



2350 - 1177 West Hastings Street
Vancouver, B.C.
V6E 2K3
Phone: 604-685-2323
Fax: 604-629-5228
www.bajamining.com

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PRESS RELEASE

2006 SECOND QUARTER REPORT

Baja Mining Corp. (the “Company”) is pleased to provide its second quarter results for June 30th, 2006. The following is a brief summary of the June 30, 2006 quarterly Financial Statements and Management Discussion and Analysis. Complete details may be found on the Company’s website at www.bajamining.com, as well as on SEDAR at www.sedar.com. All amounts are in CDN dollars unless otherwise noted.

Nature of Business and Overall Performance

Baja Mining Corp. (the “Company”) is involved in the development of its 100% owned Boleo copper-cobalt-zinc-manganese deposit, Mexico. The Company is currently nearing completion of the Definitive Feasibility Study (“DFS”) on the Boleo project.

The Boleo Project

The Boleo Project is located on the east coast of the Baja California Peninsula, some 900 kilometres south of San Diego and near the town of Santa Rosalia Baja California Sur, Mexico. Over the last twelve years, in excess of CAD \$48.4 million has been spent on exploration, pre-feasibility studies and the current DFS on the Boleo Project. The majority of test work for the DFS was completed in July 2006, however a follow-up mine site test (to determine best practice for roof bolt installation during mine development) is planned for September 2006. The DFS was scheduled for completion in September 2006, however delays in obtaining drill rigs for the 38,800 metre in-fill drill program is expected to delay final mine design which will have the effect of delaying delivery of the DFS into the 4th quarter of 2006. Management is progressing on construction financing efforts to limit the effect of the delay on the construction timetable. The DFS is focused on the development of an underground mine, supplemented in some years with partial production from a series of low strip ratio open pits, at a currently estimated production rate (during the initial five years and anticipated to increase thereafter) of 2.6 million dry tonnes of run-of mine ore to produce up to 50,000 tonnes per year (“tpy”) of cathode copper, 2,000 tpy of cobalt (either as high grade cobalt cathode or possibly as a high quality cobalt carbonate; consideration is being given to reduce this to 1,850 tpy), up to 23,000 tpy of zinc sulphate, and possibly 50,000 to 65,000 tpy of manganese (as manganese carbonate).

Current Development in the quarter ended June 30, 2006

Reference should be made to detailed press releases issued on April 12, April 17, May 15, June 1, June 27, and July 20 and July 21 outlining:

1. Management Additions and Changes. These disclosed the appointment of Eric Norton, P.Eng initially as Director of Project Development and subsequent promotion to V.P. Project Development and Operations; the appointment of Scott G. Britton, P.Eng., as General Manager – Mining, the promotion of William Murray to the new position of Vice President - Corporate Development, and the appointment of Kendra Greenslade as Corporate Secretary.

2. Funding. The completion of a \$23 million equity issue to provide more than adequate funds to complete the DFS and provide the Company with adequate working capital for the near term.

3. Environmental Permitting. The submission of the Environmental Impact Manifest (“EIM”) for approval of the development of the Boleo copper-cobalt-zinc-manganese project on May 8th, 2006, to the Mexican Federal environmental agency, SEMARNAT (Secretaria de Medio Ambiente y Recursos Naturales). Preliminary comments from SEMARNAT to the EIM submission have now been received and we are in the process of reviewing and responding to the same. We expect to file our response to SEMARNAT in early September 2006.

4. Successful Test Mining Results at El Boleo Project. Based on the test mine activities at Boleo and on currently available information, observations and review of the data and information collected during the mine trial, the following preliminary geotechnical and operational feasibility conclusions for underground mining in the mantos were reached:

- With appropriate and site-specific mine design, equipment selection, mine planning and operation execution:
 1. the most appropriate mining methodology for underground mining the clay mantos and breccias at Boleo would utilize room-and-pillar mining with pillar removal similar to those practiced by the coal mining industries of North America, Australia and South Africa.
 2. Room-and-pillar with pillar removal mining methods should approach production levels comparable in magnitude to similar operations in the coal mining industries of North America, Australia and South Africa.
- Longwall and shortwall mining methods are not suited for the conditions at Boleo as a consequence of (1) the extensive faulting which divides the

mantos into relatively small, irregular-shaped districts and (2) the hard conglomerate floor that is difficult to cut.

5. In-fill Drill Program There are currently four core drill rigs operating on the property to complete a +38,800 metre in-fill drill program to reduce the spacing between drill holes, particularly in Manto 1 in the southern part of the property so that the existing “Inferred” resources can be re-classified as “Indicated” or better. The aim is to have a dominantly “Measured” status for blocks that are anticipated to be mined in the first 5-7 years with the balance of blocks that are anticipated to be mined in years 8 through 20 to be classified as either “Measured” or “Indicated”. Regrettably until the program is completed and the resource model revised by the Company’s geological consultants, final mine design for the DFS cannot be completed. Accordingly while the Company expects all plant and infrastructure matters for the DFS to be ready in September, the final DFS, with mine design, is probably not going to be delivered until the fourth quarter of 2006.

6. Phase 2 Pilot Plant successfully concluded. A 6 week Pilot Plant campaign was successfully conducted at SGS Lakefield Research Ltd. (“Lakefield”) continuously from June 7 to July 14, 2006, treating a composite sample totalling 4.2 tonnes of ore that was obtained during the Test Mining campaign conducted in March at Boleo.

Operation of the Pilot Plant was stable and reached a steady state condition within a few days of start-up. Operation continued smoothly 24 hours/day for the scheduled period. Test results met or exceeded the desired objectives in all aspects. The extractions of key metals in the leaching circuit under design conditions were: copper 91%; cobalt 82%; zinc 55%; manganese 97%. A number of specialist assays of final products are still pending but it is expected that the copper cathode grade meets LME Grade ‘A’ specifications (as was the case in the November 2004 pilot plant) and the cobalt metal is suitable for sale without requiring further refining.

The overflow of the metal bearing solution from the CCD circuit was very clear and leach residues settled quickly. Limestone, for acid neutralization, from the Boleo property was used, as opposed to purchasing lime for neutralization, for the entire test period. Several equipment vendors were on-site for the test period and the data collected is being used for design of several of the solid/liquid separation steps in the anticipated flow sheet. Good separation of zinc and cobalt was achieved and the zinc solution collected is suitable for production of zinc sulphate that can be sold in the fertilizer and animal feed markets. The results of the pilot test are now being incorporated into the DFS report.

7. Equipment Option Acquired. The Company has acquired an option to purchase four diesel driven generator sets from a United States power company. Each unit is rated at 2.5MW, providing a total of 10MW. The generation plant had been used to provide standby power for an East Coast island. The units are in excellent condition as they have very low operating hours and are maintained in a hot standby state. The modules are skid-

mounted and are thus easily re-locatable. The option provides for a series of payments that, in total, will amount to approximately 10% of the cost of equivalent new units.

8. Results of Operations for the Quarter ended June 30, 2006

Operations

The Company is still at the exploration and development stage at its Boleo Project and has no revenue generating activities. For the quarters ended June 30, 2006 and June 30, 2005, the Company recorded a consolidated net loss, before other items, of \$9,226,704 (\$0.09 loss per share) and \$1,500,208 (\$0.02 loss per share) respectively. The results reflect the increased activity on the Boleo project for the period.

Exploration and Development Expenses

The Company incurred \$8,463,838 in exploration and development expenses during the quarter ended June 30, 2006 compared with \$1,059,816 during the quarter ended June 30, 2005. The Company has been focused on completing the DFS on the Boleo property in Mexico. The majority of the exploration expenses in the current period relate to in-fill drilling, feasibility studies, phase 2 pilot plant costs and other professional consulting fees in connection with the Boleo property. The increased level of activity is a direct result of the completion of a major equity issue in April 2006 and increased activity related to completing the DFS.

General and Administrative Expenses

General and administrative expenses ("G&A") for the quarter ended June 30, 2006 increased by \$322,474 compared with the previous year. Increases were mainly in the following areas:

- Amortization: \$39,922 (2005 - \$7,066) The increase is the result of the acquisition of additional equipment during the year.
- Management and consulting fees: \$105,906 (2005 - \$70,176) largely as a result of increased activity.
- Rent: \$68,584 (2005 - \$37,753) The increase is a result of increased office space to accommodate additional personnel in Canada and Mexico
- Stock-based compensation: \$466,143 (2005 - \$106,130) has been recognised during the quarter ended June 30, 2006. Of this amount, \$138,164 has been allocated to general and administration expenses, and the balance to exploration expenses. During the quarter ended June 30, 2006, the Company granted 400,000 stock options to directors and consultants of the Company at exercise prices ranging between \$1.45 and \$1.57. The fair value of options granted was estimated using the Black-Scholes option pricing model. Stock-based compensation expenses accounted for 18.1% (2005 – 24.1%) of total G&A expenses.
- Travel: \$111,307 (2005 - \$20,034) these costs increased as a result of additional visits to the mine site by management and consultants of the Company. Additional travel was also undertaken to secure funds for ongoing operations, as well as investor awareness programs.

- Wages: \$127,793 (2005 - \$55,965) Due to the addition of employees required, as the Company moves the next stage of development, costs have increased accordingly.

Summary of Quarterly Information

Quarterly financial data for the eight most recently completed quarters is provided below.

	Q3 Sep 30, 2004	Q4 Dec 31, 2004	Q1 Mar 31, 2005	Q2 Jun 30, 2005	Q3 Sep 30, 2005	Q4 Dec 31, 2005	Q1 Mar 31, 2006	Q2 Jun 30, 2006
Total Revenues	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

Income or loss before discontinued operations and extraordinary items:

Total	\$(2,436,996)	\$(2,454,005)	\$(2,017,441)	\$(1,496,227)	\$(2,313,964)	\$(1,169,099)	\$(1,930,508)	\$(9,328,079)
Per Share	\$(0.04)	\$(0.04)	\$(0.03)	\$(0.02)	\$(0.04)	\$(0.02)	\$(0.03)	\$(0.09)
Per Share Fully Diluted	\$(0.04)	\$(0.04)	\$(0.03)	\$(0.02)	\$(0.04)	\$(0.02)	\$(0.03)	\$(0.09)

Net income or loss:

Total	\$(2,436,996)	\$(2,454,005)	\$(2,017,441)	\$(1,496,227)	\$(2,313,964)	\$(1,169,099)	\$(1,930,508)	\$(9,328,079)
Per Share	\$(0.04)	\$(0.04)	\$(0.03)	\$(0.02)	\$(0.04)	\$(0.02)	\$(0.03)	\$(0.09)
Per Share Fully Diluted	\$(0.04)	\$(0.04)	\$(0.03)	\$(0.02)	\$(0.04)	\$(0.02)	\$(0.03)	\$(0.09)

General Discussion of Quarterly Results

Net Income (Loss)

The Company carried out exploration activities on the Boleo property in Mexico. Factors that caused fluctuations in the Company's results were the amount and extent of exploration and operating activities in the quarters. Since completion of the \$10 million equity financing on April 20, 2004, and subsequent financings and in particular the \$23

million equity issue in April 2006, exploration and operating activities increased significantly as reflected in net losses during each quarter thereafter.

Contractual Obligations and Commitments

The Company has no long-term debts, material capital lease obligations and purchase obligations. The Company has management and consulting contracts with officers and directors of the Company for services rendered with future commitments under these contracts totalling \$144,000 in fiscal year 2006 and \$96,000 in fiscal year 2007.

The Company has committed to an operating lease for office space for a term of 63 months expiring September 2010 with minimum lease payment of \$74,480 per annum. The Company entered into a lease with the existing landlord for additional office space. The commitment is for a period of fifty months commencing August 01, 2006 with a minimum annual rental of \$41,120.

The Company also signed an agreement with Bateman Engineering Ltd. Canada for the completion of the DFS budgeted at approximately US \$8.9 million. The Bateman agreement does not include the costs of in-fill drilling, the test mining program, or management costs related to the DFS. The DFS is scheduled to be completed by the fourth quarter of 2006. The agreement may be terminated upon thirty days written notice. As at June 30, 2006, the Company had a remaining terminable commitment of US \$1.3 million.

Liquidity

During the quarter ended June 30, 2006, the Company had negative cash flow of \$4,205,989 (2005 - \$1,352,887) from operating activities. The cash outflow was mainly attributable to exploration expenditures of \$8,463,838 (2005 - \$1,059,816) and general and administration expenditures of \$762,866 (2005 - \$440,392).

In terms of investment activities, the Company utilized \$51,092 (2005 - \$124,269) to acquire mining equipment for use at and to develop the test mine site, and \$12,769 (\$Nil) for leasehold improvements and office furniture and equipment.

During the quarter ended June 30, 2006, the Company raised \$24,435,124 (2005 - \$193,950) on the placement of shares. Of this amount \$2,544,136 (2005 - \$193,950) related to 2,967,003 warrants exercised, \$292,250 (2005 - \$Nil) to 835,000 share options exercised, and \$21,598,738 related to share subscriptions received in respect of a private placement of 25,555,556 units which was completed in April 2006.

Transactions with Related Parties

During the quarter ended June 30, 2006, the Company paid \$243,644 (2005 - \$127,638) management and consulting fees to directors and officers and employees related to directors of the Company, and to companies controlled by officers and directors of the Company. The Company paid \$Nil (2005 - \$7,000) of rent expense to related companies, which are controlled by directors and officers, for shared office facilities. The Company

also paid \$16,500 (2005- \$16,799) in salaries and wages to employees related to directors and officers of the Company and directors' fees of \$12,750 (2005 - \$Nil).

All the above charges are on terms and conditions similar to non-related parties.

Cautions on Forward-Looking Information

This report contains certain "forward-looking statements". Such forward-looking statements are subject to risks, uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements.

**ON BEHALF OF THE BOARD OF DIRECTORS OF
BAJA MINING CORP.**

John W. Greenslade

John W. Greenslade, President

For further information please contact John Greenslade, President at 604-685-2323

The statements made in this News Release may contain certain forward-looking statements. Actual events or results may differ from the Company's expectations. Certain risk factors may also affect the actual results achieved by the Company. The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.