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## SECURITIES TRADING POLICY

These are the key points from the policy on the sale and purchase of securities in Latin Resources Limited (ABN 81 131 405 144) (**Company**) by its Key Management Personnel.

The Key Management Personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

The Company has also determined that its Key Management Personnel are its Directors and the direct reports of the Company's Managing Director, which includes contractors and consultants.

This policy applies to both the sale and purchase of any securities of the Company and its subsidiaries on issue from time to time.

### 1. General Prohibition on Insider Trading

Insider trading is a criminal offence and may result in civil liability. In broad terms, a person will be guilty of insider trading if:

- a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (i.e., information that is 'price sensitive'); and
- b) that person:
  - i. buys or sells securities in the Company; or
  - ii. procures someone else to buy or sell securities in the Company; or
  - iii. passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

### 2. Examples of Insider Trading

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to materially affect the price of the Company's securities:

- a) the Company considering a major acquisition;
- b) the threat of major litigation against the Company;
- c) the Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations;
- d) a material change in debt, liquidity or cash flow;
- e) a significant new development proposal (e.g. new product or technology);
- f) the grant or loss or a major contract;
- g) a management or business restructuring proposal;
- h) a share issue proposal;
- i) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; and
- j) significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest.

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "**Associates**" in these guidelines). It does not matter how or where the person obtains the information - it does not have to be obtained from the Company to constitute inside information.

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. It does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.



### 3. Closed Period for Trading in the Company's Securities

The Directors or Key Management Personnel must not, except in exceptional circumstances deal in securities of the Company during the following periods:

- a) In the two (2) weeks prior to, and 24 hours after the release of the Company's Annual Financial Report;
- b) In the two (2) weeks prior to, and 24 hours after the release of the Consolidated Interim Financial Report of the Company; and
- c) In the two (2) weeks prior to, and 24 hours after the release of the Company's quarterly reports (together the **Closed Period**).

The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all Directors or Key Management Personnel either before or during the Closed Period. However, if a Director or Key Management Personnel of the Company is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at **any** time.

### 4. No short-term trading in the Company's securities

The Directors or Key Management Personnel should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

### 5. Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

### 6. Trading outside of Closed Periods

Directors or Key Management Personnel may at any time:

- i) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- ii) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- iii) acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
- iv) acquire, or agree to acquire or exercise options under a Company Share Option Plan;
- v) withdraw ordinary shares in the Company held on behalf of the a Director or Key Management Personnel in an employee share plan where the withdrawal is permitted by the rules of that plan;
- vi) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
- vii) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- viii) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- ix) where a restricted person is a trustee, trade in the securities of the Company by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- x) undertake to accept, or accept, a takeover offer;
- xi) trade under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- xii) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;



- xiii) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or
- xiv) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.

In respect of any share or option plans adopted by the Company, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the Closed Periods.

#### **7. Notification of periods when Directors or Key Management Personnel are not permitted to trade**

The Company Secretary will endeavour to notify all Directors or Key Management Personnel of the times when they are not permitted to buy or sell the Company's securities.

#### **8. Approval requirements for Directors and Key Management Personnel**

- a) Any Director wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval, using the attached form (Appendix A), of the Chairman or the Board before doing so.
- b) If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities, the Chairman must obtain the prior approval, using the attached form (Appendix A), of the Board before doing so.
- c) Any Key Management Personnel wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval, using the attached form (Appendix A), of the Managing Director before doing so.

All requests to buy or sell securities must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.

Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

#### **9. Notification of any Security transaction to the Company Secretary**

Subsequent to approval obtained in point 8 above, any Directors or Key Management Personnel who (or through his or her Associates) buys, sells, or exercises rights in relation to Company securities **must** notify the Company Secretary in writing of the details of the transaction within two (2) business days of the transaction occurring. This notification obligation **operates at all times** but does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

#### **10. Exemption from Closed Period restrictions due to Exceptional Circumstance**

Directors or Key Management Personnel who are not in possession of inside information in relation to the Company, may be given prior written clearance by the Managing Director (or in the case of a Director the Chairman, or in the case of the Chairman all of the other members of the board) to sell or otherwise dispose of Company securities in a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

The determination of whether Directors or Key Management Personnel are in severe financial hardship will be made by the Managing Director in the case of Key Management Personnel, the Chairman in the case of a Director, and all of the board in the case of the Chairman.

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

Directors or Key Management Personnel may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.



## LATIN RESOURCES LIMITED

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In the interests of an expedient and informed determination by the Managing Director, Chairman or board of Directors, any application for an exemption allowing the sale of Company securities in a Closed Period based on financial hardship must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

Exceptional circumstances may apply to the disposal of Company securities by a Director or Key Management Personnel if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company, or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

### **11. Notification to the ASX for Directors trading in the Company's Securities**

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.



**LATIN RESOURCES LIMITED**

ABN 81 131 405 144

**Annexure A**

**Application for Written Acknowledgement Prior to dealing in the Securities of Latin Resources Limited.**

Name of Relevant Person: \_\_\_\_\_ (Block letters please)

Securities as Indicated Below:

Class of Securities: (e.g. Ordinary Shares)	
Registered in the Name of: (See Note 1)	
Nature of Interest: (See Note 2)	
Nature of Transaction: (See Note 3)	

As far as I am aware, I am not in possession of any unpublished price sensitive information in relation to Latin resources Limited, its subsidiaries and related companies. If This should change before the deal is transacted I undertake not to proceed.

Please provide acknowledgment by counter signing and returning a duplicate of this form.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Permission given on the basis that the transaction is completed by no later than the close of business on:

\_\_\_\_\_ (Generally within 5 business days of approval).

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(Please see below for signing authorities)

**Notes:**

1.	Registered in the Name of:	Give full name and if not yourself state the connection to yourself
2.	Nature of Interest:	Specify precisely, i.e. personally, joint holding or as trustee
3.	Nature of transaction:	Specify precisely, i.e. sale of shares

**Authorisation Levels:**

- In the case of a Director or his or her associate, the Chairman or the whole Board;
- In the case of the Chairman or his or her associate, the whole Board; and
- In the case of Key Management Personnel or their associate, the Managing Director.

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