERALS LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Kairos Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, 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 Kairos Minerals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Responsibility of the Directors for the 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

*Hall Chadwick*  
HALL CHADWICK WA AUDIT PTY LTD

*Mark Delaurentis*  
MARK DELAURENTIS CA  
Director

Dated this 14<sup>th</sup> day of March 2024  
Perth, Western Australia



# Corporate Directory

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## COMPANY

Kairos Minerals Limited  
ACN 006 189 331

## DIRECTORS

Dr Peter Turner	Managing Director
Mr Mark Calderwood	Non-Executive Director
Mr Zane Lewis	Non-Executive Director
Mr Philip Coulson	Non-Executive Director

## COMPANY SECRETARY

Mr Robbie Featherby  
Mr Sebastian Andre

## REGISTERED OFFICE

Suite 12, Level 1  
100 Railway Road  
Daglish WA 6008

Phone: +61 (0)8 6380 1904  
Facsimile: +61 (0)3 9614 0550

## SHARE REGISTRY

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Level 5, 126 Phillip Street  
Sydney NSW 2000

Telephone: 1300 288 664  
Telephone: +61 2 9698 5414 (outside  
Australia)

## SECURITIES QUOTED

*Australian Securities Exchange (ASX)*  
Shares – KAI

## COMPANY WEBSITE

[www.kairosminerals.com.au](http://www.kairosminerals.com.au)

## SOLICITORS

Hamilton Locke  
Central Park, Level 48  
152-158 St Georges Terrace  
Perth WA 6000

## AUDITORS

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Road  
Subiaco WA 6008

## BANKERS

National Australia Bank  
Melbourne, Victoria  
Australia 3000

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