



## INSIDER TRADING POLICY

### A. INTRODUCTION

Iberian Minerals Corp. ("**Iberian**") has adopted this Insider Trading Policy (the "**Policy**") to (i) educate Iberian Representatives (as defined herein) about their legal obligations with respect to insider trading and tipping and (ii) foster and facilitate compliance with applicable laws to prevent transactions by Iberian Representatives that would not be in full compliance with applicable legal requirements.

As a public company, Iberian has instituted internal guidelines to control transactions involving its securities by all Iberian directors, officers and employees ("**Iberian Representatives**") to ensure Iberian Representatives are aware of and comply with their legal obligations and Iberian's policy with respect to "insider trading" and "tipping". "Iberian" as used in this Policy, means Iberian and its Subsidiaries, as the context requires. Every Iberian Representative must fully comply with all applicable legal requirements and this Policy.

This Policy applies to all Iberian Representatives.

### B. LEGAL BACKGROUND

#### 1. *Insider Trading.*

- (a) Canadian securities legislation prohibits anyone in a "special relationship" with Iberian (as defined in Section B.3 below) from trading in Iberian securities with knowledge of a material fact or material change (as defined in Section B.3 below) that has not been generally disclosed.
- (b) Canadian securities legislation also prohibits anyone in a "special relationship" with Iberian from trading in the securities of any public company other than Iberian when he or she has knowledge of a material fact or material change regarding that other public company which has not been generally disclosed and which knowledge was gained:
  - (i) during the course of his or her work at Iberian;
  - (ii) because he or she is in a "special relationship" with that other public company; or
  - (iii) because he or she was "tipped" by another person who was in a "special relationship" with that other public company.

This prohibited activity as set out in paragraphs (a) and (b) is commonly known as "**insider trading**".

2. **Tippling.** Canadian securities legislation prohibits a public company or any person in a “special relationship” with a public company from informing any other person, other than in the “necessary course of business”, of a material fact or material change before the material fact or material change has been generally disclosed. This prohibited activity is commonly known as “tipping”. Both the person who provides the information and the person who receives the information could be liable under securities laws if the person who receives the information trades in securities.
3. **Definitions.**
- (a) **“Blacked-out Employee”** means a Iberian Representative who is described in Section C.3(a)(ii) of this Policy.
  - (b) **“General Counsel”** means the General Counsel of Iberian or such other person designated by Iberian’s Compensation and Nomination Committee.
  - (c) **“discretionary blackout periods”** are imposed from time to time on Iberian Representatives, in addition to regularly scheduled blackout periods, following consultation with Iberian’s Chief Executive Officer and Chief Financial Officer.
  - (d) **“Insider”** means a Iberian Representative who is described in Section C.3(a)(i) of this Policy.
  - (e) **“material change”** in relation to the affairs of Iberian, means a change in the business, operations or capital of Iberian that would reasonably be expected to have a significant effect on the market price or value of any of the securities of Iberian, or a decision to implement such a change made by: (a) senior management of Iberian who believe that confirmation of the decision by the board of directors of Iberian is probable; or (b) the board of directors of Iberian.
  - (f) **“material fact”** in relation to securities issued or proposed to be issued by Iberian, means a fact that would reasonably be expected to have a significant effect on the market price or value of such securities.
  - (g) **“Material Information”** means any information relating to the business and affairs of Iberian, that (i) results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the listed securities of Iberian or (ii) a prudent investor would find significant in making an investment decision with respect to Iberian securities. Material Information includes both material changes and material facts. (See attached Schedule A for examples of potentially Material Information.)
  - (h) **“regularly scheduled blackout periods”** begin one week before each quarter or year-end and end on the close of business on the second business day following the day on which Iberian discloses its annual or quarterly financial results.
  - (i) **“special relationship”** includes, for the purpose of determining whether a person is in a special relationship with Iberian, situations where a person:
    - (i) is a Iberian Representative; or

- (ii) is engaging in or is proposing to engage in any business or professional activity with or on behalf of any of Iberian or a Subsidiary, and includes, without limitation, a consultant.
- (j) **“Iberian Representative”** refers to each director, officer and employee of Iberian Corporation or any of its Subsidiaries.
- (k) **“Subsidiary”** has the meaning given to that term in the *Securities Act* (Ontario).

## **C. OBLIGATIONS**

### **1. Obligations on all Iberian Representatives.**

- (a) Iberian Representatives cannot trade in securities of Iberian while in possession of Material Information with respect to Iberian which has not yet been generally disclosed.
- (b) Iberian Representatives cannot trade in the securities of another public company while in possession of Material Information regarding that public company which knowledge was gained during the course of their work at Iberian, if the Material Information has not been generally disclosed to the public.
- (c) Iberian Representatives cannot inform other people of Material Information regarding Iberian before that Material Information has been generally disclosed, unless the Iberian Representative discloses that Material Information in the “necessary course of business” (as described below).
- (d) Iberian Representatives cannot inform other people of Material Information regarding a public company where they have gained knowledge of Material Information regarding that public company in the course of their work at Iberian before that Material Information has been generally disclosed, unless the Iberian Representative discloses that Material Information in the “necessary course of business”.

The restrictions on trading and use of Material Information set forth in paragraphs (a) to (d) above apply not only to each Iberian Representative in possession of Material Information not generally disclosed but also to the members of such person’s household (including spouses, family members and others). Iberian Representatives are responsible for the compliance of such persons and should, if necessary, review this policy with them and the general prohibitions on insider trading. In any event, Iberian Representatives should avoid disclosing any confidential information to such persons and any business partners, friends and others.

The **“necessary course of business”** exception is a limited one and exists so as not to unduly interfere with a company’s ordinary business activities. The exception could cover communications that are required to be made to further the business purposes of Iberian with:

- (i) vendors, suppliers or strategic partners on issues such as research and development, sales and marketing and supply contracts;
- (i) employees, officers and board members;
- (ii) lenders, legal counsel, auditors, underwriters and financial and other professional advisors;

- (iii) parties to negotiations;
- (iv) labour unions and industry associations;
- (v) government agencies and non-governmental regulators; or
- (vi) credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available).

Such persons must be made aware that they cannot pass the information on to anyone else (except in the "necessary course of business") until it has generally been disclosed. There is no exception to the prohibition against "tipping" for disclosure made pursuant to a confidentiality agreement, so the Iberian Representative must ensure that such disclosure is in the "necessary course of business". Furthermore, there is no exception that would permit Iberian to make selective disclosure of material corporate information to an analyst, institutional investor or other market professional.

- 2. ***Prohibitions Against Short Selling and Certain Trading.*** In addition to the obligations set forth in Section C.1 above, all Iberian Representatives who are Insiders (as defined in Section C.3(a) below) and all Iberian Representatives who hold Vice-President positions in Iberian, including individuals in acting positions, shall not engage in the short selling of, or trading in puts, calls or options in respect of the securities of Iberian.
- 3. ***Additional Obligations on Insiders and Blacked-out Employees.*** Additional obligations are imposed on Iberian Representatives who are Insiders and Blacked-out Employees, in the manner described in this Section C.3.

(a) Definitions

- (i) Who is an Insider?

Insiders of Iberian include:

- directors and officers of Iberian
- directors and officers of Subsidiaries of Iberian
- a person who beneficially owns, directly or indirectly, more than 10% of the voting securities of Iberian or who exercises control or direction over more than 10% of the votes attached to the voting securities of Iberian (a "**10% shareholder**")
- a director or officer of a 10% shareholder.

- (ii) Who is a Blacked-out Employee for the purposes of regularly scheduled blackout periods?

The following are Blacked-out Employees of Iberian during regularly scheduled blackout periods:

- all Insiders and Vice-Presidents, including members in acting positions; and

- all Iberian Representatives who receive notice from the President or General Counsel that they are designated Blacked-out Employees during such periods.
- (iii) Who is a Blacked-out Employee for the purposes of discretionary blackout periods?

All Iberian Representatives who receive notice that they are designated Blacked-out Employees during such periods.

(b) Additional Obligations on Insiders

*Insider Reports*

Under securities laws and Iberian policy, Insiders are required to file a report (the “**Insider Report**”) with securities regulators any time they trade in securities of Iberian, including shares, debt securities, options (including the grant and exercise of options), deferred share units or restricted stock units of Iberian, including certain derivative-based transactions and equity monetization transactions related thereto. Examples of such derivative-based transactions include total return swaps and credit default swaps. Insiders must file an Insider Report electronically through the “System for Electronic Disclosure by Insiders” (also known as “SEDI”) within 10 days after each trade.

Canadian securities legislation provides some exemptions from filing insider reports. Please contact the General Counsel for further information on exemptions.

*Notice to General Counsel*

All Insiders and Blacked-out Employees must give prior notice to the General Counsel any time they wish to trade in any of securities of Iberian.

(c) Obligations on Blacked-out Employees

- (i) During regularly scheduled blackout periods, the affected Blacked-out Employees cannot:
- trade in any securities of Iberian, including shares, convertible securities or debt securities;
  - engage in derivative-based transactions or equity monetization transactions related to shares or debt securities of Iberian; or
  - exercise stock options or other convertible securities of Iberian.
- (ii) During a discretionary blackout period, the affected Blacked-out Employees cannot:
- trade in the securities specified in the blackout notice;
  - engage in derivative-based transactions or equity monetization transactions related to shares or debt securities of Iberian; or
  - exercise stock options or other convertible securities of Iberian.

4. **Waiver.** Notwithstanding any of the prohibitions contained in Section C.3, the General Counsel may, at his discretion, waive the prohibitions contained in Section C.3 in exceptional circumstances, provided that the Iberian Representative seeking the waiver does not have any undisclosed Material Information and that making such an exception would not violate any applicable securities laws. The General Counsel will report any such waivers to the Corporate Governance Committee at its next regularly scheduled meeting.
5. **Potential Civil and Criminal Penalties.** The consequences of prohibited insider trading, tipping or a failure to file an insider report where required on a timely basis can be severe and may include dismissal, fines, and criminal sanctions and may also damage the reputation of Iberian.

Canadian securities laws provide that breach of the prohibition against trading in securities with knowledge of undisclosed material information or providing undisclosed material information to others, in addition to civil liability for damages, may result in imprisonment for up to five years and/or a fine of up to the greater of: (i) \$5 million; and (ii) an amount equal to three times the profit obtained or loss avoided by reason of the contravention.

Penalties may also be levied by Canadian securities regulatory authorities for not complying with the requirements to file insider reports.

## **Insider Trading - Quick Reference List**

### **DO NOT TRADE IN SECURITIES OF IBERIAN WHEN YOU:**

- know Material Information about Iberian which has not been generally disclosed and disseminated to the public
- are subject to a blackout period
- have received any other notice from the General Counsel that you cannot trade in securities

### **DO NOT TRADE IN SECURITIES OF ANOTHER PUBLIC COMPANY WHEN YOU:**

- know Material Information about another public company which has not been generally disclosed and disseminated to the public especially if you learned of such Material Information because of your business or dealings with Iberian

## Schedule A

Excerpt from s. 4.3 of National Policy 51-201 (“Disclosure Standards”):

### Examples of Potentially Material Information

The following are examples of events or information that would be material if they result in, or would reasonably be expected to result in, a significant change in the market price or value of any of the listed securities of Iberian. This list is not exhaustive.

#### Changes in Corporate Structure

- Changes in share ownership that may affect control of a company
- Major reorganizations, amalgamations or mergers
- Takeover bids, issuer bids or insider bids

#### Changes in Capital Structure

- Public or private sale of additional securities
- Planned repurchases or redemptions of securities
- Planned splits of common shares or offerings of warrants or rights to buy shares
- Any share consolidation, share exchange, or stock dividend
- Changes in a company’s dividend payments or policies
- Possible initiation of a proxy fight
- Material modification to rights of security holders

#### Changes in Financial Results

- A significant increase or decrease in near-term earnings prospects
- Unexpected changes in financial results for any periods
- Shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- Changes in the value or composition of a company’s assets
- Any material change in the company’s accounting policies

#### Changes in Business and Operations

- Any development that affects the company’s resources, technology, products or markets
- A significant change in capital investment plans or corporate objectives
- Major labour disputes or disputes with major contractors or suppliers
- Significant new contracts, products, patents or services or significant losses of contracts or business

- Changes to the Board of Directors or executive management, including the departure of the company's CEO, CFO, COO or president (or persons in equivalent positions)
- The commencement of, or developments in, material legal proceedings or regulatory matters
- Waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- Any notice that reliance on a prior audit is no longer permissible
- De-listing of the company's securities or their movement from one quotation system or exchange to another

#### **Acquisitions and Dispositions**

- Significant acquisitions or dispositions of assets, property or joint venture interests
- Acquisitions of other companies, including a take-over bid for, or merger with, another company

#### **Changes in Credit Arrangements**

- The borrowing or lending of a significant amount of money
- Any mortgaging or encumbering of a company's assets
- Defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- Changes in rating agency decisions
- Significant new credit arrangements