



ABN 84 006 189 331

**HALF-YEAR FINANCIAL
REPORT**

31 December 2024

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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 2024.

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 Robert Klug

Results

For the six months ended 31 December 2024, the Company incurred a consolidated comprehensive loss after income tax of \$1,723,189 (31 December 2023: \$727,844).

Review of Operations

MT YORK GOLD PROJECT (100% KAIROS)

During the reporting period, Kairos negotiated and completed a sale agreement of a non-core ground near Mt York to Pilbara Minerals Ltd (ASX:PLS) for \$20m and completed a scoping study at the Mt York Gold Project.

Sale Agreement of non-core asset to Pilbara Minerals Ltd

Under the sale agreement signed by all parties on 30 July 2024 Pilgangoora Operations Pty Ltd ("POPL") and Ngungaju Lithium Operations Pty Ltd ("NLO") (both wholly-owned subsidiary of ASX-listed Pilbara Minerals Ltd, "PLS") agreed to acquire 100% of the right, title and interest in six prospecting licences and the overlying and associated mining lease application (ML45/1307) for \$20,000,000 (**Purchase Price**) in two tranches. The first \$10m cash payment was made on 5th September 2024. The second tranche is expected in CY2025.

Royalty Deed

With effect from the grant of a mining lease over the ground that is the subject of the M45/1307 application, a **Royalty Deed** is to be entered into by the parties giving Kairos a 2% royalty on any lithium, tantalum and gold sales by POPL/NLO over this ground.

Mineral Rights

Kairos and POPL each have the right to require the parties to negotiate a mineral rights agreement which will grant to Kairos the sole and exclusive right to explore for minerals (except lithium and tantalum) over the '**Gold Tenements**' (these tenements and applications are shown in **Figure 1**). Kairos will grant to **POPL** or **NLO** a 2% royalty on gross revenue on all minerals mined over these tenements. In the event the parties

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do not reach mutually agreed terms in relation to the **Gold Tenements**, POPL and NLO will grant to Kairos a 2% royalty on gross revenue on all minerals (except lithium and tantalum) over the **Gold Tenements**.

Kairos and PLS commenced negotiations of the mineral rights agreement during the reporting period and expect to consummate an agreement in early 2025 to allow drilling activities to proceed.

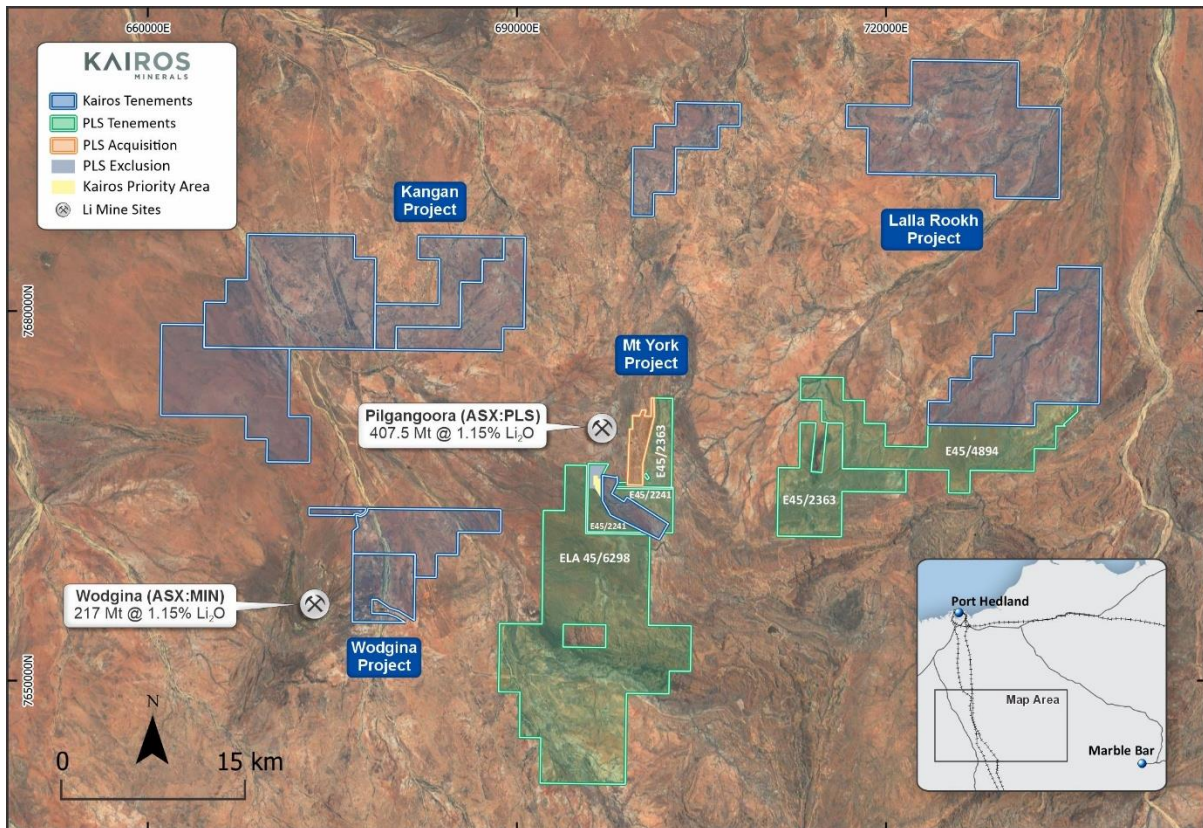


Figure 1. The location of the **Mt York Gold Project** relative to the PLS “**Gold Tenements**”.

Tenement	Registered Holder	Status	Grant date or application date
E45/2241	POPL	Granted	24/04/2002
E45/2363	NLO	Granted	01/05/2006
E45/4894	NLO	Granted	15/10/2020
E45/6298	NLO	Application	26/08/2022

Table 1. “**Gold Tenements**” under the Kairos-PLS agreement signed on 30 July 2024.

Mt York Resource Update

Two relatively small gold prospects containing 233,000 ounces of gold (14% of the Mt York Gold Project inventory) called Iron Stirrup and Old Faithful occur on the licences that were sold to PLS. As a result, Kairos disclosed a new resource statement to the ASX on 5th September 2024.

The updated Mt York Mineral Resource Estimate is shown in **Table 2** and was first reported in the press announcement dated 15 May 2023 entitled ‘Resource increases to 1.6Moz and remains open’.

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Deposit	Cut-off (Au g/t)	Indicated			Inferred			Total		
		Tonnes (Mt)	Au (g/t)	Ounces (kozs)	Tonnes (Mt)	Au (g/t)	Ounces (kozs)	Tonnes (Mt)	Au (g/t)	Ounces (kozs)
Main Trend	0.5	20.25	1.06	690	22.83	0.95	697	43.08	1.00	1,385
Total Mt York		20.25	1.06	690	22.83	0.95	697	43.08	1.00	1,385

Table 2. Mineral Resource Estimate for the Mt York Gold Project

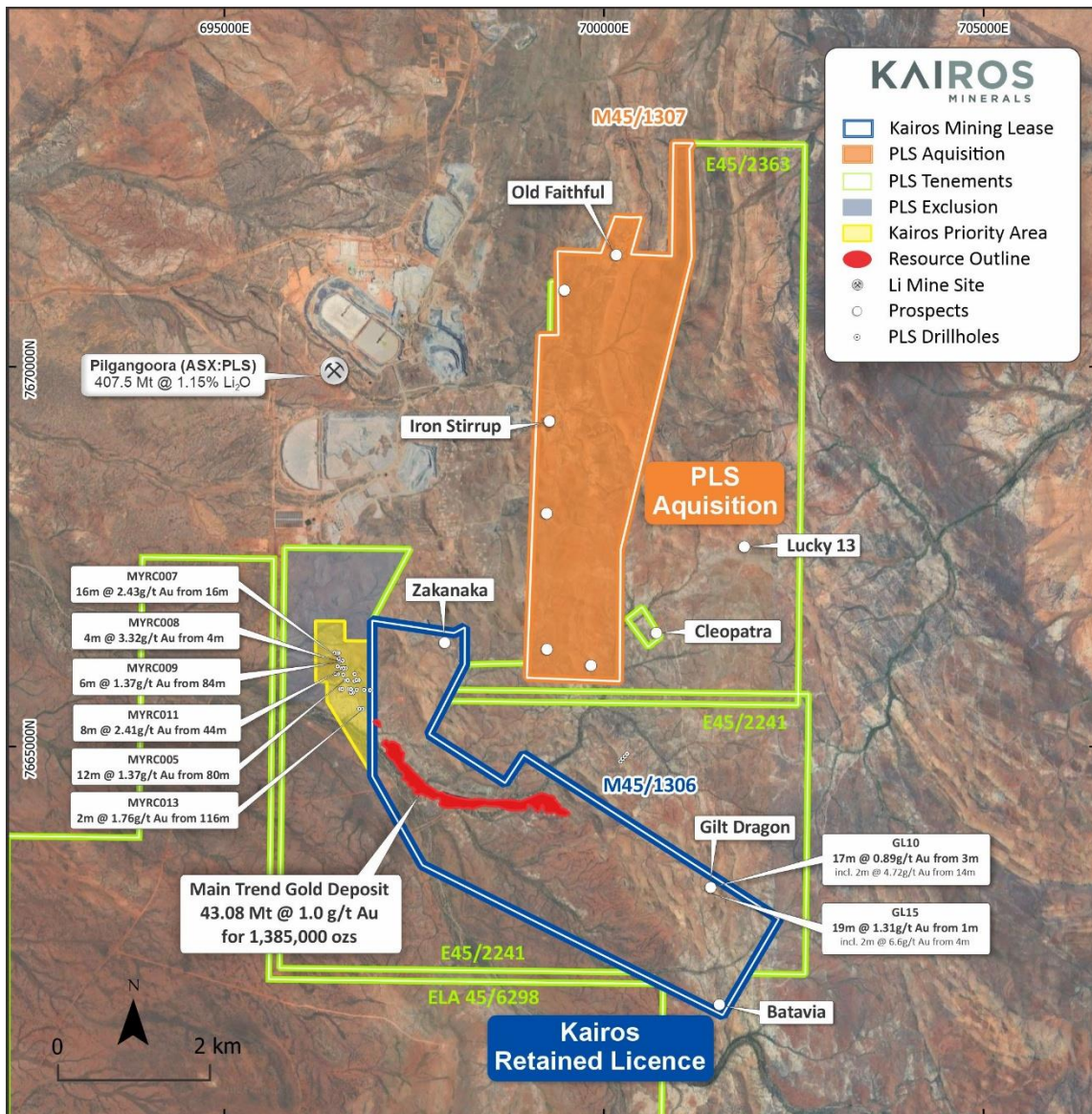


Figure 2. The Mt York Main Trend Gold Deposit (red) showing the 1,500m extension of the deposit towards the northwest on E45/2241. Kairos will have priority access to the yellow area once a full agreement is entered into in relation to the Gold Tenements. Note M45/1306 is a pending mining lease application.

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Scoping Study Results

The Scoping Study for the Mt York Gold Project was released to the ASX on the 27th November 2024 and was the culmination of 5 months work in concert with senior and reputable consulting group GR Engineering Services (capital and operating costs for processing, tailings, site infrastructure and general & administration) supported by Cube Consulting Pty Ltd (capital and operating costs for mining, open pit designs and mining schedules).

The project, which is the subject of a mining lease application, has resources of **43.08 Mt @ 1.00 g/t Au for 1.39 Moz**¹ at a 0.5 g/t Au lower cutoff grade. At a 0.3 g/t Au lower cutoff grade, the resource increases to **62.95 Mt @ 0.81 g/t Au for 1.64 Moz**.

The scoping study involved additional metallurgical test work to determine an optimal material grind size for mill design and operating cost inputs. The metallurgical test work confirmed that an optimal grind size of 75µm will provide recoveries ≥88% from fresh mineralisation. Improvement and optimisation studies will be undertaken on oxidised, partially-oxidised and fresh mineralised material aimed at increasing gold recoveries during the pre-feasibility study.

Mine design and mine production schedules were completed on the deposit by Cube for mill throughput rates of 2.5, 4.0 and 5.0 Mtpa. The Mine design and schedule targeted higher-confidence areas within the deposit, resulting in mill throughput of >70% (and up to 93%) higher confidence indicated resources from the resource model in the target production.

The base case scenario chosen for the Mt York Scoping Study is a standalone mining and conventional CIL process plant with a 4 Mtpa throughput rate resulting in an 8-year mine life based on current resources.

The Company has constrained the Scoping Study by using >70% indicated resources that carry a higher geological confidence as defined under the JORC code. Improvements will be sought as the Company embarks on a major drilling programme to increase resources and to convert existing inferred to indicated resources ahead of the next mineral resource estimate.

Importantly, Kairos's next drill programme will concentrate on drilling a Priority Zone on PLS tenements that form part of the Kairos-PLS Agreement signed on 5th September 2024 and is confident that it will add additional gold resources ahead of a pre-feasibility study.

Summary Scoping Study Highlights and Financial Outcomes

The Company modelled three different mining operations and process rates (2.5, 4.0, 5.0 Mtpa) through the same processing circuit configuration (**Table 3**). The base case chosen for the scoping study was a 4.0 Mtpa process rate that shows advantages over the other scenarios in terms of capital cost entries and LOM operating cost savings. However, both the 2.5 and 5.0 Mtpa options will be considered again at a pre-feasibility level of study. The aggressive drilling campaign that follows the scoping study will target resource growth and increased resource confidence that will have a significant impact on the project technical factors and ultimately the economic outcomes (see **Table 3**).

¹ See ASX announcement dated 15 May 2023 entitled 'Resource increases to 1.6 Moz and remains open' and ASX announcement dated 5 September 2024 entitled 'Completion of sale of non-core tenements to Pilbara Minerals and receipt of first \$10m'

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Key Operational Assumptions	Units	2.5 Mtpa	4.0 Mtpa	5.0 Mtpa
Mining Duration	Yrs	9.1	6.5	5.5
Mining – ore	Mt	25.6	25.6	25.6
Mining – waste	Mt	146.5	146.5	146.5
Ore Processed	Mt	25.6	25.6	25.6
Stockpile Reclaim	Mt	10.1	9.2	8.9
Average strip ratio (LOM)	Ratio	5.7	5.7	5.7
Processing Duration	Yrs	11.1	7.25	6.0
Process Rate	Mtpa	2.5	4.0	5.0
Indicated Resources to mill (LOM)	%	71.4	71.4	71.4
Gold Grade (LOM)	g/t	0.91	0.91	0.91
In-situ ounces to mill (LOM)	Koz	747	747	747
Gold Recovery	%	88	88	88
Recovered ounces/payable metal (LOM)	Koz	657.2	657.2	657.2
Key Financial Assumptions				
Discount rate	%	5	5	5
Gold Price	A\$	3,500	3,500	3,500
Exchange Rate	US\$/A\$	1.53	1.53	1.53
Capital Estimates				
CAPEX – pre-production	A\$M	211	276	344
Sustaining CAPEX	A\$M	48	48	48
LOM Capital	A\$M	259	324	392
Key Project Outcomes				
Payable Metal	Koz	657.2	657.2	657.2
Gross Revenue	A\$M	2,300	2,300	2,300
Mining Costs - Total	A\$M	804	804	804
Processing Costs - Total	A\$M	511	502	486
General and Administrative Costs	A\$M	37	37	37
OPEX per year (LOM average)	A\$M	113	168	221
OPEX per oz (LOM average)	A\$/oz	2059	2044	2020
All-in Sustaining Costs (LOM average)	A\$/oz	2220	2205	2181
Royalties (% of Net Revenue)	A\$M	58	58	58
EBITDA	A\$M	890	899	915
Operating Profit	A\$M	631	575	533
Net Profit	A\$M	383	348	332
Project Returns				
Project Free Cash Flow (undisc and pre-tax)	A\$M	630	574	511
Project NPV _{5%} (unleveraged and pre-tax)	A\$M	423	410	358
Project IRR (unleveraged, pre-tax, calculated on annual basis)	%	34.7	35.7	29.4
Payback Period (unleveraged and post-tax)	Years	3.2	2.7	2.9

Table 3. Key project assumptions, cost estimates and financial outcomes for 2.5, 4 & 5 Mtpa.

Mining, Production Schedule and Target

Mining Engineering consulting group Cube Consulting Pty Ltd developed mining schedules for the 2.5, 4.0 and 5.0 Mtpa mining & processing scenarios for the Main Trend gold mineralisation, assuming a contract

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mining operating strategy. Pit optimisations completed by Auralia in 2023 using a gold price of A\$3,100/ounce were used as a guide to develop newly completed pit and stage designs.

A total of five pit stages were developed, two each in Main Hill (MH) and Breccia Hill (BH), and one in Gossan Hill (GH) to the east. Pits will be developed using conventional open pit mining supported by 10m drill and blast benches, excavators working 5m flitches. Preliminary geotechnical assumptions of 55° batter face angles (BFA) and a 40° inter-ramp angle (IRA) were assumed for the study.

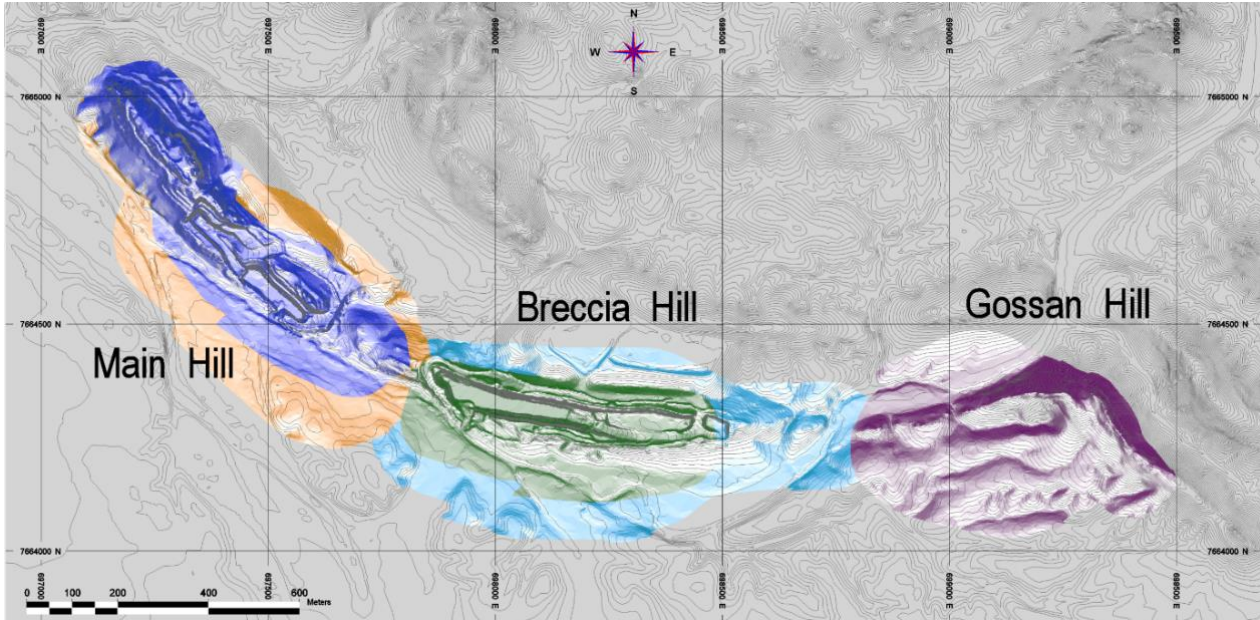


Figure 3: Pit stages at prospects Main Hill, Breccia Hill and Gossan Hill ('Main Trend').

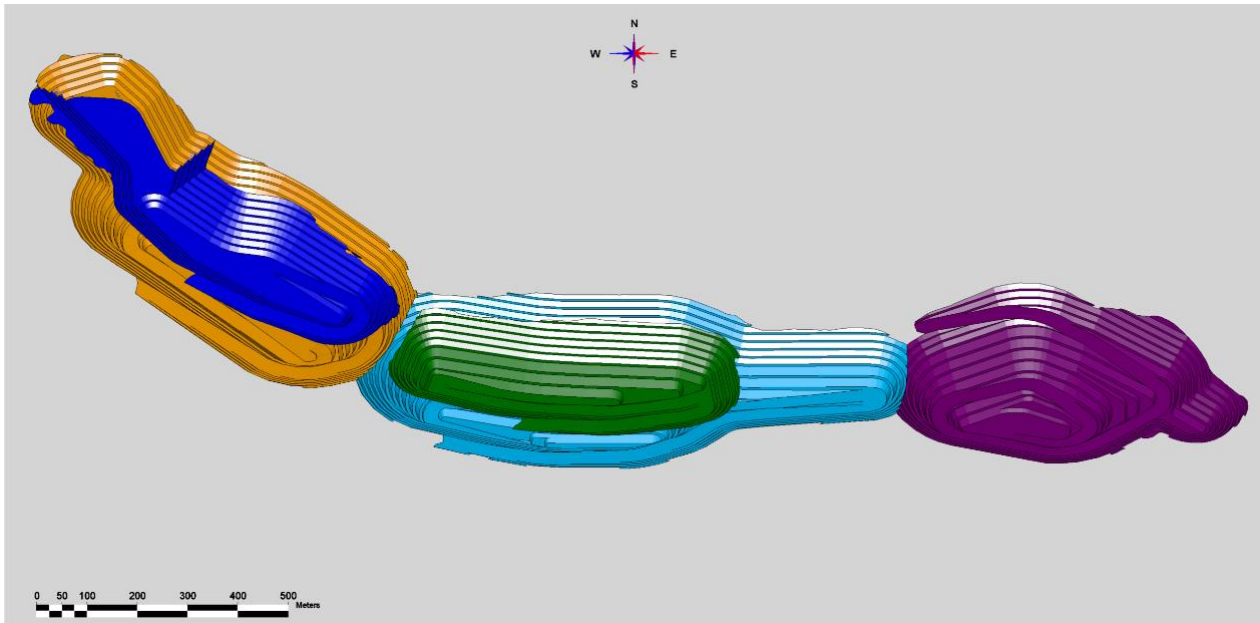


Figure 4: Isometric view of all Mt York design stages.

Priority consideration was given to indicated resources (higher confidence) over inferred resources (lower confidence) especially in the earlier years of mine development and the majority within the estimated payback period of the project.

The Scoping Study estimates that a total of 25.6 Mt of mineralisation at an average head grade of 0.91 g/t Au for 747,000 ounces of gold will be mined (Figure 5) in a single, stage open pit (Figures 3 & 4), producing 657,200 recovered ounces for each of the three process rate scenarios. Of this, 18.3 Mt of mineralisation

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is classified as 'indicated' and 7.3 Mt is classified 'inferred' with an average of 71.4% of the available mineralisation for LOM sitting in the indicated category.

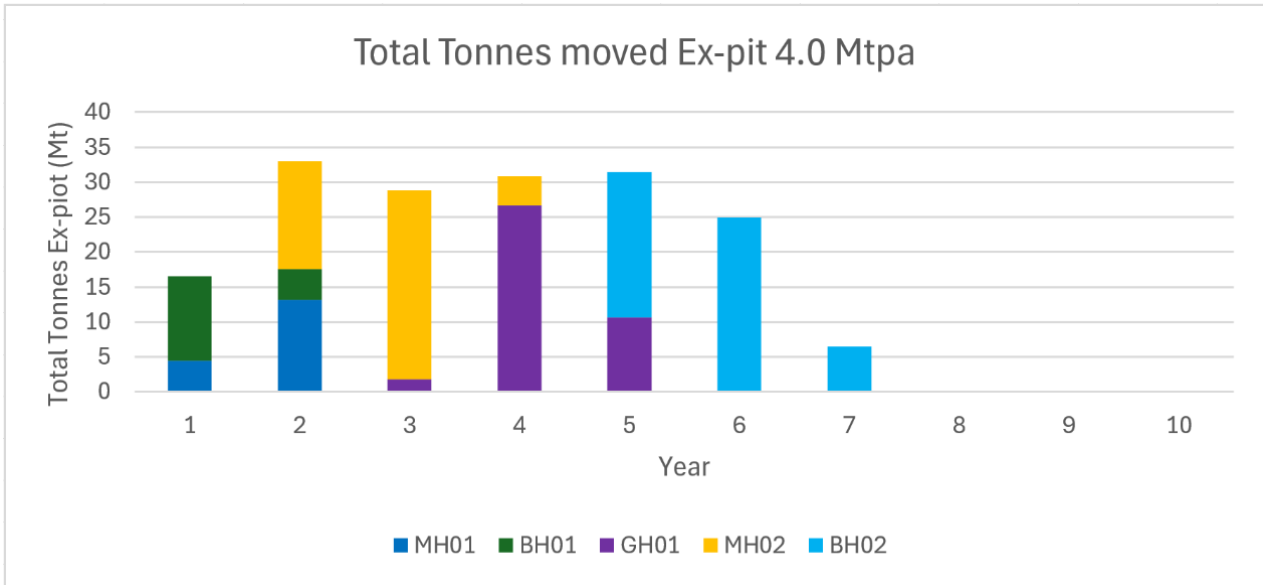


Figure 5: Total ex-pit movement by stage by year for the base case 4.0 Mtpa

Mining during the five stages of development results in strip ratios (the measure of waste tonnes to ore tonnes) ranging from 3.3 to 10.4 with an average life of mine (LOM) ratio of 5.7.

Higher mining rates govern the larger processing throughputs for the 5.0 Mtpa resulting in a 5.5 year mine life, compared to 6.5 and 9.1 years for 4.0 and 2.5 Mtpa respectively.

A contract mining operation is assumed for the project supported by 240t excavators and 180t haul trucks. The mining method is conventional open pit, load and haul.

Metallurgy and Processing

Metallurgical recovery of 88% is estimated for fresh mineralised material through a conventional CIL circuit after new test work was completed for the Scoping Study by IMO under the guidance of GR Engineering Services (IMO 2024 results). This is lower, and more conservative, than previous leach test work results from the same mineralised samples completed by IMO in 2023 commissioned by the Company² where average gold recoveries of 91.3% were achieved at a grind size of 53 µm. Recovery improvements will be sought in future test work from fresh mineralisation and, importantly, the oxide and partially-oxidised mineralisation domains that have not been tested to date.

The process flow sheet developed for a 4 Mtpa at Mt York by GR Engineering Services includes a primary crusher and ore storage, followed by grinding to 80% passing 75 µm in a SAG mill/ball mill/pebble crusher (SABC) circuit. The ground product will be thickened and treated by cyanide leaching through a carbon-in-leach (CIL) circuit with an associated gold elution and electrowinning section. The CIL tailings stream will be thickened and pumped to the tailings storage facility (TSF).

² See KAI press announcement dated 20 September 2023 entitled 'Metallurgical results show excellent recoveries from simple processing route'

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The key process design criteria used to design the process flowsheet at Mt York is described in the **Table 4**.

Parameter	Units	Value
Production		
Annual Throughput	Mtpa	4
Head Grade	Au g/t	1.00
Leach Extraction	Au %	88
Gold Extracted	oz/a	113,171
Comminution Parameters		
SMC A x b		27.8
SMC ta		0.20
Rod Mill Work Index*	kWh/t	12.9
Ball Mill Work Index*	kWh/t	19.1
Abrasion Index*		0.207
Crushing		
Utilisation	%	80
Feed Rate to Vibrating Grizzly	t/h	571 (401 Oversize to Jaw)
Primary Crusher		Jaw
Installed Power	kW	250
Grinding		
Utilisation	h/a	8,000
Feed Rate	t/h	500
Primary Grinding Mill		SAG Mill
Installed Power	MW	9
Drive		Variable Speed
Secondary Grinding Mill		Ball Mill
Installed Power	MW	7.5
Drive		Fixed Speed
Feed Size	P ₈₀ mm	169
Product Size	P ₈₀ µm	75
Cyanidation		
Leach Feed Thickener Diameter	m	26
CIL Residence Time	h	30
Elution Type		Split AARL with single columns
Elution Batch Size	t	11
CIL Tailings Thickener Diameter	m	26

Table 4. Key Process Design Criteria

The processing plant is designed to operate seven days per week at a nominal rate of 500 dry t/h to the grinding circuit, operating with a utilisation rate of 91.3% or 8,000 h/a. The processing facility unit processes are based on conventional technology for gold extraction and recovery following a processing route shown in **Figure 6** of:

- Open circuit primary crushing using a 250 KW jaw crusher to a crushed ore stockpile;
- Stockpile reclaim with two apron feeders;
- Closed circuit grinding using a 9 MW semi-autogenous grinding (SAG) mill with a 7.5 MW ball mill and a pebble crusher in closed circuit (SABC circuit);
- Classification in a cluster of 400 mm diameter hydrocyclones to a product size of 80% passing 75 µm;
- Thickening of the ground product in a 26 m diameter thickener prior to leaching;

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- Leaching in a hybrid carbon-in-leach (CIL) circuit comprising one leach tank followed by six CIL adsorption tanks;
- Acid washing and elution of the loaded carbon in a single column split AARL elution circuit, and thermal regeneration of the barren carbon prior to return to the CIL circuit;
- Electrowinning of the pregnant eluate and smelting of cathode sludge to produce a final product of gold doré;
- Thickening of the CIL tailings in a 26 m diameter thickener to maximise the recovery of process water;
- Treatment of the tailings slurry to reduce the residual cyanide as required;
- Pumping of the final tailings to the TSF with water recovery for recycling back to the process plant, and
- All of the major slurry and water pumping systems in the plant will include duty/standby pumps.

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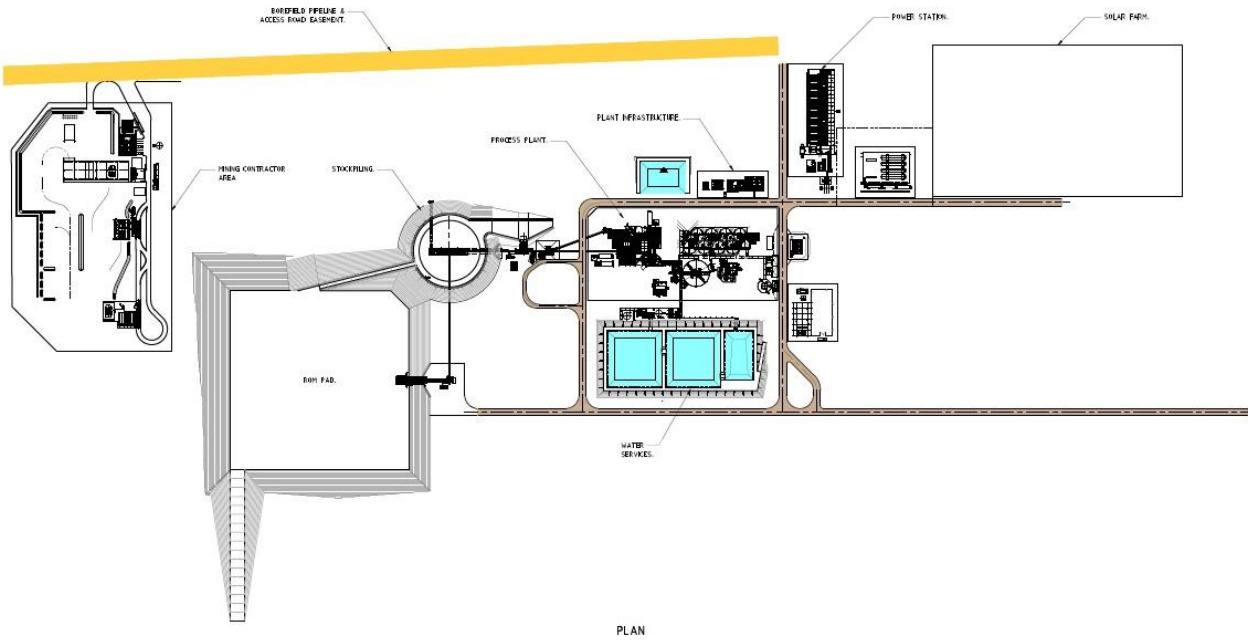


Figure 6: General site plan including ROM pad and process plant (schematic).

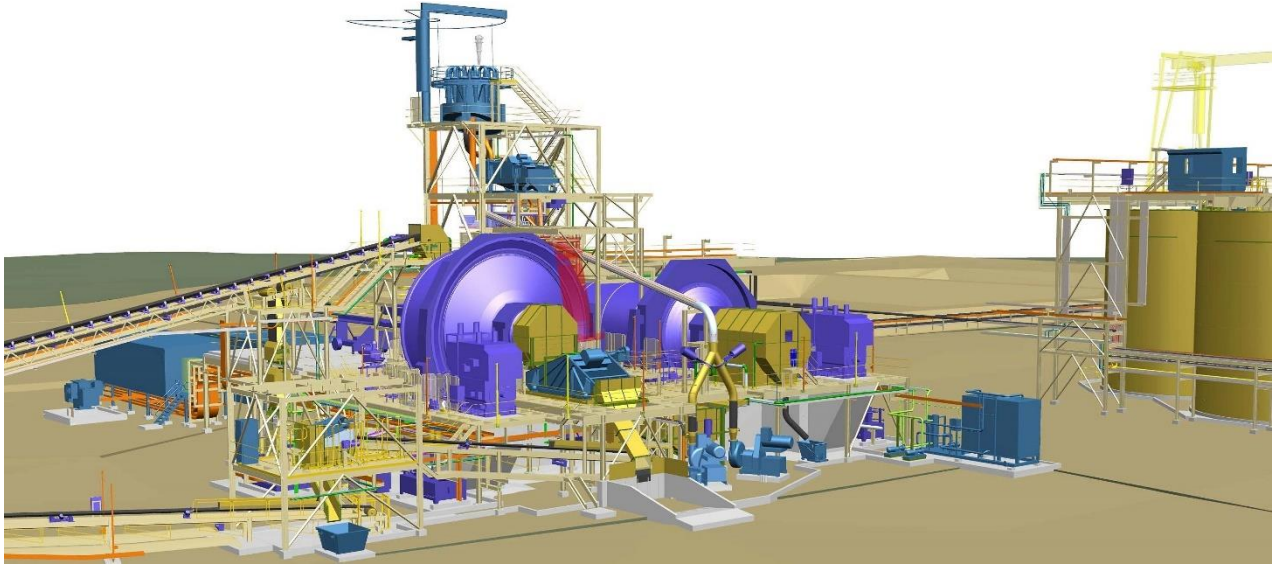


Figure 7: Schematic 3D design of 4 Mtpa process plant

Sensitivity Analysis

The Project financial outcomes point to a robust standalone gold operation with pre-production capital of \$276M, gross revenues of \$2.3Bn, strong free cash-flows estimated at \$574M, short payback period of 2.7 years and an 8 year mine life.

Based on a gold price of A\$3,500/oz the Project's ungeared and pre-tax NPV_{5%} is \$410M and the IRR is 35.7%. The Project's NPV is most sensitive to changes in the gold (sales) price, operating costs, USD:AUD exchange rate and total capital costs as shown in **Chart 1**.

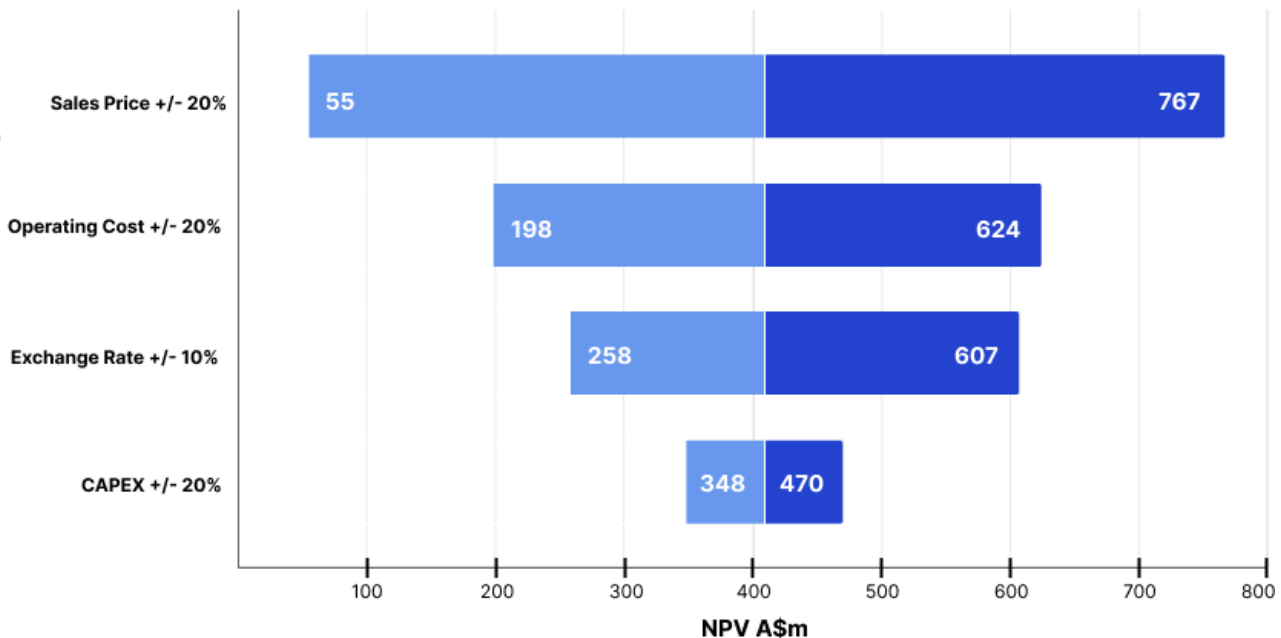


Chart 1. Tornado plot showing sensitivities in sales price, operating costs, exchange rate and total capital costs relative to the base case.

Resource Growth Upside

Aggressive resource growth drilling on high priority targets is planned for early 2025 including drilling the 1,500m of strike extent NW of Main Hill Prospect, where Pilbara Minerals have previously reported drill

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intercepts including 16m @ 2.43 g/t Au along the same mine stratigraphy as seen at Main Hill (**Figures 8 & 9**). If the planned 20,000m to 30,000m of drilling in Q2, 2025 is successful in determining new mineralisation as expected, a new mineral resource estimate will be completed and underpin future study phases that the Company is planning.

This includes an additional 1,500m of strike extension of the Main Trend mineralisation that has historical drill results including³:

- 12m @ 1.37 g/t from 80m (MYRC005)
- 16m @ 2.43 g/t Au from 16m (MYRC007)
- 4m @ 3.32 g/t Au from 4m (MYRC008)
- 6m @ 1.37 g/t Au from 84m (MYRC009)
- 8m @ 2.41 g/t Au from 44m (MYRC011)
- 2m @ 1.76 g/t Au from 116m (MYRC013)
- 5m @ 1.36 g/t Au from 173m (MYRC014)
- 15m @ 1.18 g/t Au from 13m (WSRC02)

Importantly, the Company recognises that there are some higher-grade mineralised intercepts included in the drilling and will look to expand the resource base especially looking at higher-grade, near surface mineralisation that may have a positive impact on future studies.

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³ See KAI press announcement on 1 August 2024 entitled 'Non-core Mt York ground sold to Pilbara Minerals for \$20m'

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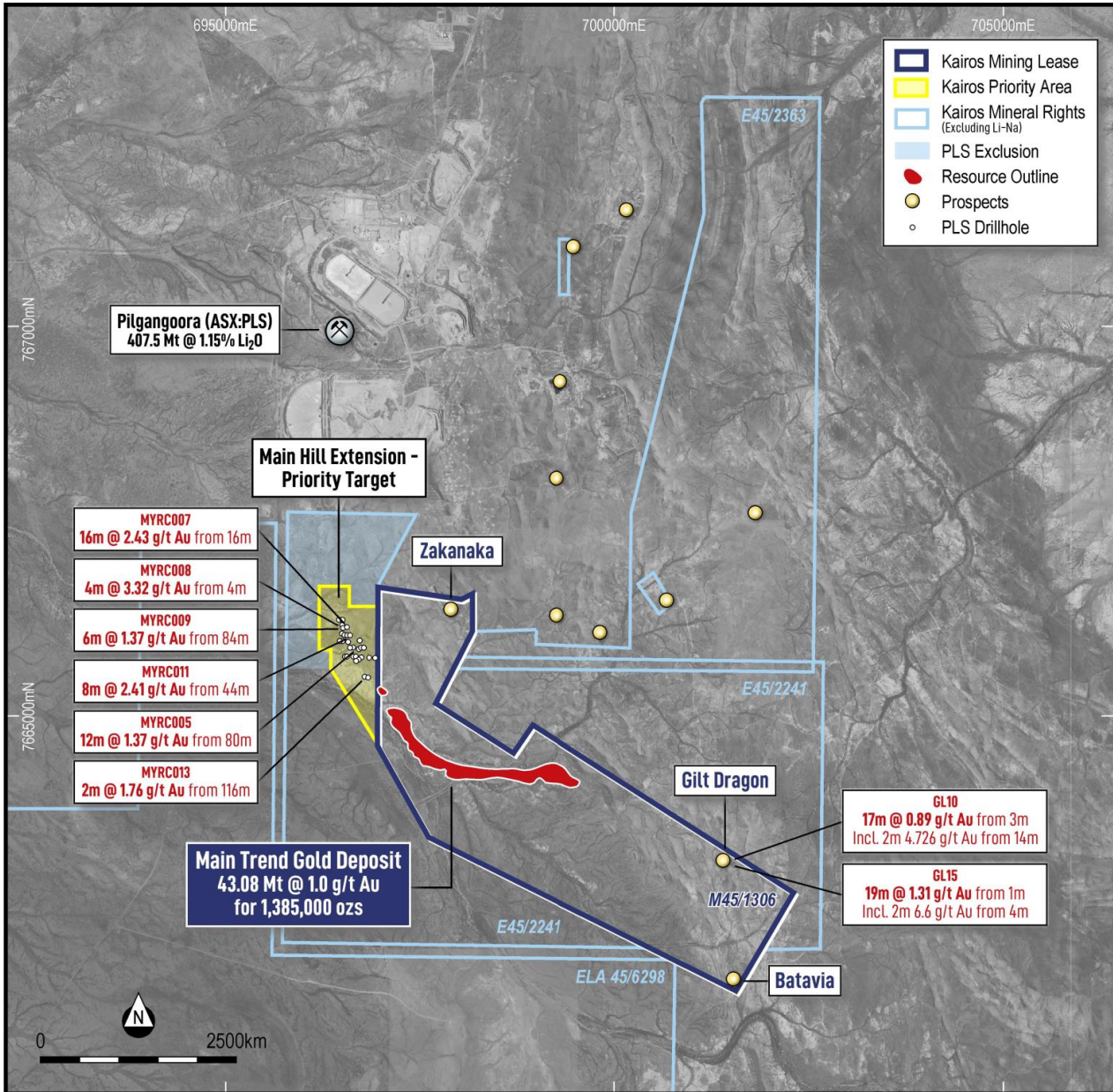


Figure 8: Resource growth targets/prospects surrounding Mt York.

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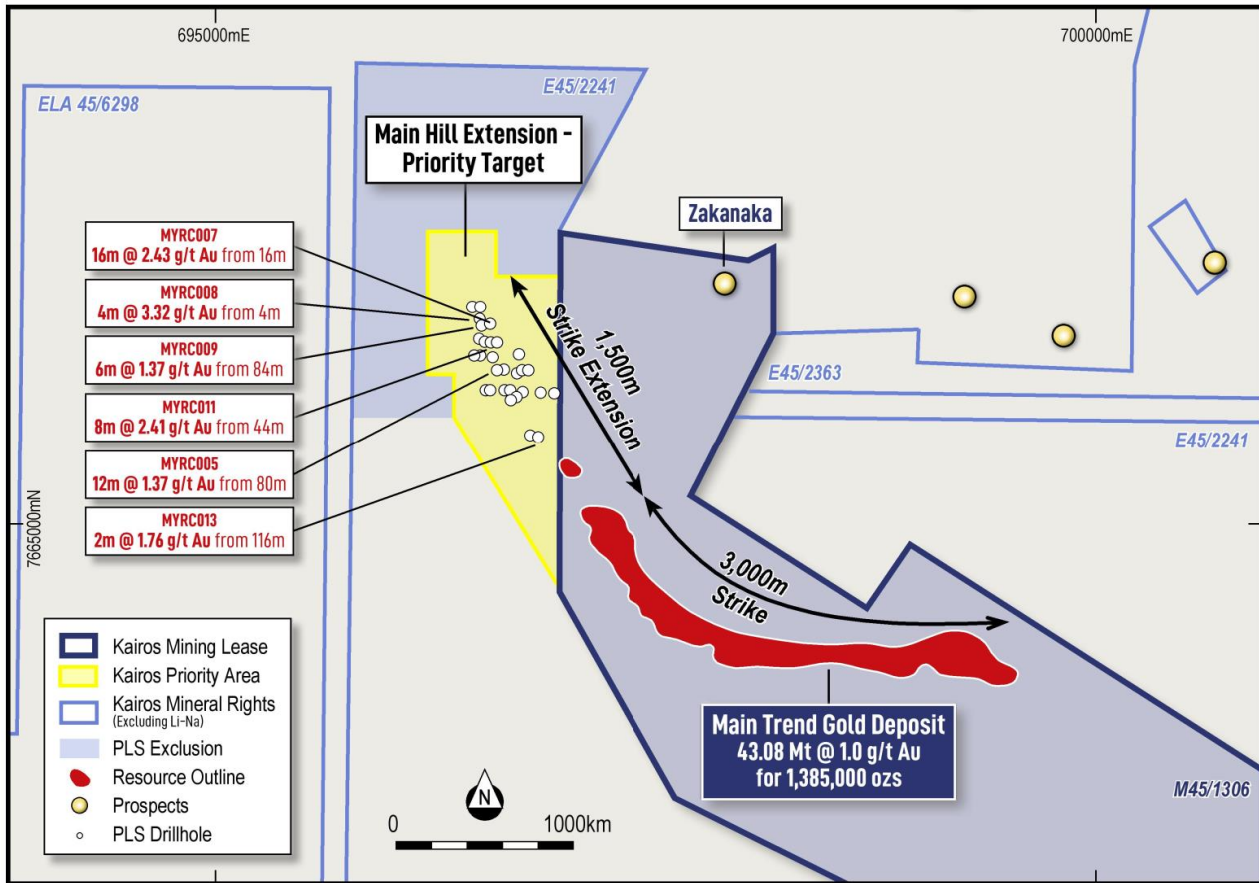


Figure 9: Priority drilling target at Main Hill Extension

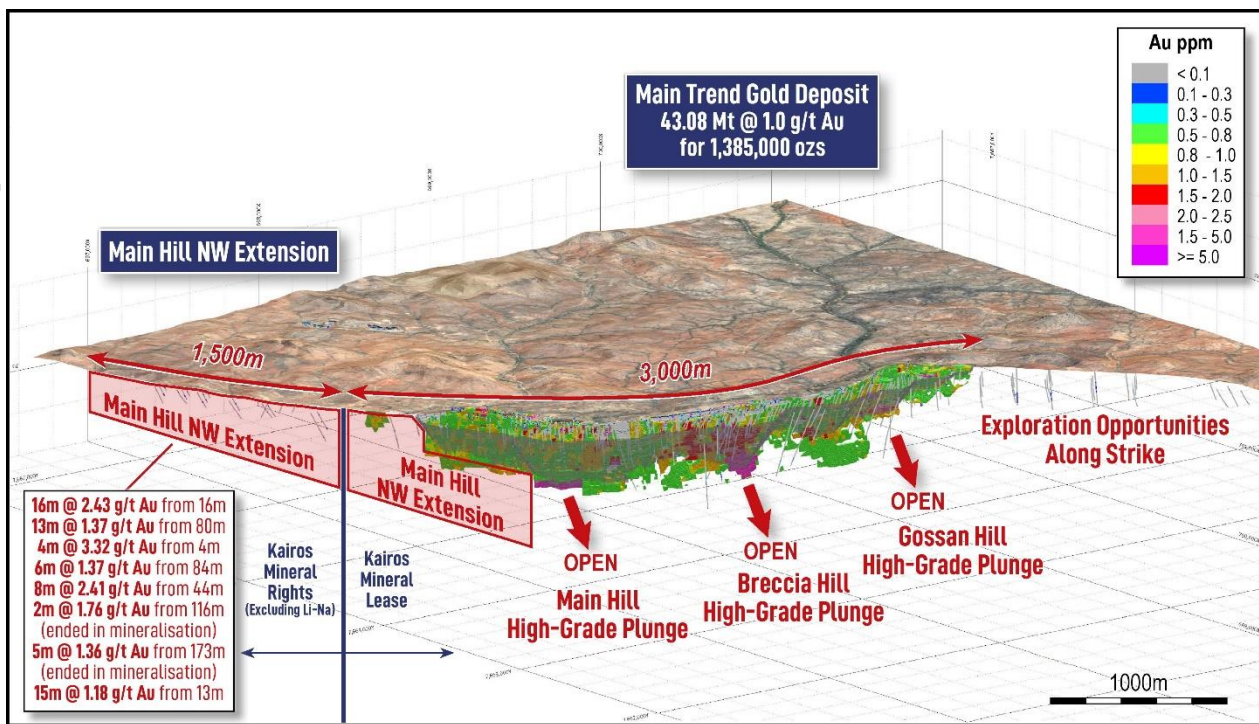


Figure 10: Oblique slice along the Mt York Gold Deposit showing mineralised blocks from the 2023 resource model, optimal pit shells and exploration upside, particularly at the Main Hill NW Extension prospect that offers another 1,500m of mineralised mine stratigraphy.

Directors' Report

Potential Project Improvements

The scoping study has provided a range of mining and milling scenarios for open cut operations for the Main Trend mineralisation at Mt York only. The gold deposit is a single continuously mineralised body and the Company has examined a 2.5, 4 and 5 Mtpa processing rate and associated mining operations in the study. Despite all the scenarios providing a positive outcome in terms of financial returns for a potential future stand-alone mining and processing operation, the Company has chosen the 4 Mtpa process rate (base case) as it provides the most effective return on investment (ROI) for the initial capital intensity.

The scoping study is based on sound technical data and cost estimates, however, the Company considers that the largest single factor that can potentially improve the project and economics is resource improvements in terms of **resource size, grade and resource category** (ie, conversion of inferred to indicated). Converting current 'inferred' resources to 'indicated' will make available more resource inventory for mining – the current scoping study excludes most 'inferred' resources in the mine schedule.

To that end, the Board of Kairos supports a drilling programme up to 30,000m along the 4,500m of mineralised strike length at Main Trend, concentrating on the additional 1,500m extension called **Main Hill Extension (Figures 8, 9 & 10)** that Kairos secured the gold rights to (subject to negotiating a full-form exploration agreement) from Pilbara Minerals Ltd on August 1, 2024.

The Main Hill Extension area has seen only sparse drilling by Pilbara Minerals Ltd in the past but has prospective mineralised mine stratigraphy as seen at Mt York with some results suggesting there are also higher-grades of mineralisation than those seen at Mt York. Irrespective of the grade, the Company is excited to be drilling this prospect as a top priority in 2025.

Pilbara Minerals has offered Kairos the gold and base metal rights to 367 km² of exploration licences and applications which includes exploration licence application E45/6298 which is underlain by lookalike geology to the Mt York area and hosts banded iron formation (BIF) (see **Figure 11**).

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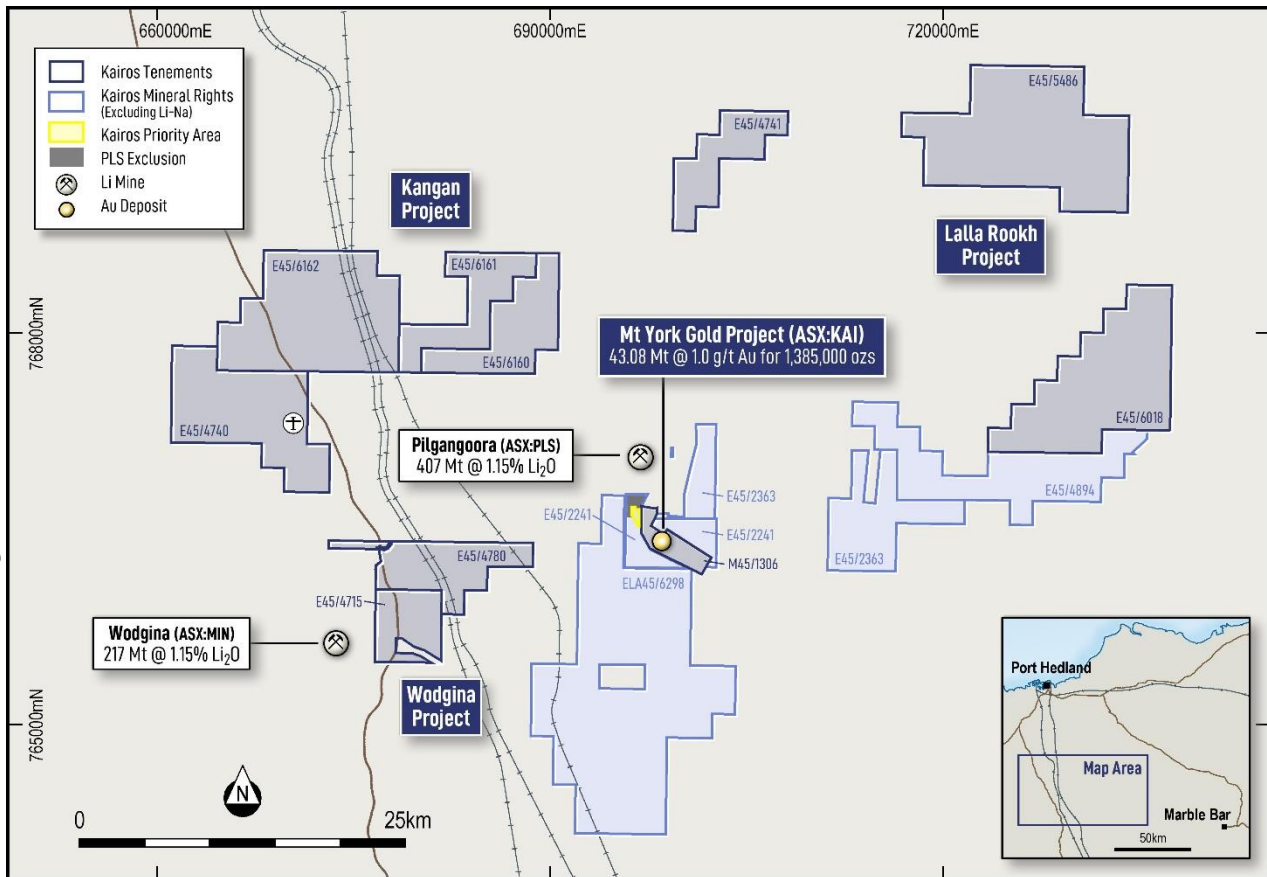


Figure 11: Kairo's gold and base metal mineral rights to 367km² of PLS tenements (light blue). Note that M45/1306 is a pending mining lease.

Other potential improvements to the Scoping Study include:

- Review of mine design and production schedule, mining equipment, mining operations and haulage modelling to optimize cost performance;
- Review and compare owner operator versus contractor models;
- Undertake additional metallurgical test work on completely oxidized, partially oxidized and additional fresh resource domain samples;
- Review a processing model to provide a pre-concentrate product for sale to a third party;
- Undertake gravity recovery amenability test work to improve early gold recoveries;
- Complete & review oxygen uptake test work; carbon adsorption and loading test work; dynamic thickening test work;
- Review power supply options including fuel type and contributions of renewables;
- Review potential comminution power savings achievable via 3 stage (vs 1 stage) crushing;
- Review fuel supplier agreements and potential savings under a BOO model.

Mt York Gold Mining Lease Application M45/1306 (100%)

In the reporting period, all objectors to the mining lease agreement were withdrawn or remedied with access agreements.

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As part of the process to grant a mining lease for M45/1306 containing the Mt York Gold Project Kairos and the Native Title holders, Nyamal People, will need to consummate a mining agreement.

This process is underway with Kairos and Nyamal having completed initial discussions to allow full negotiation to commence.

PILBARA REGIONAL TENEMENTS (KAIROS 100%)

During the reporting period, Kairos completed soil sampling over gold and lithium targets over the Lalla Rookh licence E45/6146 and completed drilling for process water for Mt York at the Kangan licence E45/4740.

Lalla Rookh (100%)

Sample results from 1,193 samples were received, routinely checked under Kairos's strict QC-QA protocols and returned to the laboratory with issues. It is anticipated that results will be announced to the market during the current reporting period, once the exploration team are confident of their quality.

Kangan (100%)

During the reporting period, Kairos has identified that the Kangan licence E45/4740, located some 25km WNW of Mt York (**Figures 11 & 12**), has potential for gold and lithium. Kairos is also aware that the area has unconfined non-artesian channel/s that, from previous aircore drilling, has water-bearing channels.

During the reporting period, a 24-hole, 1,085m aircore drill program at its 100 per cent-owned Kangan project in WA's Pilbara was completed.

The Company engaged drilling company Wallis Drilling and hydrological consultants Aquifer Resources to complete the drillholes to assess the Kangan channel for stratigraphic composition among other things.

Drill holes were drilled vertical, geological logged and sampled at the end of the hole for a multi-element and gold analysis.

Drilling successfully intersected alluvial sand and gravel overlying weathered and fractured basement granite and mafic rocks. Groundwater inflows were observed from the sand and gravel and fractured basement.

The search for sufficient ground water for the Mt York Gold Project is ongoing in the area surrounding Mt York. The reconnaissance work at Kangan is an initial step in this process and other areas prospective for water will be reviewed and analysed in 2025 as Kairos enters pre-feasibility work on this significant gold project.

Appropriate licence applications were made to DWER in the quarter and will be followed-up this reporting period.

Roe Hills Project, Eastern Goldfields (100%)

No field work activities were conducted at the Roe Hills project this reporting period as the focus has been in the Pilbara of Western Australia, particularly the Mt York Gold Project.

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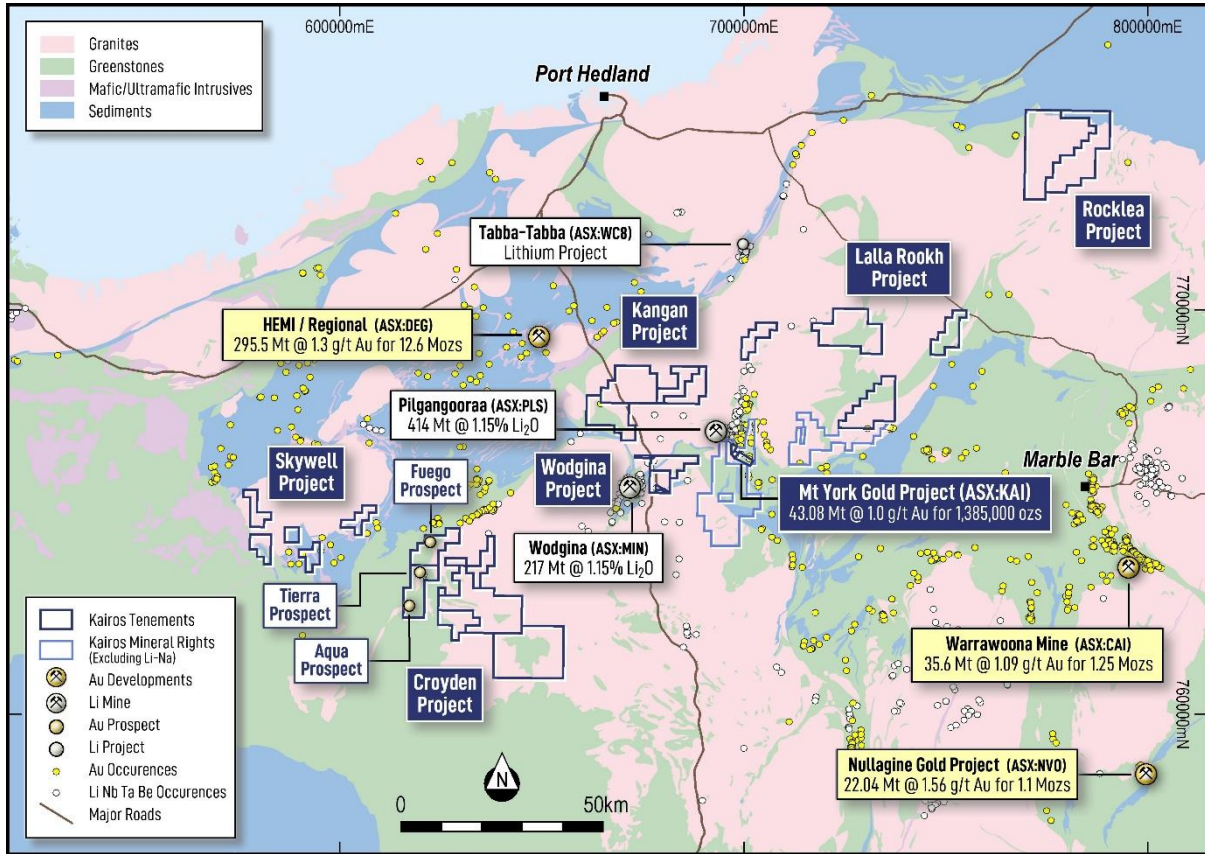


Figure 12. Kairos's Pilbara tenement holding

Next Steps

- Advance the full-form exploration agreement with Pilbara Minerals and gain access to the highest priority targets ahead of the commencement of the >20,000m drilling programme at Mt York
- Complete drill planning and budgeting for staged resource expansion drilling at Mt York
- Award the drill contract(s) for Mt York RC and diamond drilling
- Continued negotiations with Nyamal Aboriginal Corporation to arrive at a mining agreement with the Traditional Owners of the Mt York Project area
- Progress water licencing 26D (construct wells including bores) and 5C (take water) for a potential future mining operation at Mt York
- Continue prefeasibility work at Mt York
- Receive, collate and review Lalla Rookh soil sample results
- Continue to review new projects that are value-accretive for shareholders

Corporate

On 14 February 2025, the Company announced the change of share registry serviced from Automic Group to XCEND.

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

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Directors' Report

materially affect the information included in the Announcements and, in the case of estimates of Mineral Resources, released on 15 May 2023, 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 2024 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 14th day of March 2025

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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 and the entities it controlled for the half year ended 31 December 2024, 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 WA AUDIT PTY LTD



**D M BELL FCA
Director**

Dated this 14th day of March 2025
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 2024

	Note	31 December 2024 \$	31 December 2023 \$
REVENUE			
Interest Income		205,941	56,741
Research and Development Incentive		-	-
Other		143,560	440
		349,501	57,181
Depreciation		(46,168)	(52,050)
Depreciation – right-of-use asset		(20,258)	(26,411)
Directors' fees		(235,833)	(162,626)
Share based remuneration	4c	(33,515)	(15,387)
Audit fees		(18,902)	(21,204)
Travel and marketing		(28,644)	(104,789)
Administration and other expenses		(341,721)	(173,185)
Finance costs		(4,506)	(4,561)
Professional and consulting fees		(172,278)	(183,734)
Occupancy expenses		(15,670)	(38,597)
Impairment of exploration and evaluation expenditures	5	(1,154,136)	-
Loss before income tax		(1,722,130)	(725,363)
Income tax expense		-	-
Loss for the period after income tax		(1,722,130)	(725,363)
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(1,059)	(2,481)
Other comprehensive income for the period, net of tax		(1,059)	(2,481)
Total comprehensive loss for the period		(1,723,189)	(727,844)
Loss attributable to:			
Owners of Kairos Minerals Limited		(1,722,130)	(727,844)
Non-controlling interests		-	-
		(1,722,130)	(727,844)
Total comprehensive loss attributable to:			
Owners of Kairos Minerals Limited		(1,723,189)	(727,844)
Non-controlling interests		-	-
		(1,723,189)	(727,844)
Basic (loss) per share (cents per share)	6	(0.066)	(0.028)
Diluted (loss) per share (cents per share)	6	(0.066)	(0.028)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents		12,394,373	4,703,805
Trade and other receivables		293,074	87,086
Other assets		-	31,381
Total Current Assets		12,687,447	4,822,272
<u>Non-Current Assets</u>			
Plant and equipment		213,688	259,856
Right-of-use asset		103,385	133,513
Exploration and evaluation expenditure	5	22,111,237	31,691,292
Other assets		26,501	26,501
Total Non-Current Assets		22,454,811	32,111,162
TOTAL ASSETS		35,142,258	36,933,434
LIABILITIES			
<u>Current Liabilities</u>			
Trade and other payables		212,718	276,023
Lease Liability		71,132	65,012
Provisions		28,795	37,661
Total Current Liabilities		312,645	378,696
<u>Non-Current Liabilities</u>			
Lease Liability		42,159	77,610
Total Non-Current Liabilities		42,159	77,610
TOTAL LIABILITIES		354,804	456,306
NET ASSETS		34,787,454	36,477,128
EQUITY			
Contributed equity	4	100,774,845	100,504,845
Reserves		8,256,762	8,494,306
Accumulated losses		(74,243,042)	(72,520,912)
Parent interests		34,788,565	36,478,239
Non-controlling interests		(1,111)	(1,111)
TOTAL EQUITY		34,787,454	36,477,128

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2024

Consolidated Entity	Contributed equity	Foreign exchange translation Reserve	Performance Rights/ Option Fair Value Reserve	Accumulated losses	Non-controlling interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 30 June 2024	100,504,845	(4,289)	8,498,595	(72,520,912)	(1,111)	36,477,128
Loss for the period attributed to owners	-	-	-	(1,722,130)	-	(1,722,130)
Other comprehensive income	-	(1,059)	-	-	-	(1,059)
Total comprehensive (loss) for the period	-	(1,059)	-	(1,722,130)	-	(1,723,189)
<i>Transactions with owners in their capacity as owners:</i>						
Performance rights converted during the year	270,000	-	(270,000)	-	-	-
Share based payments	-	-	33,515	-	-	33,515
Balance at 31 December 2024	100,774,845	(5,348)	8,262,110	(74,243,042)	(1,111)	34,787,454
Balance at 30 June 2023	95,783,706	-	7,165,711	(71,194,097)	(1,111)	31,754,209
Loss for the period attributed to owners	-	-	-	(725,363)	-	(725,363)
Other comprehensive income	-	(2,481)	-	-	-	(2,481)
Total comprehensive (loss) for the period	-	(2,481)	-	(725,363)	-	(727,844)
<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
Balance at 31 December 2023	100,504,845	(2,481)	8,483,375	(71,919,460)	(1,111)	37,065,168

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2024

	31 December 2024 \$	31 December 2023 \$
<i>Cash flows from operating activities</i>		
Payments to suppliers and employees	(968,483)	(699,455)
Interest received	205,941	56,741
Net cash flows used in operating activities	(762,542)	(642,714)
<i>Cash flows related to investing activities</i>		
Payment for purchases of plant and equipment	-	(36,862)
Proceeds from sale of tenements	10,000,000	-
Payment for tenements and exploration	(1,512,123)	(2,711,733)
Net cash flows used in investing activities	8,487,877	(2,748,595)
<i>Cash flows related to financing activities</i>		
Proceeds from issues of securities	-	6,552,280
Capital raising costs	-	(858,860)
Repayment of lease liabilities	(34,767)	(16,500)
Net cash flows from financing activities	(34,767)	5,676,920
Net Increase/ (Decrease) in cash and cash equivalents	7,690,568	2,285,611
Cash and cash equivalents at the beginning of the period	4,703,805	4,140,068
Cash and cash equivalents at the end of the period	12,394,373	6,425,679

The accompanying notes form part of these financial statements.

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Notes to the Condensed Consolidated Financial Statements

Note 1 – Basis of Preparation

The general purpose financial report for the interim half-year reporting period ended 31 December 2024 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 2024 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 \$1,772,130 (2023: \$725,363) and net cash outflows from operating activities of \$762,542 (2023: \$642,714). The Group is currently in a working capital surplus position of \$12,374,802 (30 June 2024: \$4,443,576).

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 2024.

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Notes to the Condensed Consolidated Financial Statements

Note 4 – Contributed Equity and Reserves

4a – Contributed Equity

	31 December 2024 \$	30 June 2024 \$
Fully Paid Ordinary shares	100,774,845	100,504,845
	100,774,845	100,504,845

Ordinary Shares	31 December 2024	
	No.	\$
At the beginning of reporting period	2,620,912,189	100,504,845
- Conversion of performance rights to shares	10,000,000	270,000
At reporting date	2,630,912,189	100,774,845

4b – Reserves

	Note	31 December 2024 \$	30 June 2024 \$
Option Fair Value Reserve	4bi)	8,176,482	8,161,095
Performance Rights Fair Value Reserve	4bii)	85,628	337,500
Foreign Currency Translation Reserve		(5,348)	(4,289)
		8,256,762	8,494,306

4bi) Options Fair Value Reserve	31 December 2024	
	No.	\$
At the beginning of reporting period	353,606,233	8,161,095
- Vesting of share based payments	-	15,387
At reporting date	353,606,233	8,176,482

4bii) Performance Rights	31 December 2024	
	No.	\$
At the beginning of the reporting period	25,000,000	337,500
- Conversion of performance rights to ordinary shares	(10,000,000)	(270,000)
- Issue of performance rights	197,500,000	-
- Adjustment of probability estimate regarding non-market performance vesting conditions	-	(67,500)
- Vesting of share based payments	-	85,628
At reporting date	212,500,000	85,628

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Notes to the Condensed Consolidated Financial Statements

4c - Share Based Payments Expense

	31 December 2024 \$	31 December 2023 \$
Vesting of share based payments – Options	15,387	15,387
Adjustment of probability estimate regarding non-market performance vesting conditions	(67,500)	-
Vesting of share based payments – Performance Rights	85,628	-
Share Based Payment Expense	33,515	15,387

Performance rights issued 2024

During the period, the Company issued a total of 197,500,000 performance rights to Directors and Employees. The performance rights were issued as follows:

	Tranche A	Tranche B	Tranche C	Total
Peter Turner	28,333,333	28,333,333	28,333,334	85,000,000
Zane Lewis	9,333,333	9,333,333	9,333,334	28,000,000
Mark Calderwood	4,166,666	4,166,667	4,166,667	12,500,000
Robert Klug	4,166,666	4,166,667	4,166,667	12,500,000
Phillip Klug	8,333,333	8,333,333	8,333,334	25,000,000
Employees and consultants	11,500,000	11,500,000	11,500,000	34,500,000
Total	65,833,331	65,833,333	65,833,336	197,500,000

The key performance conditions are as follows:

Class	Tranche A	Tranche B	Tranche C
Vesting Condition	The Company announcing a combined 2Moz JORC-compliant gold resource (or gold equivalent) at 1.0g/t Au or higher in all resource categories	The price of the Company's Shares as traded on the ASX achieving a VWAP of at least \$0.02 (2 cents) over 20 consecutive trading days	The price of the Company's Shares as traded on the ASX achieving a VWAP of at least \$0.04 (4 cents) over 20 consecutive trading days
Expiry Date	3 years after issue	3 years after issue	3 years after issue

Furthermore, other than for Non-Executive Directors, the Performance Rights have an Alternative Vesting condition being that the Performance Rights will vest on the earlier of satisfaction of the vesting condition and the holder achieving 2 years of continuous employment with the Company from the date of issue of the Performance Rights.

Tranche A performance rights vesting conditions are non-market and have been valued at the share price as at grant date, being \$0.015 with management assigning a 50% probability of the condition being met. Tranche B and Tranche C vesting conditions are market-based and have been valued using a Hoadley ESO Model (a Monte Carlo simulation model). The key inputs into the Tranche B and C valuations are as follows:

	Tranche B	Tranche C
Grant date	21-11-2024	21-11-2024
Expiry date	2-12-2027	2-12-2027
Volatility	95%	95%
Share Price at grant date	\$0.015	\$0.015
Risk Free Interest Rate	4.02%	4.02%

Notes to the Condensed Consolidated Financial Statements

Value per instrument \$0.011 \$0.009

Performance rights issued 2022

During the period, 10,000,000 fully vested performance rights held by Peter Turner were converted into 10,000,000 fully paid ordinary shares.

During the period, management have also changed the estimate on the probability from 50% to 0% for 5 million performance rights with the following vesting condition:

- 5 million Performance Rights (which convert on a 1:1 basis in to Shares) after the Company announces a drill intercept on the Company's Lithium Assets of 10 metres or greater @ 1% Li2 O (containing Spodumene).

Note 5 – Exploration and evaluation expenditure

	31 December 2024 (\$)	30 June 2024 (\$)
Balance at the start of the period	31,691,292	27,857,726
Exploration expenditure capitalised	1,574,081	3,833,566
Proceeds from disposal ¹	(10,000,000)	-
Impairment of exploration and evaluation expenditure ²	(1,154,136)	-
Total Exploration and evaluation expenditure	22,111,237	31,691,292

¹ On 5 September 2024, the Company completed the sale of non-core tenement to Pilbara Minerals Ltd (ASX: PLS) for \$10m in cash.

Under the agreement, a further \$10m in PLS shares or cash (at Pilbara Minerals Ltd's election) is receivable by the Company 10 days after the earlier of the grant date of the M45/1307 application or other agreed tenure over the same area. As at the date of this report, this condition has not been met.

² During the period, the Company relinquished tenements relating to its Woodcutters project (E28/2646 and E28/2647), resulting in the recognition of the impairment of \$1,154,136 of capitalised exploration and evaluation expenditure relating to this asset.

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Notes to the Condensed Consolidated Financial Statements

Note 6 – Loss per Share

	31 December 2024	31 December 2023
Basic (loss) per share (cents)	(0.066)	(0.028)
Diluted (loss) per share (cents)	(0.066)	(0.028)
a) Net loss used in the calculation of basic and diluted loss per share	(1,722,130)	(725,363)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	2,628,507,817	2,561,237,503

Note 7 – Related Party Transactions

On 21 November 2024 at the Company's annual general meeting, shareholders approved the issue of 163,000,000 performance rights to Directors. Refer Note 4 for further details.

During the period, the Board approved a bonus payment to Director Peter Turner of \$68,250. Also during the period, the Company incurred legal fees of \$10,000 from an entity associated with Director Rob Klug.

Other than the above, there have been no changes to the nature of related party transactions than those described in the 30 June 2024 Annual Report.

Note 8 – Events Subsequent to Reporting Date

No matter or circumstance has arisen since 31 December 2024 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

The Directors of the Company declare that;

1. the financial statements and notes, as set out on pages 22 to 30, 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 2024 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 14th day of March 2025

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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 2024, 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 material 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 the Consolidated Entity 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 2024 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.

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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.

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 2024 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 WA AUDIT PTY LTD



**D M BELL FCA
Director**

Dated this 14th day of March 2025
Perth, Western Australia

Corporate Directory

COMPANY

Kairos Minerals Limited
ACN 006 189 331

DIRECTORS

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

COMPANY SECRETARY

Mr Robbie Featherby
Mr Sebastian Andre

REGISTERED OFFICE

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Email: support@xcend.co

SECURITIES QUOTED

Australian Securities Exchange (ASX)
Shares – KAI

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www.kairosminerals.com.au

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AUDITORS

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Subiaco WA 6008

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Australia 3000

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