



EPHRAIM RESOURCES LIMITED

ABN 63 008 666 233

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT AND

PROXY FORM

TIME: 9.00 am (WST)

DATE: 28 November 2018

PLACE: c/: Nexia Perth
Level 3, 88 William Street
Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9463 2463.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.00 am (WST) on 28 November 2018 at:

c/: Nexia Perth
Level 3, 88 William Street
Perth, Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Ephraim Resources Limited, c/: Nexia Perth, GPO Box 2570 Perth WA 6000; or
- (b) facsimile to the Company on facsimile number +61 8 9463 2499; or
- (c) email to the Company Secretary at henko.vos@nexiaperth.com.au

so that it is received not later than 9.00 am (WST) on 26 November 2018.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 9.00 am (WST) on 28 November 2018 at c/: Nexia Perth, Level 3, 88 William Street, Perth, Western Australia. The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting. The directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 9.00 am (WST) on 26 November 2018. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. ANNUAL REPORT

To receive and consider the financial report of the Company together with the reports of the directors and the auditor for the financial year ended 30 June 2018.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report for the financial year ended 30 June 2018 be adopted”.

Short Explanation: The Remuneration Report is in the Directors' Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report;
- (b) a closely related party of such a member.

However any of those persons may cast a vote on the resolution if:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

If you appoint the Chairman of the Meeting as your proxy, the Company encourages you to direct the Chairman how to vote on this advisory Resolution. The Chairman, as one of the Key Management Personnel of the Company, is not permitted to cast any votes in respect of this advisory Resolution that arise from undirected proxies held unless the proxy expressly authorises the Chairman to do so.

3. RESOLUTION 2 – ELECTION OF MS TANG NEE OOI AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, Ms Tang Nee Ooi, a director of the Company who retires from office in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 be re-elected as a director of the Company”.

4. RESOLUTION 3 – ELECTION OF MR TIM LAFOREST AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, Mr Tim Laforest, a director of the Company who retires from office in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4, be re-elected as a director of the Company”.

5. RESOLUTION 4 – RE-ELECTION OF MR STEVEN PYNT AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, Mr Steven Pynt, a director of the Company who retires in accordance with clause 13.2 of the Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a director of the Company”.

6. RESOLUTION 5 – CONTINGENT RESOLUTION – BOARD SPILL MEETING RESOLUTION

Condition for Resolution 6: Resolution 6 will be considered at the Meeting only if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report.

If the condition (described above) is satisfied, to consider, and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, subject to and conditional on at least 25% of the votes cast on Resolution 1 being against the adoption of the Remuneration Report:

- (a) an extraordinary general meeting of the Company be held within 90 days of the date of this meeting (“the Spill Meeting”);*
- (b) each of Messrs Steven Pynt and Tim Laforest and Ms Ooi, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.”*

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by or on behalf of:

- (a) a member of the key management personnel listed in the Remuneration Report; or
- (b) a key management personnel’s closely related party; and
- (c) any votes cast as a proxy on Resolution by any other person who is a member of the key management personnel at the date of the meeting, or by a closely related party of any such person.

However, the Company need not disregard a vote cast on Resolution 6 if:

- (a) it is cast by any person referred to above as proxy for a person entitled to vote on the Resolution, in accordance with a direction in the proxy appointment specifying how the proxy is to vote on the Resolution; or
- (b) by the person chairing the meeting as proxy for a person entitled to vote on the Resolution where the proxy appointment does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

If you are a member of the key management personnel or a closely related party of any such member, you may be held liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company will disregard.

DATED: 17 OCTOBER 2018

BY ORDER OF THE BOARD

**HENKO VOS
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9.00 am (WST) on 28 November 2018 at c/: Nexia Perth, Level 3, 88 William Street, Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. ANNUAL REPORT

Section 317 of the Corporations Act requires the reports of the directors and of the auditors and the Annual Report, including the financial statements to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given the opportunity to raise questions on the reports and the statements at the Annual General Meeting.

The Company's 2018 Annual Report is available at www.ephraimresources.com.au. Those shareholders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice of Annual General Meeting.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

The Remuneration Report is in the Directors Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives named in the Remuneration Report for the financial year ended 30 June 2018.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

The Corporations Act provides for a 'two strikes rule' in relation to voting on the Remuneration Report. This rule would apply if, at two consecutive Annual General Meetings, the resolution for adoption of the Remuneration Report were to receive a 'no' vote of 25% or more of the votes cast on the resolution. In that case, a further resolution (a 'spill resolution') would be required to be put to Shareholders at the second of those Annual General Meetings. If passed, the spill resolution would require an extraordinary general meeting of the Company (a 'spill meeting') to be held within 90 days of the second Annual General Meeting, for the purpose of considering the election of Directors. At the spill meeting, the directors (other than the Managing Director) who were in office at the date of approval by the Board of the most recent Directors' Report would cease to hold office, unless re-elected at the meeting. For any spill resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it.

At the Group's 2017 Annual General Meeting, the Company received votes against its Remuneration Report representing greater than 25% of the votes cast by persons entitled to vote. In other words, the Company received a "First Strike" against its 2017 Remuneration Report. In these circumstances, the Corporations Act requires the Company to include in this year's Remuneration Report, an explanation of the Board's proposed action in response

to that First Strike or, alternatively, if the Board does not propose any action, the Board's reason for such inaction. The Board remains confident that the Group's remuneration policy and the level and structure of its executive remuneration are suitable for the Company and its shareholders and hence it has not amended its overall remuneration policy.

Undirected proxies

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation to vote the proxy in accordance with the Chairman's intention.

Any undirected proxies held by any other key management personnel or any of their closely related parties will not be voted on this resolution.

Key management personnel of the Company has the same meaning as set out in the accounting standards and includes the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2018. Their closely related parties are defined in the Corporations Act, and include certain members of their family, dependents and companies they control.

Directors' recommendation

The Board of Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – ELECTION OF MS TANG NEE OOI AS A DIRECTOR

On 18 June 2018 the Company announced the resignation of an existing director and the appointment by the Board of Ms Tang Nee Ooi as non-executive director of the Company.

The Constitution provides that directors appointed by the Board hold office until the next general meeting, at which time they are eligible for re-election. The Constitution further provides that persons may be appointed as Directors by ordinary resolution passed by Shareholders. Ms Ooi retires from office in accordance with these requirements and being eligible, offers herself for re-election by shareholders as a director of the Company, with effect from the end of the meeting.

Ms Ooi, a major shareholder in the Company, is a successful entrepreneur and is an advisor for numerous international companies. Ms Ooi resides in Singapore.

Directors' recommendation

The Board of Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF MR TIM LAFOREST AS A DIRECTOR

On 18 June 2018 the Company announced the resignation of an existing director and the appointment by the Board of Mr Tim Laforest as non-executive director of the Company.

The Constitution provides that directors appointed by the Board hold office until the next general meeting, at which time they are eligible for re-election. The Constitution further provides that persons may be appointed as Directors by ordinary resolution passed by Shareholders. Mr Laforest retires from office in accordance with these requirements and being eligible, offers himself for re-election by shareholders as a director of the Company, with effect from the end of the meeting.

Mr Laforest holds a Bachelor of Economics (Social Science) from the University of Sydney and a Bachelor of Laws (First Class Honours) from the University of Technology Sydney and has almost 10 years' extensive experience in corporate, transaction, advisory, commercial and legal roles. Mr Laforest is the Chief Executive Officer of an alternative investment vehicle, the Redfield Group. Mr Laforest resides in Sydney.

Directors' recommendation

The Board of Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – RE- ELECTION OF MR STEVEN PYNT AS A DIRECTOR

ASX Listing Rule 14.4 and Clause 13.2 of the Constitution provide that a re-election of Directors must be held at each annual general meeting. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. Mr Pynt retires from office in accordance with these requirements and being eligible, offers himself for re-election by shareholders as a director of the Company, with effect from the end of the meeting.

Mr Pynt has over 30 years' experience in law, accounting and business management. After graduating in law from the University of Western Australia in 1980, Mr Pynt completed his articulated clerkship at Dwyer & Thomas Solicitors before commencing work in 1983 as a tax consultant with the accounting firm Duesburys, which subsequently merged with Ernst & Whinney.

In 1985 Mr Pynt established his own legal firm and in 1988 merged his firm with Michell Sillar McPhee where he became a partner. He subsequently established the firm Healy Pynt and after leaving that firm established the practice of McDonald Pynt Lawyers with David McDonald in 2003. From June 2010 to March 2017, Mr Pynt was managing director of Muzz Buzz Franchising Pty Ltd which is Australia's leading specialty drive through coffee franchise with over 50 stores in Australia and New Zealand. Mr Pynt is now a director of MP Commercial Lawyers.

Mr Pynt also obtained a Bachelor of Business in 1986, a Master of Business Administration in 1995, and a master of Taxation Studies in 1999. Mr Pynt has held a number of public and private company board positions. He is currently chairman of ASX listed public company Global Health Ltd, and a non-executive Director of Gondwana Resources Limited. Mr Pynt was chairman of ASX listed company Richfield International Limited from 2004 to 2016. He was also deputy chairman and then chairman of the Commercial Tribunal of Western Australia from 1994 to 2004, which deals with commercial tenancy legislation, Credit Act and other commercial disputes and applications. He also taught ethics and professional responsibility to articulated law clerks from 1994 to 2005 and was a member of the Racing Penalties Appeal Tribunal from 1995 to 2007.

Mr Pynt is the Chairman of the Company and resides in Perth.

Directors' recommendation

The Board of Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 – CONTINGENT RESOLUTION: BOARD SPILL MEETING RESOLUTION

This Resolution will only be considered and put to a vote if at least 25% of the votes cast on the resolution to adopt the Remuneration Report (Resolution 1) are cast against the adoption of the report. Such an against vote will constitute a second strike for the Company.

If the resolution to adopt the Remuneration Report does not receive an against vote of 25% or more at the Annual General Meeting, Resolution 6 will not be put to the Meeting.

If put to the Meeting, the Spill Resolution will be considered as an ordinary resolution and will be passed if more than 50% of the eligible votes cast on the spill Resolution are cast in favour of the Resolution. Shareholders not attending the Annual General Meeting who want to cast votes on Resolution 6 will need to vote on Resolution 6 in the attached Proxy Form, prior to the consideration of Resolution 1 at the Annual General Meeting, notwithstanding that Resolution 6 will not be put to Shareholders if Resolution 1 receives an against vote of less than 25% at the Annual General Meeting.

If Resolution 6 is put to Shareholders and passed it will be necessary for the Company to hold the Spill Meeting within ninety (90) days of the Annual General Meeting in order to consider the composition of the Board. If a Spill

Meeting is held, immediately before the end of the Spill Meeting, each of the following Directors (“Relevant Directors”) will cease to hold office (assuming they are re-elected under Resolutions 2, 3 and 4 respectively):

- Ms Tang Nee Ooi;
- Mr Tim Laforest; and
- Mr Steven Pynt.

Each of the Relevant Directors is eligible to seek re-election as a director of the Company at the Spill Meeting. Under the Corporations Act, the Company is required to have a minimum of three Directors. The Corporations Act contains a mechanism to ensure that the Company will have at least three Directors after the Spill Meeting. If, at the Spill Meeting, a minimum of two Directors are not appointed by ordinary resolution, the persons taken to be appointed will be those with the highest percentage of votes favouring their appointment cast at the Spill Meeting on the resolution for their appointment (even if less than half the votes cast on the resolution were in favour of their appointment).

The provisions of the Corporations Act, ASX Listing Rules and the Company’s Constitution relating to meetings of the Company will apply to the Spill Meeting, including the requirement for the Company to provide a notice of meeting, setting out the business to be considered at the Spill Meeting.

Shareholders should be aware that the total cost to the Company of holding a Spill Meeting is significant (including printing, mail-out and share registry costs) and that holding a Spill Meeting would cause significant disruption to the running of the Company and may impact on its share price.

Shareholders should also note that 300,000,000 shares (“Key Management Shares”) or 19.48% of the Company’s total issued share capital, are held by key management personnel of the Company (or their closely related parties). These Key Management Shares are not able to be voted on either Resolution 1 (the Remuneration Report resolution) or Resolution 6 (the resolution to convene a Spill Meeting). However, the Key Management Shares may be cast on resolutions put to Shareholders at a Spill Meeting for the election and re-election of Directors. The Company has been informed that, in the event Resolution 6 is passed, all the holders of Key Management Shares presently intend to vote their shares in favour of the re-election of the Relevant Directors.

Directors’ recommendation

The Directors unanimously recommend that Shareholders vote against Resolution 5.

The Chairman of the Meeting intends to vote all undirected proxies against this item of business.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party has the meaning given to it in section 9 of the Corporations Act.

Company means Ephraim Resources Limited (ABN 63 008 666 233).

Constitution means the Company's Constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current Directors of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the explanatory statement.

Related Party is defined in section 228 of the Corporations Act.

Remuneration Report means the remuneration report in the Directors' Report section of the Company's Annual Report.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Relevant Directors means Messrs Steven Pynt, Tim Laforest and Ms Tang Nee Ooi.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Trading Days has the meaning set out in the Listing Rule.

WST means Western Standard Time as observed in Perth, Western Australia.

The Company Secretary
 Ephraim Resources Limited
 c/: Nexia Perth
 Level 3, 88 Williams Street,
 Perth, WA, 6000

Ph (+61 8) 9463 2463/Fax (+61 8) 9463 2499

ANNUAL GENERAL MEETING

I/We

Of (Address)

being a member(s) of Ephraim Resources Limited and entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chair of the Annual General Meeting as your proxy

or failing the person/body corporate so named or, if no person/body corporate is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting of the Company to be held at 9.00 am (WST) on 28 November 2018 at at c/: Nexia Perth, Level 3, 88 William Street, Perth, Western Australia, and at any adjournment thereof.

Important for Resolution 1 and 5:

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1 and all available proxies against Resolution 5. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1 and 5, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolution 1 and 5 even if the Chairman has an interest in Resolutions 1 and 5 which is connected directly with the remuneration of Key Management Personnel.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

The Chair of the Meeting intends to vote all undirected proxies, which the Chairman is entitled to vote, in favour of each item of business other than Resolution 5 which the Chairman intends to vote against.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Election of Ms Tang Nee Ooi as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Election of Mr Tim Laforest as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Re-election of Mr Steven Pynt as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Contingent Resolution – Board Spill Meeting Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this _____ day of _____ 2018. _____ %

By: Individuals and joint holders Companies (affix common seal if appropriate)

1. A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a shareholder of the Company.
2. If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave both the box and this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the Company. A proxy may be an individual or a body corporate.

If your appointment of a proxy specifies the way the proxy is to vote on a particular resolution and your appointed proxy is not the Chairman of the meeting and at the meeting a poll is duly demanded on the question that the resolution be passed, then if either your proxy is not recorded as attending the meeting (if a record of attendance is made) or your proxy does not vote on the resolution, the Chairman is taken, before voting on the resolution closes, to have been appointed as your proxy for the purposes of voting on the resolution at that meeting.

3. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction, unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate place. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

If you direct your proxy how to vote on a particular resolution, the proxy need not vote on a show of hands but if the proxy does so, the proxy must vote as directed. If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands. If the proxy is the Chairman, the proxy must vote on a poll, and must vote as directed and if the proxy is not the Chairman, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed. If any member of the Key Management Personnel of the Company, other than the Chairman of the Meeting, or a Closely Related Party of a member of the Key Management Personnel is your nominated proxy and you have not directed the proxy how to vote on Resolution 1 (Remuneration Report), that person will not cast any votes on Resolution 1.

4. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
5. Where a Proxy Form of a corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
6. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

7. Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
8. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Ephraim Resources Limited, c/: Nexia Perth, GPO Box 2570, Perth, Western Australia; or
 - (b) facsimile to the Company on facsimile number +61 8 9463 2499; or
 - (c) email to the Company Secretary at henko.vos@nexasperth.com.au

so that it is received not later than 9.00 am (WST) on 26 November 2018.

Proxy forms received later than this time will be invalid.