

## Baja Issues Corporate Update and Provides Boleo Start-up Schedule Update

**Vancouver, June 23, 2014** – Baja Mining Corp. (“Baja” or the “Company”) (TSX-V:BAJ - OTC:BAJFF) is pleased to announce that further to its news release of May 13, 2014, Minera y Metalúrgica del Boleo, S.A. P.I. de C.V. (“MMB”) and Korea Resources Corporation (“KORES”) have provided it with documentation confirming the termination of the 2010 Project Financing senior facilities, including the termination and/or release of all related Baja guarantees (US\$160.6 million as at March 31, 2013, plus any overall completion guarantee), security interests and pledges. Accordingly, Baja is no longer liable as a guarantor of any amounts borrowed by MMB, nor is it liable in respect of any overall economic completion guarantee related to project finance for the Boleo Project. Baja remains a 10% shareholder of MMB and if the total costs to complete the Boleo Project exceed US\$1,751 million and further equity funding is required, Baja must participate on a pro rata basis or Baja’s current 10% interest in MMB will be further diluted.

Tom Ogryzlo, Interim CEO of the Company, commented “This represents another significant milestone in the restructuring of aspects of the Company’s operations and the reset of relationships with various Boleo Project stakeholders. The Company’s management team and board members have worked diligently to achieve the best possible outcomes for Baja shareholders in the challenging circumstances the Company has faced over the last two years. I thank all shareholders for their continued support and understanding as the Company continues to address remaining issues relating to the cost overruns and change of control of the Boleo Project.”

Mr. Ogryzlo added, “I remain hopeful that with the termination of the guarantees, as well as many other restructuring achievements of the last several months, some fundamental value of Baja’s remaining participation in the Boleo Project may be protected for Baja shareholders.”

Since the beginning of the year, Baja has achieved the following:

- successfully settled the Louis Dreyfus actions (see Baja news release, January 24, 2014), substantially reducing the Company’s ongoing legal expenses;
- agreed to convert, the Company’s shareholder loans in MMB for equity in exchange for a reduction in the rate of interest on the MMB-KORES debt facility to 4% (see Baja news release, April 2, 2014), which helped pave the way for the successful MMB bond issuance and early refinancing of the then remaining 2010 Project Financing facilities and KDB subordinated debt (see Baja news release, May 13, 2014);

- reached agreement in principle with KORES on key matters having significant potential implications for the Company and its shareholders (see News Release, April 2, 2014), including:
  - the determination of an MMB dividend policy to ensure that available funds are distributed to shareholders at the earliest possible time, after having satisfied prior debt service and principal repayment obligations;
  - the restructuring of terms relating to the manganese production decision and manganese refundable deposit liability to avert a near-term insolvency risk by eliminating US\$10,000,000 from the Company's current liabilities; and
  - establishing a framework for further dilution of the Company's ownership in MMB relating to future cash calls associated with the Boleo Project;
- voluntarily delisted its common shares from trading on the TSX and applied for and obtained a Tier 2 Listing on the TSX Venture Exchange, and filed a Form 15 with the United States Securities and Exchange Commission to terminate the registration of its common shares under Section 12(g) of the Exchange Act and suspending its reporting obligations under Section 15(d), significantly reducing the Company's listing and compliance costs while maintaining a market for the Company's common shares;
- worked closely with its legal counsel to defend the class action law suit. Although the Ontario Superior Court of Justice has certified the action as a class proceeding under the Ontario Class Proceedings Act, as against Baja and the remaining individual defendants, the court granted leave to the plaintiff to proceed only with respect to statutory claims under s. 138.3 of the Ontario Securities Act and dismissed all other claims (see Baja news release, April 29, 2014). It is expected that the narrowed scope of the class action may facilitate a less complex legal and court process, to the benefit of the Company and its stakeholders;
- assisted Cinto Colorado to confirm its legal rights to develop the tailings and slags located adjacent to the Boleo Project, and to obtain the support of the Municipio of Santa Rosalia, which will enable Cinto Colorado, together with Baja, to advance plans to evaluate development options, including the potential processing and/or sale of the tailings and slag for the benefit of Baja and its shareholders. Baja's preliminary due diligence review indicates the Cinto Colorado tailings and slag contain significant residual copper and cobalt that represents a potential low-risk, low-cost avenue to near-term cash flow; and
- with the removal of all security interests and pledges relating to the 2010 Project Financing senior facilities, Baja is now evaluating options for its Luxembourg subsidiaries with a view to simplifying the Company's legal structure and eliminating further operating costs.

### **Boleo Project Schedule Update**

MMB has reported to Baja that it has completed its most recent schedule review for the Boleo Project, and has advised the Company of the following:

- Piping and instrumentation construction schedules remain under pressure due to ongoing work force shortages;
- MMB is now targeting mechanical completion of the copper circuit by the end of June 2014. First ore or hot commissioning is now expected to commence in early September, with October 1, 2014 being the targeted date for first copper production; and
- Mechanical completion of the cobalt zinc circuits is now scheduled for the middle of August 2014 due to lateness in delivery of certain equipment. Additionally, delays to the completion of the copper circuit are having a knock-on effect preventing the movement of crews to work on the construction of the back-end. First cobalt zinc production is now scheduled for November 1, 2014.

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

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