



27 February 2019

Australian Securities Exchange
Level 40, Central Park 152-158
St Georges Terrace PERTH WA 6000

ENFORCEMENT PROCEEDINGS AGAINST BIO-NEXUS

Ephraim Resources Ltd (ASX: EPA) ("**Company**") announces that it has initiated legal proceedings against Bio-Nexus Limited ("**Bio-Nexus**") for the recovery of the Company's costs incurred in connection with the proposed acquisition of Bio-Nexus.

On 10 July 2018, the Company announced:

- it had entered into a non-binding memorandum of understanding with Bio-Nexus ("**MOU**") to acquire 100% of Bio-Nexus ("**Transaction**").
- Bio-Nexus had agreed to pay the reasonable costs of the Company directly incurred in connection with the Transaction.

The Company has placed a hold on all negotiations for the potential acquisition of Bio-Nexus following Bio-Nexus' repeated failure to pay costs it agreed to pay, specifically authorised and then approved.

The Company is considering the implications of Bio-Nexus' conduct for the future of the Company, having regard to its current commitments to its creditors.

ENDS

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