

Baja Corporate Update - Boleo Ramp-up and 2016 MMB Budget

Vancouver, February 29, 2016 – Baja Mining Corp. (“Baja” or the “Company”) (TSX-V: BAJ - OTC: BAJFF) is pleased to report that Tom Ogryzlo - Interim CEO and Director, and Wolf Seidler – Director, visited the Boleo Mine on February 19, 2016, and met with operations management of Minera y Metalúrgica del Boleo, S.A. P.I. de C.V. (“MMB”) to discuss progress at Boleo, including both the underground and open pit mining and the process plant production ramp-up.

Representatives from Majority Shareholder KORES Visit to the Site

The Baja site visit coincided with a visit to the site by senior executives from KORES who are 74% owners of the project. As the KORES schedule was very full, it was not possible to advance outstanding ongoing discussions such as revisions to the Shareholders Agreement. MMB management organized a large open meeting that included the KORES visitors, senior MMB management, some 300 MMB employees and the Baja representatives. Slide presentations during the meeting highlighted the 2015 results, and the 2016 business plan targets, which were generally significantly higher than 2015 results. While KORES confirmed its support for the Boleo Project for the coming year it sought to focus everyone’s attention on the importance of meeting the 2016 targets in order to maintain KORES’ continuing support.

Projected Cash Shortfall 2016

MMB management have projected a cash short fall of approximately US\$300 million for 2016 based on a 2016 capital and operating budget, which has now been approved by all members of the MMB Board of Directors including Baja. It is unclear at this time to what extent this cash short fall will be covered by new equity and/or new shareholder or third-party loans. In the meantime, MMB has issued a further Project Funding Notice to its shareholders requesting a total advance of US\$38.3 million to ensure MMB is able to meet its cash requirements and fulfill the shortfall in operating expenditures of the Boleo Project for the period through to the end of March 31, 2016. Baja has informed MMB that it does not intend to participate and contribute its \$3.83 million share. This may well result in a further decrease in Baja’s ownership of the Boleo Project, in addition to that which may arise in respect of the May 2015 MMB cash call (total advance of \$76.0 million). The extent of any dilution to Baja’s current 10% shareholding in MMB is pending finalization of the revised Shareholders Agreement and the ultimate form of the cash call participation (ie. shareholder loan or equity).

Plant

Details of the plant problems and solutions are in line with those reported in the Company's New Release dated November 10, 2015. Some remedies, like the addition of a "Sizer" unit to deal with problems related to clay in plant feed material, have been installed and are functioning as expected, while other improvements are awaiting delivery of key items. MMB management is encouraged by the copper recoveries after reduction leaching, which it advised are currently $\pm 70\%$. During the ramp-up phase, the plant continues to process lower grade material ranging between 0.70% and 0.90% copper. Baja representatives were not made aware of any process plant problems to which, in the option of MMB management, there were no solutions, and were advised that most, if not all of which, should be in place by the end of 2016. Delays in the delivery of key materials are impacting the timing with which outstanding improvements are achievable.

The 2016 target of 22,000 tonnes of copper cathode is similar to the 2015 target of 20,000 tonnes. Copper cathode production in 2015 was 7,319 tonnes. The cobalt and zinc circuits are now scheduled to be in operation sometime in March 2016. The first zinc sulphate prills were on display during Baja's visit having been produced the night before.

During the year, MMB will be installing two additional acid storage tanks at a cost of US\$3.5 million.

Underground and Surface Mining

Due largely to difficult ground conditions, underground mining continues to be a serious challenge. The 2015 year end target of producing 1,000 tonnes per day (tpd) underground was achieved on the day before the visit but has not yet been demonstrated to be sustainable at that level. Plans involving new custom built mining equipment and more underground workers are in place to ramp up daily production to the forecast 3,000 tpd by year end.

Two Mexican mining contractors with experience in coal mining are working underground currently employing approximately 80 miners. They are responsible for the mining activity in two of the underground mines.

Surface mining seems to be working well. The only challenges relate to the high stripping ratio, which is now reaching 12:1.

The technical and other information in respect of the Boleo operations disclosed herein has been provided or disclosed to Baja by MMB management during the site visit of Mr. Ogryzlo and Mr. Seidler on February 19, 2016. However, Baja is a minority 10% shareholder in MMB, a company indirectly controlled by KORES, a Korean state-owned company. Therefore, Baja does not have direct and independent access to information relating to the operations of MMB customary for a controlling shareholder or project operator. Baja is dependent upon information provided by MMB and/or KORES

either routinely to shareholders, or at specific request. Accordingly, Mr. Ogryzlo and Mr. Seidler have been unable to verify the technical disclosures in this news release relating to current and prospective Boleo mine and process plant production tonnages and operational performance and therefore cannot provide definitive assurance that the technical information disclosed is correct. The technical comments contained herein with respect to the processing plant has been reviewed and approved by Dr. David Dreisinger, Ph.D., P.Eng., F.C.I.M., F.C.A.E, who is a Qualified Person as defined in NI 43-101.

For further information, please contact Baja's Interim CEO Tom Ogryzlo at 604-685-2323 or via email at info@bajamining.com

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