

## SHARE TRADING POLICY

### EPHRAIM RESOURCES LIMITED (“COMPANY”)

#### OVERVIEW

This Share Trading Policy has been written in an effort to prevent the incidence of insider trading in the Company's securities by Directors, senior managers and other employees or associated persons. It is the responsibility of each individual to comply with this policy.

This policy sets out:

- information on insider trading.
- when trading in the Company's securities by Directors, senior managers and other employees are permitted.

#### INSIDER TRADING

Persons who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading.

Insider trading is the practice of dealing in a Company's securities (i.e. shares or options) by a person with some connection with a Company (e.g. an employee) in possession of information generally not available to the public but may be relevant to the value of the Company's securities or may influence a person's decision to transact in the Company's securities. It may also include the passing on of this information to another.

**Legally, insider trading is an offence which carries severe penalties, including imprisonment.**

Directors, officers and employees of the Company must not, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities (i.e. shares or options) in the Company, or procure another person to do so:

1. if that Director, officer or employee possesses information that a reasonable person would expect to have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company if the information was generally available;
2. if the Director, officer or employee knows or ought reasonably to know, that:
  - (a) the information is not generally available; and
  - (b) if it were generally available, it might have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company.

Further, Directors, officers and employees must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to deal in the securities of the Company or procure another person to do so.

The financial impact of the information is important but strategic and other implications can be equally important in determining whether information is inside information.

## **CLOSED PERIOD**

Directors, officers and employees and such other persons that the Chairman nominates may not deal in the Company's Securities:

- (i) within the period from the close of books at each quarter end until the release of the Company's Appendix 4C; or
- (ii) within the period of one (1) week prior to the release of annual or half yearly results and within two (2) business days following the release of annual or half yearly results to ASX; or
- (iii) within the period of one (1) month prior to the issue of a prospectus and within two (2) business days following the issue of a prospectus.

## **CLEARANCE**

Directors and employees must not trade in the Company's securities without first obtaining written clearance before commencing the transaction from:

- in the case of an employee, senior manager, or their associates, the Managing Director or Chairman of the Board; or,
- in the case of a Director, or their associates, the Chairman of the Board or Managing Director; or,
- in the case of the Managing Director, the Chairman of the Board or, in his/her absence, the remainder of the board by circular resolution; or,
- in the case of the Chairman, the Managing Director or in his/her absence, the remainder of the board by circular resolution.

In order to obtain the relevant clearances under this section, a person must set out in writing to the Company the following information:

- (a) the name of the person wishing to trade,
- (b) the number of shares that the person wishes to trade,
- (c) whether the Company is in a Closed or Prohibited Period,
- (d) whether the person is in possession of unpublished price sensitive information,
- (e) if the person is wishing to trade during a closed or prohibited period, the exceptional circumstances that exist the Chair may take into account when permitting a trade,
- (f) the preferred trading period.

Following a request from a person, the company secretary will present the request to the relevant Board member, or the entire Board as appropriate with a written response to be given within 3 working days. Where the proposed trade is in a prohibited period, the response will state the length of the trading window that has been granted.

The Company will keep a record of any request from a person and of any clearance given. Written confirmation from the Company that such request and clearance (if any) have been recorded must be given to the person concerned.

## **PROHIBITED PERIOD**

A person will not be given clearance to deal in any securities of the Company or a connected company during a Prohibited Period.

A **Prohibited Period** is:

- (a) in respect of the Company, any Closed Period;
- (b) any period when there is any matter which constitutes unpublished price sensitive information in relation to the securities of the Company or a connected Company (whether or not the person has knowledge of such a matter) and (in respect of the Company) the proposed dealing would (if permitted) take place after the time when it has become reasonably probable that an announcement will be required in relation to that matter; or
- (c) any period when the Board otherwise has reason to believe that the proposed dealing is in breach of this policy.

## **EXEMPTION**

In exceptional circumstances and where it is the only reasonable course of action available to a person (e.g. a pressing financial commitment that cannot be satisfied otherwise) written clearance may be given for the Director or relevant employee to sell, but not to purchase, securities when he/she would otherwise be prohibited from doing so but not while there exists any matter, which constitutes unpublished price sensitive information in relation to the Company's securities.

The Chairman will determine whether the circumstances are exceptional for this purpose.

## **DEALINGS NOT SUBJECT TO THIS POLICY**

For the avoidance of doubt the following dealings are not subject to the provisions of this policy:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer made to all or most of the securityholders (including an offer of shares in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (d) the sale of sufficient entitlements to allow take up of the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer;
- (f) transfer of shares arising out of the operation of an employee share scheme into a savings scheme investing only in securities of the Company following:
  - (i) the exercise of an option under a savings related share option scheme; or
  - (ii) release of shares from a profit sharing scheme;
- (g) the cancellation or surrender of an option under an employee share scheme;
- (h) the acquisition of securities under an employee incentive scheme,

- (i) the exercise (but not the sale of securities following exercise) of an option or a right under a director or employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Closed Period and the Company has had a number of consecutive closed periods and the designated person could not reasonably have expected to exercise it at a time when free to do so;
- (i) the purchase of Securities or the communication of information pursuant to a requirement imposed by law;
- (j) transfers of Securities by an independent trustee of an employee share scheme to a beneficiary who is not a Person; and
- (k) bona fide gifts to a Director by a third party.
- (l) transfers of securities already held into a superannuation fund or other savings scheme in which the person is a beneficiary.

## **RESPONSIBILITIES**

Each Director and employee is responsible for adhering to the Company's ethical standards for trading in the Company's securities. All Directors and employees bound by this policy must advise the Board of any personal interest (including without limitation an interest in securities) which may be impacted in a material way by a project or decision which is before the Board and in which the employee is materially involved on behalf of the Company or any of its subsidiaries.

## **ADDITIONAL INFORMATION**

If you have any questions arising from the Company's Share Trading Policy, you may contact the Company Secretary.