

KAIROS METALS CORP.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2020 and 2019

KAIROS METALS CORP.
FIRST QUARTER 2020 FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Corporation discloses that its auditors have not reviewed the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020.

NOTICE TO READER OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed interim consolidated financial statements (the “**Interim Statements**”) of Kairos Metals Corp. comprising the accompanying interim consolidated statements of financial position as at March 31, 2020, the interim consolidated statements of loss and comprehensive loss, changes in shareholders’ equity and cash flows for the three months ended March 31, 2020 are the responsibility of the Corporation’s management.

These Interim Statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Corporation, MNP LLP. The Statements have been prepared by management and include the selection of appropriate accounting principles, judgements and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

July 14, 2020

signed “Jana L. Lillies”

Jana L. Lillies, Chief Financial Officer

signed “Al Kroontje”

Al Kroontje, Chief Executive Officer

KAIROS METALS CORP.
Condensed Interim Consolidated Statements of Financial Position
(Canadian Dollars)

As at	Notes	March 31, 2020	December 31, 2019
ASSETS			
Current			
Cash		\$ 3,729	\$ 2,000
Due from related party	8	114,304	33,398
Other receivables		-	1,049
Total current assets		118,033	36,447
Taxes receivable		18,900	17,072
Mineral properties	5	3,062,041	3,318,539
Total Assets		\$ 3,198,974	\$ 3,372,058
LIABILITIES			
Current			
Trade and other payables		\$ 139,202	\$ 131,022
Due to director	8	129,692	35,000
Notes payable	6	3,947,952	3,516,071
Total current liabilities		4,216,846	3,647,093
Total Liabilities		4,216,846	3,682,093
SHAREHOLDERS' EQUITY			
Share capital	7	1,045	1,045
Contributed surplus	4	839,936	839,936
Accumulated other comprehensive loss		(148,108)	(73,104)
Deficit		(1,710,745)	(1,077,912)
Total shareholders' equity (deficit)		(1,017,872)	(310,035)
Total liabilities and shareholders' equity (deficit)		\$ 3,198,975	\$ 3,372,058
Nature of operations and going concern	1		
Commitments	5		
Subsequent events	12		

The accompanying notes are an integral part of these condensed interim consolidated financial statements

KAIROS METALS CORP.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss***(Unaudited)**(Canadian Dollars)*

For the Three Months Ended	Notes	March 31,	
		2020	2019
EXPENSES			
General and administrative		\$ 10,446	\$ 58,739
Unrealized loss (gain) on foreign exchange		428,978	(62,520)
Accretion of notes receivable	6	164,026	130,987
Interest	6	29,383	16,372
Total expenses		632,833	143,578
Net loss		(632,833)	(143,578)
Other comprehensive loss			
Foreign exchange translation adjustment		(75,004)	-
NET AND COMPREHENSIVE LOSS		\$ (707,837)	\$ (143,578)
Net loss per share - basic and diluted	7	(0.03)	(0.01)
Weighted average number of shares outstanding	7	25,266,704	25,266,704

The accompanying notes are an integral part of these condensed interim consolidated financial statements

KAIROS METALS CORP.
Condensed Interim Consolidated Statement of Changes in Equity (Deficit)
For the Three Months Ended March 31, 2020 and 2019
(Unaudited)
(Canadian Dollars)

	<i>Notes</i>	Share Capital	Contributed Surplus	Accumulated Other Comprehensive loss	Deficit	Total Equity
Balance, December 31, 2018		\$ 1,045	\$ 839,936	\$ -	\$ (243,847)	\$ 597,134
Net and comprehensive loss		-	-	-	(143,578)	(143,578)
Balance, March 31, 2019		\$ 1,045	\$ 839,936	\$ -	\$ (243,847)	\$ 453,556
Balance December 31, 2019		\$ 1,045	\$ 839,936	\$ (73,104)	\$ (1,077,912)	\$ (310,035)
Net loss and comprehensive loss		-	-	(75,044)	(632,833)	(707,837)
Balance, March 31, 2020		\$ 1,045	\$ 839,936	\$ (148,108)	\$ (1,710,745)	\$ (1,017,872)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

KAIROS METALS CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(Canadian Dollars)

	Notes	Three Months ended March 31,	
		2020	2019
Cash provided by (used in)			
OPERATING			
Net loss		\$ (707,837)	\$ (143,57)
Add (deduct) items not affecting cash flow:			
Other comprehensive income		75,044	-
Interest accrued on notes payable		29,383	65,370
Accretion of notes receivable	6	164,026	130,987
Foreign exchange loss		428,978	-
Trade and other payables		8,180	(32,696)
Other receivables		1,049	-
Cash flow (used in) provided by operating activities		(1,217)	(42,437)
INVESTING			
Paid exploration and evaluation expenditures	5	(9,013)	(590,350)
Taxes receivable		(1,827)	-
Cash flow used in investing activities		(10,840)	(590,350)
FINANCING			
Advance from shareholder	8	94,692	-
Advances to related parties	8	(80,906)	-
Cash flow provided by (used in) financing activities		13,786	-
Increase (decrease) in cash and cash equivalents		1,729	(632,787)
Cash, beginning of the period		2,000	861,798
Cash, end of period		\$ 3,729	\$ 229,011

The accompanying notes are an integral part of these condensed interim consolidated financial statements

KAIROS METALS CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2020 and 2019

1. Business Activities

Kairos Metals Corp. (the “**Corporation**” or “**Kairos**”), a reporting issuer in Canada, was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on January 15, 2018. The head office is located at 900, 903 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 0P7.

2. Basis of Presentation

The Interim Statements have been prepared by management in accordance with IFRS on a going concern basis. The going concern basis contemplates the realization of assets and the settlement of liabilities in the ordinary course of business. If the Corporation is unable to raise funds to pay its liabilities as they become due and successfully finance its current and future exploration projects, it may not be able to realize its assets and discharge its liabilities in the normal course of operations.

For the three months ended March 31, 2020, the Corporation reported a net and comprehensive loss of \$707,837 and negative cash flows from operations of \$1,217 and, as of that date, has negative working capital of \$4,098,813. These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Corporation’s ability to continue as a going concern. If the going concern assumption is not appropriate, adjustments may be necessary to the carrying amounts and classification of the Corporation’s assets and liabilities. The accompanying financial statements do not include any adjustments that may result if the Corporation is unable to continue as a going concern, and, such adjustments could be material.

a) Basis of measurement

These Interim Statements, including required comparative information, have been prepared in accordance and compliance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and interpretations of the International Reporting Interpretations Committee (“**IFRIC**”) in effect at January 1, 2020.

These financial statements, and the policies applied herein, were authorized for issuance by the Board of Directors on July 14, 2020.

b) Basis of measurement

The Interim Statements have been prepared under the historical cost method except for share-based transactions and certain financial instruments which are measured at fair value.

The Interim Statements are presented in Canadian dollars, which is the Corporation’s functional currency. The functional currency of the Corporation’s 99% owned subsidiary, Compañía Minera San Lorenzo Limitada (“**San Lorenzo**”) is the Chilean Peso.

c) Consolidation

The Interim Statements include the accounts of the Corporation and San Lorenzo which is a limited liability partnership of which the Corporation owns 99%. The Corporation has consolidated the assets, liabilities and expenses of its subsidiaries after the elimination of inter-company transactions and balances. The subsidiary was incorporated in Chile on May 17, 2016 and the principal business is the acquisition and development of mineral properties.

d) Use of judgments and estimates

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

2. Basis of Presentation *(continued)*

Judgments

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments that management has made in the process of applying the Corporation's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

Property Title

The Corporation's properties reside in Chile. Although the Corporation takes steps to verify title to the properties in which it has an interest, these procedures do not guarantee the Corporation's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Taxes

The Corporation applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to interpretations of complex tax regulations, changes in tax laws, and the amounts and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expenses already recorded.

Provisions

Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the year.

Mineral Properties

The application of the Corporation's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of an expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Exploration and evaluation assets are reviewed for changes in facts and circumstances suggesting the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Corporation's review considers the following:

- The period for which the Corporation has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

KAIROS METALS CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2020 and 2019

2. Basis of Presentation (*continued*)

Deferred Taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Corporation operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Corporation is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

3. Summary of Significant Accounting Policies

These Interim Statements should be read in conjunction with the annual audited consolidated financial statements and accompanying notes for the year ended December 31, 2019 (the "**Audited Statements**"). These Interim Statements have been prepared following the same accounting policies as described in notes 2 and 3 of the Audited Statements.

4. Corporate Reorganization

Kairos was incorporated as a wholly-owned subsidiary of Lithium Chile Inc. ("**LITH**") on January 15, 2018.

At a meeting of the shareholders of LITH on April 27, 2018, the LITH shareholders approved a proposed plan of arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) involving, among other things, the distribution of common shares of Kairos (the "**Kairos Shares**"), to the LITH shareholders on the basis of one (1) Kairos Share for every (4) LITH shares.

On May 8, 2018, the Arrangement was approved by the Court of Queen's Bench and on May 15, 2018 the Arrangement was accepted by the TSX Venture Exchange.

In addition, the following transactions have occurred which were part of a series of transactions related to the Arrangement:

- Kairos acquired 99% of the outstanding interest in Compañía Minera San Lorenzo Limitada ("**San Lorenzo**") from Compañía Minera Kairos Chile Limitada ("**Minera Kairos**"), a wholly-owned subsidiary of LITH for the sum of \$1.00. San Lorenzo owned no assets, including no mineral claims, on the date of ownership transfer nor had San Lorenzo carried on any business activities prior to the date of the ownership transfer. The remaining 1%, non-controlling, interest in San Lorenzo is held in trust by an officer on behalf of Kairos.
- Mineras Kairos transferred the interests it held in its copper, gold and silver properties ("**CGS claims**") in Chile to San Lorenzo at their carrying cost of US\$1.6 million in exchange for a Promissory Note as described below.
- LITH loaned Kairos US\$1.1 million cash. In exchange, Kairos issued a promissory note to LITH in the amount of US \$1,150,000 to reflect the US\$1.1 million loan proceeds and a contribution to the costs of the Arrangement in the agreed amount of US\$50,000 as provided for in the Arrangement agreement.
- The promissory notes issued to Mineras Kairos for the transfer of the CGS claims and to LITH for the loan proceeds bear interest at 2.0% per annum and will mature two years from the date of issuance.
- Pursuant to the terms of the Arrangement, immediately prior to the effective time of the Arrangement, Kairos Shares were issued to LITH from treasury such that the number issued and outstanding Kairos Shares at the effective time was equal to one-quarter ($\frac{1}{4}$) of the number of the then issued and outstanding LITH Shares. The Kairos shares were then divided out to the shareholders of LITH on the basis that LITH shareholders received exactly one (1) Kairos Share for every four (4) LITH Shares held by such LITH shareholder at the effective time of the Arrangement.

The acquisition of the CGS claims from the LITH subsidiary, Mineras Kairos, by San Lorenzo, a subsidiary of Kairos for US\$1.6 million is considered a common control transaction for accounting purposes. As such, CAD\$214,682 represents the excess of the carrying value of the CGS claims of CAD\$2,278,682 over the purchase price of CAD\$2,064,000 (US\$1,600,000) and is recorded in contributed surplus.

KAIROS METALS CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2020 and 2019

5. Mineral properties - exploration and evaluation expenditures

The Corporation's exploration and evaluation expenditures relate to mineral properties in Chile and are as follows:

Balance December 31, 2018	\$ 2,872,134
Additions	767,286
Foreign exchange effect	(320,881)
Balance December 31, 2019	\$ 3,318,539
Additions	9,013
Foreign exchange effect	(265,511)
Balance, March 31, 2020	\$ 3,062,041

Management reviewed for impairment indicators at March 31, 2020 and 2019 and determined there were no indicators of impairment.

Mineral Property Description

The Corporation currently holds 100% title interest in mineral claims comprising seven discrete property packages with exploration potential to discover commercial deposits of copper and/or gold and/or silver through its Chilean subsidiary, San Lorenzo.

Mineral Property Expenditure Commitments

The mineral properties do not require any minimum work or expenditure commitments. Depending on the nature of the claims, the Corporation is obligated to make annual tax payments of US\$1.50/hectare or US\$7.50/hectare to the Chilean government in relation to the mineral properties. These tax payments are payable in the second quarter of the year and have been made during the current and prior years.

6. Notes Payable

Notes and other payables are comprised of the following:

	March 31, 2020	December 31, 2019
Note payable to LITH (<i>note 12</i>)	\$ 1,655,848	\$ 1,429,806
Note payable to Minera Kairos (<i>note 12</i>)	2,262,721	1,749,109
Interest payable	29,383	48,998
Balance, end of period	\$ 3,947,952	\$ 3,516,071

At December 31, 2019 and March 31, 2020, the notes payable are designated as current liabilities.

The face value of the original notes payable to LITH of \$1,564,000 (US\$1,150,000) and Minera Kairos \$2,188,302 (US\$1,600,000) were due two years from the date of issuance, May 16 and May 8, 2018, respectively, and are unsecured.

	Mineras Kairos		Lithium Chile	
Balance, December 31, 2018	\$ 1,778,024	\$ 1,270,406		
Foreign exchange adjustment	(91,082)	(73,600)		
Accretion	325,178	233,000		
Interest	44,337	29,808		
Balance, December 31, 2019	\$ 2,056,457	\$ 1,459,614		
Foreign exchange adjustment	110,707	127,765		
Accretion	95,557	68,469		
Interest	21,314	8,069		
Balance, March 31, 2020	2,284,035	1,663,917		

In 2018, a fair value adjustment was recorded, to be accreted over the term of the notes, for the difference between the interest rate of 2% contained in the note receivable agreements and the estimated market interest rate of 20% for corporations with similar credit profiles.

KAIROS METALS CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2020 and 2019

6. Notes Payable (continued)

The fair value adjustment and initial related accretion of the LITH note payable was charged to operations in the Consolidated Statements of Loss and Comprehensive Loss in 2018 and subsequent accretion charged to operations in the Condensed Interim Consolidated Statements of Loss and Comprehensive Loss.

The Minera Kairos note payable was issued on the transfer of the properties (note 4) and is considered a common control transaction and as such, the fair value adjustment of \$441,048 was charged to contributed surplus.

7. Share Capital

a) Authorized:

Unlimited number of common voting shares and preferred shares without nominal or par value.

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued since the Corporation's inception.

b) Issued Common Shares

On May 8, 2018 the Corporation issued common shares in connection with the Arrangement and all shares were distributed to the shareholders of LITH on the basis of one (1) Kairos Share for every (4) LITH Shares held by a LITH shareholder on that date.

	#	\$
Shares issued for cash upon incorporation	25,266,704	1,045
Balance as at December 31, 2019 and March 31, 2020	25,266,704	1,045

c) Loss per share

The basic and diluted loss per share as calculated is based on the weighted average number of shares outstanding during the period as follows:

	For the Three Months ended March 31, 2020
Weighted average number of common shares	
Issued and outstanding at beginning of period	25,266,704
Effect of share issuance	-
Weighted average number of common shares - basic and diluted	25,266,704

8. Related Party Transactions

During the three months ended March 31, 2020 and 2019, the Corporation incurred expenses included in the Consolidated Statements of Loss and Comprehensive Loss, as follows:

Three Months Ended March 31,	2020	2019
Administrative consulting services provided by an officer	\$ -	\$ 5,250

The related party amounts included in the Consolidated Statement of Financial Position, are as follows:

As at March 31,	2020	2019
Due from a company related by a common director (note 12 (iii))	\$ 114,304	\$ -
Due to a director (note 12 (iii))	129,692	-
Consulting services provided by an officer (included in Mineral Properties on the consolidated statements of financial position)	4,500	32,160
Due to an officer for consulting services	26,644	-
Due to an officer for administrative consulting services (included in trade and other payables)	\$ 525	\$ 1,680

Amounts due to a director include the amounts advanced to a company related by a common director and are unsecured, bear no interest and are repayable on demand.

KAIROS METALS CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2020 and 2019

9. Management of Capital

The Corporation's capital currently consists of common shares. Its initial source of cash was from the issuance of common shares and from a loan of US\$1,100,000 which was advanced in cash in 2018. The current source of cash is loans from a director. The Corporation's capital management objectives are to have sufficient capital to be able to explore and develop mineral properties in Chile. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets.

10. Financial instruments and risk management

The Corporation, as part of its operations, carries financial instruments consisting of cash, due from related party, other receivables, trade and other payables, notes payable and due to a director. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments.

The carrying amount of cash, due from related party, other receivable, trade and other payables and due to director approximates their fair values due to their short-term maturities.

The carrying amount of notes payable approximates its fair value due to market rate of interest being applied to this financial instrument.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation believes it has no significant credit risk as cash is held with reputable banks in both Canada and Chile.

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet current liabilities when due. As at March 31, 2020 the Corporation had a cash balance of \$3,729 (2019 - \$229,011) and a working capital deficit of \$4,098,813 (2019 – working capital of \$773,431). Due to the nature of the mining industry, additional financing will be required in due course. Management will seek additional forms of financing through the issuance of new equity or debt instruments to continue its operations and there can be no assurance it will be able to do so. Subsequent to the period, significant portions of the working capital deficit were terminated as a result of a re-transfer of the Retransferred Mineral Claims back to LITH (see also note 12).

The following are the financial liabilities at March 31:

2020	Less than 1 year	1 – 3 years	3+ years	Total
Trade and other payables	\$ 139,202	\$ -	\$ -	\$ 139,202
Due to shareholder	129,692	-	-	129,692
Notes payable	3,947,952	-	-	3,947,952
	\$ 4,216,846	\$ -	\$ -	\$ 4,216,846
2019	Less than 1 year	1 – 3 years	3+ years	Total
Trade and other payables	\$ 88,367	\$ -	\$ -	\$ 88,367
Notes payable	-	3,048,431	-	3,048,431
	\$ 88,367	\$ 3,048,431	\$ -	\$ 3,136,798

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Corporation believes it has negligible interest rate risk due to the fixed rate interest nature of its debt.

KAIROS METALS CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2020 and 2019

10. Financial instruments and risk management *(continued)*

ii. Foreign currency risk

The Corporation is exposed to the risk of changes in the Canadian/U.S. dollar exchange rate and in the U.S./Chilean Peso exchange rate for services and geological costs that are denominated in Chilean Pesos and converted to U.S. dollars or directly influenced by U.S. dollar benchmark prices. A hypothetical change of 10% to the foreign exchange rate between Canadian/U.S. and U.S./Chilean Peso would not have a material impact of the Corporation's loss during the period.

iii. Commodity risk

The Corporation is not exposed to commodity price risk.

11. Segmented information

Management has determined that its financial results are to be presented as one reportable segment.

All non-current assets reside in Chile.

12. Subsequent Events

i) An agreement was entered into between the Corporation, LITH, Minera Kairos and San Lorenzo to transfer certain gold/silver/copper properties (the "**Retransferred Mineral Claims**") from the Corporation back to Minera Kairos (the "**Retransfer Agreement**") such that the values and terms of the notes payable were adjusted as follows:

- The Minera Kairos note payable was adjusted from the original face value of US\$1,600,000 to CAD\$1,175,153, being the carrying value of the properties to be re-transferred. Upon approval and closing of the Retransfer Agreement, the adjusted note payable in the amount of CAD\$1,175,153 will have been satisfied in exchange for the Retransferred Mineral Claims.
- The LITH note payable was written down from US\$1,115,000, plus interest, to CAD\$1,000,000 with the repayment term extended from May 16, 2020 to November 30, 2021, and is unsecured.

The Retransfer Agreement received regulatory approval on April 17, 2020 and as a result the Retransfer Agreement also closed on that date.

ii) On May 15, 2020 it was announced that Tailwind Capital Corporation ("**Tailwind**") had entered into a non-binding letter of intent with Kairos dated May 14, 2020 (the "**LOI**") pursuant to which Tailwind and Kairos intend to complete a business combination (the "**Transaction**") to form a new company ("**Newco**") to be called "Kairos Metal Corp." or such other name as the Parties may agree. Pursuant to the proposed Transaction, (i) each one (1) issued and outstanding common shares of Kairos (the "**Kairos Common Shares**") will be exchanged for one (1) common share of Newco (the "**Newco Common Shares**") at a deemed price of \$0.10 per Newco Common Share; (ii) each one and five-tenths (1.5) issued and outstanding common share of Tailwind (the "**Tailwind Common Shares**"), of which 8,000,000 are currently issued and outstanding, will be exchanged for one (1) Newco Common Share; and (iii) each outstanding stock option and agents' option of Tailwind will be exchanged for one stock option or agents' option of Newco on an equivalent economic basis.

Completion of the Transaction is subject to satisfactory completion of due diligence, the execution of a definitive agreement and regulatory body approvals including approval of the TSX Venture Exchange.

In connection with the Transaction, the parties have agreed to use their commercially reasonable efforts to cause Kairos to complete a private placement of common shares at a price of \$0.10 per common share for gross proceeds of up to \$1,000,000.

iii) Subsequent to the period ended March 31, 2020, further cash advances were made by a director to a company related by a common director. These advances are to be used to acquire mineral properties or claims in Chile on behalf of the Corporation. Until such time that the properties are acquired and transferred to the Corporation, the advances shall constitute a credit facility in the maximum amount of US\$300,000.

KAIROS METALS CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2020 and 2019

12. Subsequent Events

- iv) The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks as well as the impact it will have on the Corporation.