

BRIBERY AND CORRUPTION POLICY

EPHRAIM RESOURCES LIMITED (“COMPANY”)

Overview

The Board of Ephraim Resources Limited places great importance on the values of honesty and integrity. Corruption and bribery are incompatible with the Company's values and Code of Conduct.

The Company strives to participate as a strong competitor in the market and is committed to doing so without the use of bribery or other corrupt practices to obtain an advantage. Bribery and corruption is legally and morally unacceptable and could seriously tarnish the Company's reputation. The Company will apply a zero tolerance approach towards acts of bribery and corruption by any employee, official or third-party representative.

Scope

This policy covers all activities of the Company irrespective of the jurisdiction it might operate in and extends to all directors and officers, employees and contractors of the Company, employed or contracted and on a full time, part time, casual or contract basis.

This policy must be read in conjunction with, and is subject to, the laws relating to employment and the responsibilities, if any, of employers and employees in the local jurisdictions in which the Company operates.

Bribery and Corruption

Activities involving bribery, corruption, the payment of secret commissions and the exercise of improper influence are strictly prohibited. This policy applies to both public officials, private organisations and individuals.

Bribery is defined as the offering, giving, receiving, or soliciting of something of value for the purpose of influencing the action of an a private individual or organisation or a public official or any representative of the aforementioned in the discharge of his or her public or legal duties.

Corruption is defined as an act done with intent to give some advantage inconsistent with official duty and the rights of others.

Bribes, kickbacks, inducements or other illegal payments of any kind must not be made to or for the benefit of any government official (of any country), customer, supplier or any other party in connection with obtaining orders or favorable treatment or for any other purpose. This prohibition extends not only to direct payments but also to indirect payments made in any form through distributors, representatives, consultants, agents or other third parties.

Employees must not seek or accept any type of compensation, fee, commission or gratuity from a third party in connection with the operations of the Company.

When, Where and by Whom

Bribery and corruption can be committed by an employee, officer or director of the Company, or by any person or organisation acting on behalf of the Company and stretches across domestic and international boundaries.

People who are likely to be approached with bribes or corrupt conduct are likely to be those who are able to obtain, retain or direct business, or government officials involved in some aspect of the regulation or purchase of a company's products and services, for example, the handling of administrative tasks such as licenses, customs, taxes or import/export matters. For the purposes of this policy, a "government official" could be a public official, whether foreign or domestic or a representative of a government-owned/majority-controlled organisation.

Enforcement

Corruption and bribery is a criminal offence in most jurisdictions and any corrupt act exposes the Company and its employees to the risk of prosecution, fines and/or imprisonment.

There is legislation in many countries, including Australia (the Criminal Code Act 1995), the United States (the Foreign Corrupt Practices Act) and the United Kingdom (the Bribery Act), that prohibit bribery and corruption and are enforced with vigor by their respective enforcement authorities. Acts of bribery and corruption committed overseas may well result in a prosecution in Australia and in other jurisdictions.

Any breach of this policy will be regarded as a serious matter by the Company and will result in disciplinary action up to and including termination of employment or contract.

Responsible Persons

The responsibility of preventing corruption and bribery lies with each and every director and employee of the Company.

The Board has a fiduciary duty to act in the best interest of the Company, its shareholders and its employees. Each Director is responsible for ensuring that management is doing everything in its power to prevent fraud from occurring. Directors are also required to comply with the provisions of the Board Charter and the Company's Code of Conduct.

The Company, through the lead set by the Board and senior management team, is responsible for promoting an internal culture of ethical conduct.

Defence

The Company endeavors not to be involved or associated in any way or form with corruption or bribery. However, in certain exceptional circumstances, there can be limited specific defences available. These mainly include facilitation payments and gifts and entertainment.

A facilitation payment is described as a payment of a minor nature and made for the sole or dominant purpose of expediting or securing the performance of a routine government action of a minor nature. In order to establish the facilitation payment defence, appropriate records must be kept, the official published fee structure must be paid and official receipts must be provided and retained. This will support the fact that the conduct was lawful in the country in which it occurred.

Gifts and entertainment include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings. This expenditure should not be such that it can be construed as attempting to gain improper or undue influence.

Further specific defences include the defence of duress and sudden or extraordinary emergency, such as in life-threatening circumstances.

Reporting

Reporting plays a crucial role in controlling corruption and bribery. Accordingly, all directors and officers, employees and contractors of the Company are encouraged to report suspected or known instances of corruption or bribery.

Where an individual has an honest and reasonable belief that any director, officer, employee or contractor may have engaged in, is engaging in or will engage in any unlawful conduct, information concerning that conduct should be reported to the Company.

Should the Company determine that there are reasonable grounds to support the alleged conduct, it will seek legal advice before reporting the alleged conduct to relevant external agencies to investigate.