

Help Us Protect Your Investment from Mount Kellett

Vote the **GOLD** Proxy Against an Opportunistic Investor



Boleo

BAJA MINING

Special Meeting of Shareholders: April 3, 2012
Proxy Contest Information

TSX:BAJ | OTCQX:BAJFF

bajamining.com/proxycontest

Forward-Looking Statements

This presentation contains forward-looking statements. Forward-looking statements are statements that relate to future events or financial performance. Forward-looking statements speak only as of their date, are only predictions and are subject to known and unknown risks, uncertainties and other factors, including without limitation those described in Baja's most recent annual information form filed under its profile at www.sedar.com. All forward-looking statements in this presentation are qualified by these cautionary statements. These risks, as well as risks that the Company cannot currently anticipate, could cause the Company's or its industry's actual results, levels of activity or performance to be materially different from any future results, levels of activities or performance expressed or implied by these forward-looking statements. Although the Company believes that the expectations reflected in the forward-looking statements included in this presentation are reasonable, the Company cannot guarantee future results, levels of activity or performance. Except as required by applicable law, the Company does not intend to update any of these forward-looking statements to conform them to actual results. Economic assumptions contained herein are based upon a Definitive Feasibility Study with updated cost estimates released in January 2010, under the provisions of National Instrument 43-101, that includes scheduling of inferred resources and accordingly is only indicative in nature and should not be relied upon for investment purposes.

Mount Kellett wants control without paying a premium

- This fight is about stopping a creeping takeover of Baja
 - Baja is poised to create substantial value over the next 18 months and Mount Kellett wants that value for itself.
 - Mount Kellett has privately sought special status to acquire a control position of more than 30% of Baja without offering a premium to all shareholders. The Board refused.
 - Having failed to influence the Board, Mount Kellett is now trying to obtain direct inside access to the Board in pursuit of a hidden agenda: control without a premium.

The Evidence of Mount Kellett's Hidden Agenda

	Action	Interpretation
1	MK offered "strings-attached" equity financing	Initial attempt at special status
2	MK only filed minimal reports as it accumulated 19.9%	Stealth tactics: should have offered more transparent disclosure
3	MK sought 30% of Baja via special exemption	Did not disclose to investors that it wanted control without paying a premium
4	MK rejected Baja's offer of two independent nominees	MK insisted on Board seat for MK's own employee even though he would be conflicted
5	MK offered predatory standstill agreement with no teeth	MK can launch takeover bid just 15 days after MK's employee resigns from Baja's Board
6	MK's sudden governance focus	Smokescreen for hidden agenda

1. Mount Kellett's "strings-attached" financing offer

- Initial attempt, in 2010, to put itself ahead of other shareholders
- Strings included:
 - Special "piggyback rights" to assist it in selling its securities
 - Pre-emptive rights to participate in future equity financings and maintain percentage shareholding
 - Right of first refusal to provide future equity financing
 - Board seat
- Extensive due diligence, including two-day site visit to Boleo
 - Mount Kellett expressed no concerns regarding Baja's governance
 - Mount Kellett was very supportive of Baja's Board and Management
- Baja completed Cdn\$184 million equity financing without Mount Kellett's involvement

2. Mount Kellett's stealthy accumulation of Baja shares

- Disclosure by Alternative Monthly Report was the least transparent approach
 - No disclosure of individual transactions and prices on SEDI after 10% level
 - No disclosure within five days of each trade
 - No early initial or follow-on early warning news releases after every 2% increase
 - No filing of early-warning reports on SEDAR
 - First disclosure in US, a month before disclosing in Canada, the primary trading market
- Alternative Monthly Report may not have been appropriate for an investor seeking control
- If disclosure had been more transparent, Baja sellers could have acted differently
- Stealthy accumulation is consistent with Mount Kellett's hidden agenda

3. Mount Kellett sought control position of more than 30%

- Twice asked Baja privately for special exemption from Shareholder Rights Plan to acquire up to \$125 million of Baja's shares
 - Equivalent to more than 30% based on trading price at the time
 - Under Canadian law, 20% or more is a control position
 - Mount Kellett chose not to disclose its intention publicly
 - Board rejected both requests because they were not in the interest of all shareholders
- Second request took place at special presentation to the Board
 - Timing was just hours after shareholders, including Mount Kellett, voted for the Shareholder Rights Plan
 - Mount Kellett wanted to be able to acquire more than 30% while the Shareholder Rights Plan would prevent anyone else from doing so too

4. Mount Kellett rejected offer of two independent nominees

- Baja offered to appoint Mount Kellett nominee Lorie Waisberg to the Board
- Baja also offered to appoint a second Mount Kellett nominee if independent of Mount Kellett
 - Mount Kellett describes itself as “opportunistic,” has access to US\$6 billion and wants special rights other shareholders do not have
 - A Mount Kellett executive on the Board is not a good fit for a small mining company with a market capitalization of just Cdn\$300 million
- Baja precedent – director Wolf Seidler was nominated by large shareholder Louis Dreyfus Commodities Metals Suisse SA but is independent of it and Baja
- Mount Kellett’s Stephen Lehner is conflicted
 - As a Baja director, would owe a fiduciary duty to Baja
 - As paid Mount Kellett employee, has obligations to employer
 - Conflict might not be reconcilable

5. Mount Kellett offered “standstill” with no teeth

- Mount Kellett mislead shareholders when it disclosed its “standstill” offer
 - Failed to mention it would only last 15 days after Mr. Lehner’s resignation from Board
 - Rapid expiry “standstill” would hold Baja Board hostage to Mount Kellett and allow Mount Kellett to launch a bid while:
 - Mr. Lehner has still-fresh Board information
 - Baja is undervalued because Boleo is not yet in production
 - Rapid expiry “standstill” is consistent with:
 - Opportunistic approach of Mount Kellett
 - Mr. Lehner’s obligations to Mount Kellett
- Failure to mention the rapid expiry is consistent with Mount Kellett’s hidden agenda

6. Mount Kellett's sudden governance focus

- Mount Kellett's governance focus is a smokescreen to hide the creeping takeover
- Governance never mentioned prior to requisition
 - If Mount Kellett was really concerned, it would have said something sooner
 - Plenty of opportunities—site visit, board presentation, dozens of calls/emails/meetings
- Baja addressed every governance item Mount Kellett raised in its requisition; Mount Kellett called it “window dressing”
 - False characterization shows Mount Kellett does not care about governance
- Mount Kellett doesn't apply governance standards equally
 - Had combined 80% failure rate of four publicly traded investments compared with policies proposed for Baja
 - Its nominee Mr. Waisberg is on six boards with a combined 70% failure rate compared with policies proposed for Baja
 - Proxy advisor ISS has published multiple criticisms of Mount Kellett and Waisberg companies with respect to options grants and governance

Baja's Baynham is More Qualified than Mount Kellett's Lehner

Giles Baynham:
Chairman of Baja Board

- Mining Engineer, 16 years of business experience since university
- Involved in \$8 billion + of natural resources financings
- Experience with public company directorships in the mining sector, but not overcommitted
- Opposes special status for Mount Kellett
- No conflict of interest

Stephen Lehner:
Mount Kellett executive

- Less than 11 years of business experience since university
- No mining experience other than due diligence; just investment banking and investing
- No experience with public company directorships in mining or any other sector
- Demanded special status for Mount Kellett
- Inherent conflict of interest—will Mount Kellett's interests outweigh Baja's?

Baja's Prosalendis is More Qualified than Dissident Waisberg

Gerald Prosalendis: Baja Independent Director

•31 years of business experience, including 14 years in mining. Expert in mining corporate strategy and mining investor relations.

•Extensive mining experience:

•As VP Corporate Development, Western Silver Corp (2003-2006) he has experience in the exploration and development of a major Mexican mine—Penasquito, the largest precious metals mine in that country.

•As VP Corporate Development, Dia Met Minerals (1997 to 2001) he has experience in the exploration and development of Canada's first and largest diamond mine as well as product marketing.

•Experience in mining M&A negotiations:

•Helped negotiate the \$1.6 billion sale of Western Silver to Glamis Gold (2006)

•Helped negotiate the \$687 million sale of Dia Met Minerals to BHP (2001)

•Not overcommitted to Boards

Lorie Waisberg: Ally of Mount Kellett

•Mining sector experience limited to a few high-risk ventures.

•No disclosed experience in the development of a major mine in Mexico or elsewhere.

•No disclosed experience in negotiating mining takeovers.

•Overcommitted to Boards

If elected, would be overcommitted to Boards according to standard set by proxy advisor ISS. It recommends that directors sit on no more than six boards. He will be on seven boards simultaneously if he is elected to Baja's Board and does not resign from one of the others. He has not committed to resigning from any of these Boards.

In the opinion of another proxy advisor, Glass Lewis, Mr. Waisberg is overcommitted to audit committees. For this reason Glass Lewis has recommended five withholds against him since 2010. The most recent withhold was in a report dated January 6, 2012.

Summary: The Danger of Mount Kellett

- Mount Kellett wants control of Baja without offering a premium
 - One goal – maximize Mount Kellett's advantage
 - Will use influence on board to push Mount Kellett's agenda
- Self-proclaimed opportunistic investor/trader
 - Access to inside information and company strategy that other shareholders do not have
 - Mr. Lehner is conflicted and is the front man for the special status demands
- May not be able to stop Mount Kellett later on if you don't stop it now
 - Principals are sophisticated former Goldman Sachs executives
- Offer of predatory “standstill” for just 15 days is clear evidence of its real intent
 - Failure to properly disclose the predatory nature of the “standstill” offer should be a matter of grave concern

How Baja Shareholders Can Protect Their Investment and Stop Mount Kellett

- Vote only the **GOLD** Proxy to Stop Mount Kellett
- Vote **AGAINST** Mount Kellett's resolution to remove two Baja directors who have far more mining experience, and more relevant experience, than the two Mount Kellett nominees.
- Vote **AGAINST** Mount Kellett's resolution to increase the size of the Board to nine from seven.
- Vote **WITHHOLD** for the two Mount Kellett nominees.
- Vote **FOR** the stock option plan amendment resolution.
- Dispose of any communications you may receive from the dissident.

Reference Slides

The Value of Baja

- Approximately 18 months away from copper production
 - value appreciation often occurs as production nears
- Management has been devoted to Boleo since staking the claims in 1992
- Management completed a US\$1.1 billion financing during a period of troubled financial markets
- Baja has outperformed most of its peers
- Management has assembled an exceptional team of proven mine builders
- Strong economics based on March 2010 Technical Report
 - After Tax NPV (8%) US\$1.3 Billion
 - After Tax IRR 25.60%

Boleo – December 2010

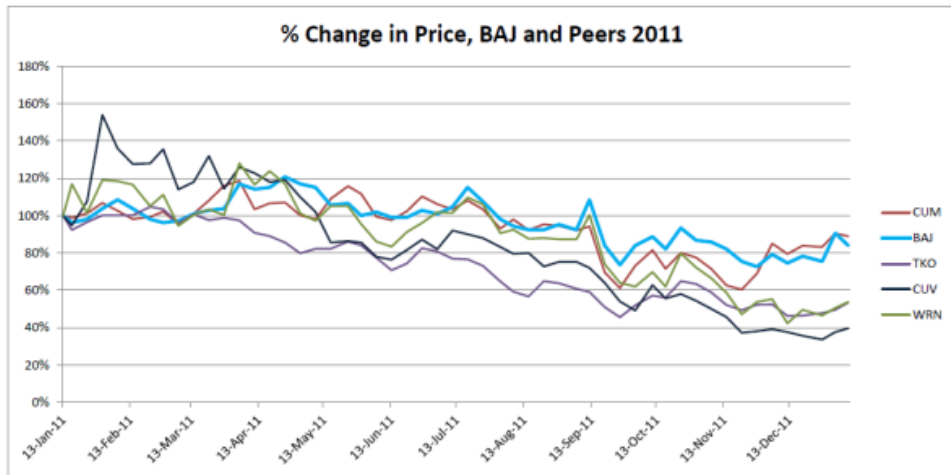


Boleo – December 2011



Significant Progress Made In One Year

Baja – Outperforming its Peers



Baja – Outperforming the Majors

