

CONTINUOUS DISCLOSURE POLICY

EPHRAIM RESOURCES LIMITED ("COMPANY")

INTRODUCTION

Ephraim Resources Limited is listed on the Australian Securities Exchange (ASX) and is required to comply with the ASX Listing Rules. The ASX Listing Rules (in particular LR3.1) contain general and continuous disclosure requirements based on principles that include the interests of all stakeholders. The Company is committed to meeting its disclosure obligations in accordance with these principles.

The Company has adopted a comprehensive disclosure policy to comply with the ASX Listing Rules regarding the public disclosure of price sensitive information. The aim of this policy is to ensure that the Company releases price sensitive information in a timely and appropriate manner.

POLICY

The Company will immediately notify the market by announcement to the ASX of any price sensitive information. Price sensitive information is information about the Company or its business or affairs that if publicly known will or is reasonably likely to:

- Have a material effect on the price or value of the Company's securities; or
- Influence persons in deciding whether to trade in the Company's securities.

The only exceptions to this disclosure principal are those permitted under Listing Rule 3.1A where the Company may withhold disclosure while each of the following criteria are satisfied in relation to the information:

- 1) One or more of the following situations applies:
 - a) It would be a breach of the law to disclose the information;
 - b) The information concerns an incomplete proposal or negotiation;
 - c) The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - d) The information is generated for the internal management purposes of the Company; or
 - e) The information is a trade secret; and
- 2) The information is confidential and the ASX has not formed a view that the information has ceased to be confidential; and
- 3) A reasonable person would not expect the information to be disclosed.

MARKET DISCLOSURE COMMITTEE

The Company has established a Market Disclosure Committee ("MDC"), which is responsible for overseeing the Company's disclosure practices and procedures.

The MDC is responsible for:

- The Company's continuous disclosure obligations;
- Making decisions on what should be publicly disclosed under this policy;
- Communications with the ASX;
- Promoting awareness of this policy within the Company; and
- Regularly reviewing this policy to ensure continuing regulatory compliance.

Due to the current size and composition of the Company's Board, the full Board will act as the MDC and will retain responsibility for the duties outlined above. As the size and composition of the Board increases over time, the Board will establish a separate MDC and delegate these duties thereto. Membership of the MDC will be reviewed from time to time. The Managing Director, or in his/her absence, the Company Secretary, is the convener of the Committee and is responsible for the administration of the Policy and monitoring of compliance.

The Company's senior managers must keep the MDC fully apprised of all potential price sensitive information by contacting the Managing Director or Company Secretary, who will make a preliminary assessment of whether the information is price sensitive. The MDC will evaluate and discuss the information and determine the materiality of the information and the appropriateness and timing of any public release of the information.

MARKET DISCLOSURE PRINCIPLES

Once the MDC has determined that a development constitutes price sensitive information, the Company will comply with the following principles of disclosure:

- Disclosure is made to ASX by sending the information in a form suitable for release to the ASX's Company Announcements Platform by lodgement of a PDF on line at the secure ASX website. The information is then released by the ASX to the market via the public ASX website and through dissemination to a range of data vendors;
- After acknowledgement of receipt and subsequent release by the ASX, the Company places all announcements on its website, at www.ephraimresources.com.au;
- Disclosure must be complete, without any omissions that might make the rest of the disclosure misleading;
- The Company will not make selective disclosures of price sensitive information. Previously undisclosed price sensitive information will not be disclosed to selected individuals (for example, as a result of telephone calls or inquiries from an analyst or a shareholder);
- A disclosure should be corrected as soon as reasonably practicable if the Company subsequently learns that an earlier disclosure by the Company contained a material error at the time it was lodged; and
- The Company Secretary will monitor the media following the release of price sensitive information and, in the event of perceived inaccuracies in reporting, will consult with the MDC to determine if and what corrective steps need to be taken.

SIGNIFICANT ANNOUNCEMENTS

The Board will approve the content of any announcement that contains or relates to financial forecasts or material that is significant as regards the Company's policies or strategies.

Significant announcements of a recurring nature, such as the Company's half year and end of year results, are as a matter of course presented for consideration to the full Board prior to their release to the market.

RUMOURS

The Company will not normally comment on market rumours. This policy also applies to rumours on the Internet. The Company's spokespersons will respond consistently to rumours, by stating, "It is our policy not to comment on market rumours or speculation".

Should the ASX request that the Company make a definitive statement in response to a market rumour relating to the Company, the Company will respond to the ASX as required by the ASX Listing Rules.