



POLICY ON TRADING IN COMPANY SECURITIES

1.0 GENERAL

The Board of Directors (the “Board”) of Baja Mining Corp. (together with its subsidiary companies referred to herein as the “Company”) has adopted this *Policy on Trading in Company Securities* (the “Policy”) which applies to and offers guidance to employees, consultants and contractors (collectively, “Employees”), officers and directors of the Company on trading in the Company’s securities.

2.0 DEFINITIONS

Insider

An Insider is any person who possesses information that is not generally available where that information would reasonably be expected to have a material effect on the price or value of securities of the Company. Insider status is not limited to persons who are Employees, officers and directors of the Company, but anyone who possesses the inside information. This includes, but is not limited to, business associates, spouses, friends and family members.

Immediate Family

Immediate family of an Insider includes:

1. a spouse (ie: husband or wife) or partner living in common-law in the same household;
2. any children living in the same household as the Insider;
3. any family members including in-laws, siblings, grandparents, aunts, uncles, nephews, nieces or other family or relatives residing at the same home as the Insider.

Inside Information

Inside information includes changes or facts not generally available or disclosed to the public (or those changes or facts disclosed, but which have not had sufficient time to be ‘absorbed’ by the general market, when that information would reasonably be expected to have a material effect on the market price or value of the Company’s securities. Examples of information that may constitute inside information are:

- Changes in share ownership that affect control of the Company
- Changes in corporate structure
- Major acquisitions or dispositions of assets;
- Significant litigation
- Significant contracts
- Material financing activities

Material Effect

A Material Effect means that the information in question (relating to the affairs of the Company or its business), once released, would be expected to cause a significant change in the market price (positive or negative).

Securities

Securities affected by the Policy include common shares, warrants and stock options of the Company held directly or indirectly by an Insider.

Trade

A trade includes any purchase or sale of a security, or a derivative thereof the Company, including the exercise or granting of Stock Options.

Insider Trading

Insider trading is improper trading (as set out in paragraph 3.1 above) in securities on the basis of inside information that could have a material effect on market price of the Company's securities.

The Policy will be distributed to each of the Company's Employees, officers and directors annually. This Policy is administered by the Nominating and Corporate Governance Committee and reviewed annually by same. Recommendations for any required changes are made by the Nominating and Corporate Governance Committee to the Board.

3.0 TRADING PROHIBITIONS

3.1 Prohibition on Insider Trading

An Insider should never, at any time when he or she is in possession of Inside Information, do any of the following:

- a) Trade or permit any member of his or her immediate family, nor any person acting on his or her behalf, to Trade
- b) Disclose inside information to anyone for the purpose of giving that person inside knowledge in order to make a decision to trade in the Company's Securities ("tipping");
- c) Advise or encourage any other person to Trade in the Company's Securities; or
- d) Inform any other person of Inside Information, except in the course of the Company's business, and then only to persons with a need to know. Any persons not directly related to the Company (ie: outside advisors) who do not expressly have a non-disclosure clause in their contract should be required to sign a non-disclosure/confidentiality agreement.

Access to material information about the Company which has not been publicly disclosed is limited to only those Employees who must have access to the information in order to perform the duties expected of them by the Company.

Officers and directors are always considered Insiders, regardless of their level of knowledge of Inside Information.

In addition, should an Employee, officer or director become aware of inside information of any publicly traded company the Company does business with, because of business discussions on behalf of the Company, directly or indirectly, trading in that company's securities is prohibited until such time as the inside information becomes public knowledge.

3.2 Trading Blackouts

The Company's securities may not be traded during the following blackout periods:

a) ***Scheduled Blackout Periods***

From time to time throughout the year, blackout periods will be implemented as follows:

i. Quarterly Financial Reports

The trading blackout will become effective at the start of trading two trading days prior to the date of release of the financials and related disclosure and will end at the close of market one full trading day after the release of the quarterly financials.

ii. Annual Financial Reports

The trading blackout will become effective at the open of market four trading days prior to the date of release of the annual financial statements and related disclosure and will end at the close of market one full trading day after release of the financial statements.

b) *Business Milestones or Unscheduled Corporate Developments*

The CEO, CFO or Corporate Secretary will announce, from time to time, the dates of any blackout periods that coincide with unscheduled corporate developments, the availability of new Inside Information or other such material undisclosed information or potential transaction details. Anyone with knowledge of the special circumstances or corporate developments is subject to the blackout period. This can include, but is not limited to, external advisors such as the Company's legal counsel and financial advisors. The length of the blackout period and waiting period between release of news and resumption of insider trading rights will be determined by the CEO, CFO or Corporate Secretary and will be communicated to affected officers, directors, Employees and/or other individuals (as considered appropriate in the circumstances) in the blackout trading notification email.

Officers, directors and/or Employees affected by the implementation of a trading blackout will be notified by email. Those affected by the blackout must conform to the instructions set forth in the blackout notification email.

Should a director, officer, Employee or advisor have started a trade before the notification of the blackout period implementation that will not be settled by the time the trading blackout takes effect, that trade may be completed; however, no new trades may be initiated. Any person affected by a trading blackout that has a trade outstanding must notify the CEO, CFO or Corporate Secretary.

4.0 DISCLOSURE OF INSIDE INFORMATION

Disclosure of material Inside Information will be made as per the Company's *Communication and Corporate Disclosure Policy*.

5.0 INSIDER REPORTS

Insiders who are directors, officers or shareholders owning more than 10% of the issued capital of the Company are required under securities law to report the ownership of, and trades in, securities of the Company within 10 days of the transaction. It is the Insider's responsibility to file insider reports when required; however, Insiders requiring assistance may be assisted by the Company.

6.0 ENFORCEMENT

Breaches of this Policy will be regarded very seriously, and could be grounds for disciplinary action, including immediate dismissal. This Policy is in addition to insider trading sanctions and criminal penalties under applicable securities law.

<i>The Code is reviewed Annually by the:</i> <i>CEO</i> <i>CFO</i> <i>Corporate Secretary</i> <i>Nominating & Corporate Governance Committee</i> <i>Board of Directors</i>
<i>Initially Approved & Adopted: December 15, 2008</i>
<i>Reviewed & Renewed: November 13, 2009</i>