

# Developing Boleo

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BAJA MINING

# Forward Looking Statement

This presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Such forward-looking information and statements are based on current expectations, estimates and projections about global and regional economic conditions as well as industries that are major markets for Baja Mining Corp. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. Further, to the best of management's knowledge the information throughout the presentation is revised and up to date. 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.

# The Boleo Project Advantage

- Large, high-grade, copper deposit located in Baja California Sur, Mexico
- Obtained all major permits for construction & operations
- Fully funded for construction (raised over US\$ 1 Billion)
- Released EPCM contractor & recommenced construction
- Production anticipated by 2013 (24 month construction)
- Completed feasibility study with 25.6% IRR after-tax, US\$ 1.3B NPV (8%) <sup>1</sup>
- Negative US\$ 0.29/lb LOM cash costs (net of by-product credits) <sup>1</sup>
- Strong minority partners in Korean Consortium (30% in the project)
- Experienced management team with 200+ years of combined mining experience

(1) Source: March 2010 Technical Report, Metal prices: Cu US\$2.91/lb, Co US\$26.85/lb, Zn US\$0.53/lb

# Self-Sufficient Project



BOLEO PROJECT LOCATION MAP

## PORT - ROAD

- Port located 500 m from plant site
- Project on main highway 500 miles from US

## WATER

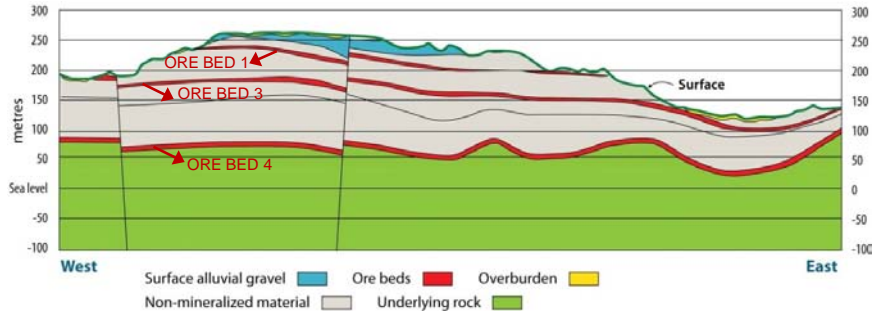
- Majority of process to run on sea water
- Fresh and potable water from steam of acid plant and desalinization plant

## POWER

- 54 MW - 64 MW of power requirement
- Acid plant to generate 42 MW
- Additional power from heavy fuel oil plant

# Near Surface Underground Mine

- Clay ore body lends itself to high-rate underground mining similar to coal, potash
- 7 ore beds, flat-lying, close to surface and accessible from surface
- 7 months test mining indicates costs comparable to open pit methods



# Robust Economics



CAMP CONSTRUCTION - PHASE 1

Mine life	23 years
LOM cash costs (net of by-products)	Negative US\$ 0.29/lb Cu
After tax NPV (8%)	US\$ 1.3 Billion
After tax IRR	26%

## Y1-Y6

Copper grade	Above 2.00%
Avg annual production	Cu 125Mb, Co 3.7Mb, Zn 25.4Kt
After tax avg annual cashflow	US\$ 302 M

## LIFE of MINE

Copper grade	1.33%
Avg annual production	Cu 84Mb, Co 3.6Mb, Zn 28.4Kt
Revenue distribution	Cu 66%, Co 25%, Zn 9%

Source: March 2010 Technical Report, Metal prices: Cu US\$2.91/lb, Co US\$26.85/lb, Zn US\$0.53/lb

# Fully Funded For Construction

US\$ in Millions

Capex <sup>1</sup>	889.5
Cost Overrun	100.0
Finance, Reclamation & Non Leasing Costs	154.1
<b>TOTAL FUNDING REQUIRED</b>	<b>1,143.64</b>

US\$ in Millions

Korean Consortium	146.3
Louis Dreyfus	35.0
Baja - Debt	822.5
Baja - Equity (C\$ 184.1M)	180.7 <sup>2</sup>
<b>TOTAL FUNDING RAISED</b>	<b>1,184.50</b>

- Korean Consortium provided US\$ 50M shareholder loan + 30% of construction costs
- Louis Dreyfus provided US\$ 35 M convertible cost overrun facility. If drawn converts into shares of Baja (C\$1.10/share), if not drawn 7,408,727 warrants become exercisable (C\$1.375/share)
- Debt financing signed in September 2010
- Equity financing closed in November 2010

(1) Includes US\$ 92.3M of contingencies (2) C\$ 1= US\$ 0.9816 as of November 22, 2010

# Debt Financing Signed on September 28

US\$ in Millions		TERMS
Export-Import Bank US <sup>1</sup>	419.6	14 y
Export Development Canada <sup>2</sup>	149.5	14 y
Korea Development Bank	90.0	12 y
Commercial Banks	50.0	10 y
<b>Senior Debt</b>	<b>709.1</b>	
Korea Development Bank <sup>3</sup>	63.4	
<b>Subordinated Debt</b>	<b>63.4</b>	
Commercial Banks	50.0	
<b>Cost Overrun</b>	<b>50.0</b>	
<b>TOTAL DEBT</b>	<b>822.5</b>	

- Commercial Banks: Barclays Capital, Standard Bank, Standard Chartered Bank, UniCredit Bank and WestLB
- Debt drawdown subject to conditions precedent, including hedging (50% of 2014-2016 Cu production) & expenditure of both equity and subordinate debt

Include rolled up interest of (1) US\$ 19.6M (2) US\$ 9.5M (3) US\$ 13.4M

# Equity Financing Closed on November 23

Bought deal financing	145,500,000
Over-allotment option	21,825,000
<b>TOTAL SHARES ISSUED</b>	<b>167,325,000</b>

C\$ in Millions		
Louis Dreyfus	39.6	22%
Institutional Investors, <i>of which</i>	144.5	78%
<i>Canada</i>		41%
<i>Europe</i>		33%
<i>US</i>		26%
<b>TOTAL EQUITY RAISED</b>	<b>184.1</b>	

- 167,325,000 shares issued at C\$ 1.10 (inclusive of the over-allotment option)
- Louis Dreyfus subscribed equity lead order as per off-take agreement (June 2010)
- Off-take agreement: 70% of copper and cobalt production at LME prices for 10 years

# Next Steps - Finance



CAMP CONSTRUCTION - PHASE 1

## Q4 2010

- Close hedging
- Satisfy conditions precedent
- US EXIM loan operative (Fix interest rate)

## H1 2011

- Spend equity
- Draw down of subordinate debt

## Q2-Q3 2011

- Draw down of senior debt

# Next Steps - Operations



2007 TEST MINE

## Q4 2010

- Mobilize mass earthworks contractor

## Q1 2011

- Mobilize concrete contractor
- Begin receiving mining equipment

## Q2 2011

- Complete camp construction
- Commence mine development activities
- Begin receiving long-lead process equipment

## H1 2011

- Start Manganese feasibility study

# Team of Proven Mine Builders & Operators

**John Greenslade**  
President & Director

- 40+ years experience as mining engineer & securities lawyer
- Staked Boleo project in 1992

**Michael Shaw**  
COO &  
VP Construction

- 40+ years construction & operation experiences, mostly in Latin America
- Involved in Andacollo gold mine (Chile), El Abra copper mine (Chile), Jerritt Canyon gold mine (Nevada), and Cerro Colorado copper deposit (Panama)

**David Dreisinger, PhD**  
VP Metallurgy

- Professor at UBC - Hydrometallurgical Industrial Chair
- Co-invented the Mt. Gordon and Sepon Copper Processes for copper recovery
- Actively involved in the development of the Boleo's metallurgical flowsheet

**Scott Britton**  
GM Mining

- 30+ years experience in coal and soda ash underground mine engineering
- Soft rock mining expert

**Terry Hodson**  
GM Geology

- 30+ years experience in exploration, resource evaluation and operations
- Most recently with Teck Resources as Assistant Manager, Advanced Projects

**Thomas Gluck, PhD**  
Director Process Tech.

- 30 years experience as process engineer, of which 23 at Manganese Metal Company, a subsidiary of Samancor (BHPBilliton)

# Strong Minority Partner: Korean Consortium

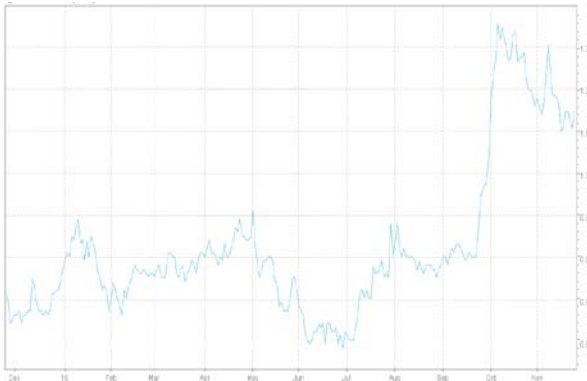


- Closed in 2008 for 30% of Baja's project subsidiary Minera y Metalurgica del Boleo

Korean Consortium:

- Paid approximately US\$ 103M in cash
- Acquired right to off-take 30% of production on commercial terms
- Funded 30% of remaining construction costs after senior & subordinated debt
- Arranged & guaranteed subordinated debt (Korea Development Bank)

# Shareholders Structure & Financials



52 WEEK BAJ STOCK CHART

## KEY FINANCIALS - November 23, 2010

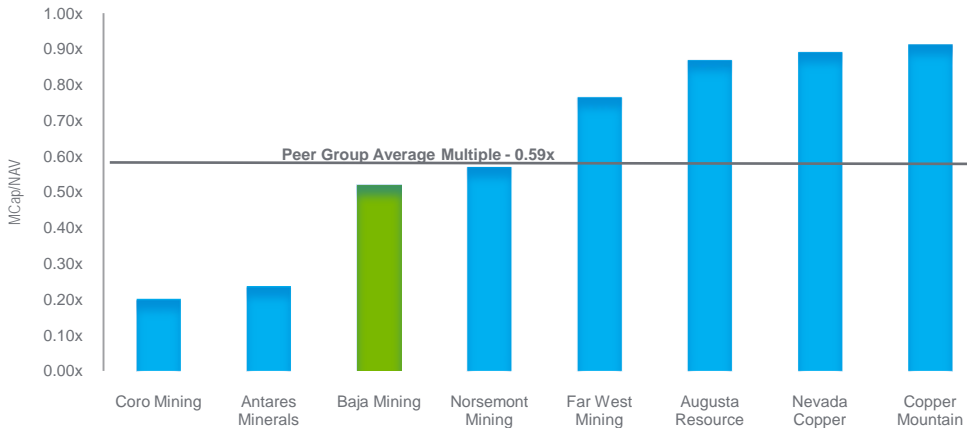
Pro-Forma Cash <sup>1</sup>	C\$ 190.9M
Debt <sup>2</sup>	0

## MARKET DATA - November 23, 2010

Price	C\$ 1.15
Shares Outstanding	333.2M
Fully Diluted Shares	379.5M
Market Cap	C\$ 383.2M
High-Low (52 wk)	C\$1.36-C\$0.58
Avg. Daily Vol (3 m)	1.9M

(1) C\$ 16M Sep 30, 2010 cash position + C\$ 174.9M bought deal financing net proceeds (2) Senior debt draw down to commence in Q2-Q3 2010

# Undervalued Compared to Copper Developers



Source: Raymond James Ltd. - Based on analyst consensus estimates as at November 23, 2010

# Significant NAV Upside Potential



BOLEO PROJECT – CAMP & DEPOSIT

- 50+ year potential mine life based on current resource
- Additional years of production at +2.0% Cu head-grade through exploration
- Production of manganese concentrate onsite, with off-site metal production

# Why to invest in Baja Mining



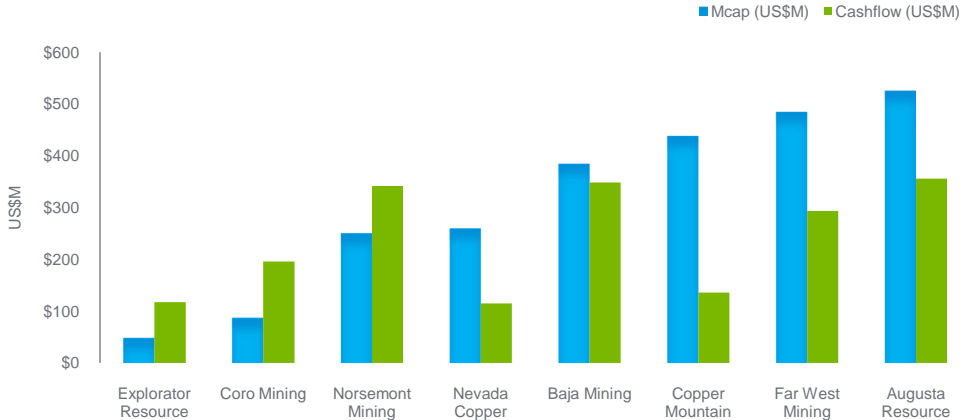
DESALINATION PLANT

- Fully funded and permitted, to be in production ahead of most of its peers
- Supported by an outstanding team of lenders and top experts
- One of the world's lowest cost copper mines at negative US\$0.29/lb cash costs
- Robust economics, long-life producer
- Excellent federal, state and local support
- Undervalued versus its peer group, mainly due to its obscurity in the market

# Appendix



# Comparable Copper Developers



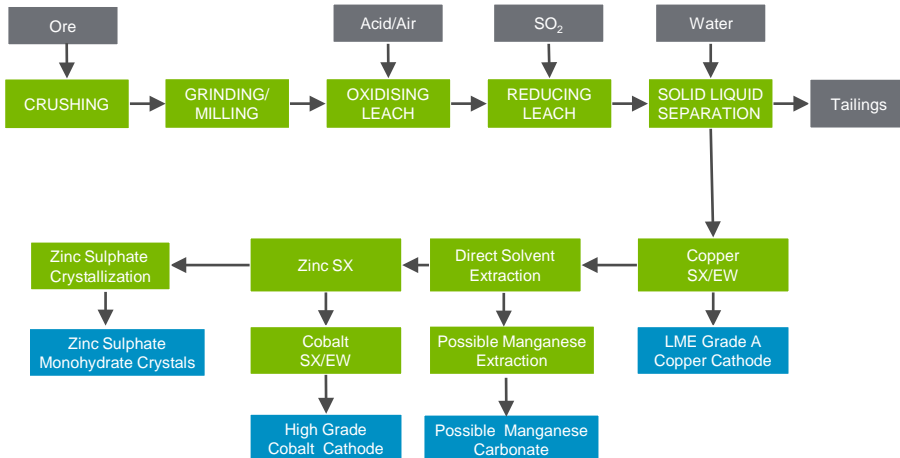
Source: Raymond James Ltd. - All figures as at November 23, 2010 - Cashflow based on first full production year - Data sourced from company reports and consensus research, using US\$2.50/lb Cu

# Comparable Copper Developers



Source: Raymond James - Prices: November 23, 2010 - FD o/s: based on treasury method - Cu Eq Prices: US\$2.50/lb Cu, US\$1.10/lb Zn, US\$14.00/oz Ag, US\$1,000.00/oz Au, US\$0.72/lb Pb, US\$0.50/lb Mn, US\$10.50/lb Co - AMC: Mkt Cap + long term debt - working capital

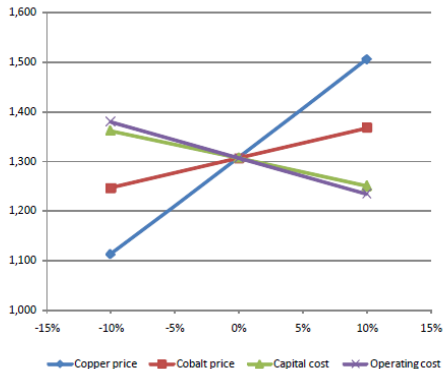
# Process Flowsheet



# Proven Process Flowsheet

- Process design and engineering included:
  - David Dreisinger - recognized world expert in hydrometallurgy
  - SGS Lakefield
  - Bateman Engineering
  - ICA Fluor
- Key feature is the use of high-rate thickeners for Solid Liquid Separation
- Flowsheet has been successfully pilot tested in 2004 and 2006 at SGS Lakefield
- Commercially proven unit operation of the flowsheet:
  - Solid liquid separation: 20+ commercial operations, including Sepon Project (formerly Oxiana's company)
  - Copper leaching: Marcona Project (formerly Chariot Resources)

# Price Sensitivity Analysis



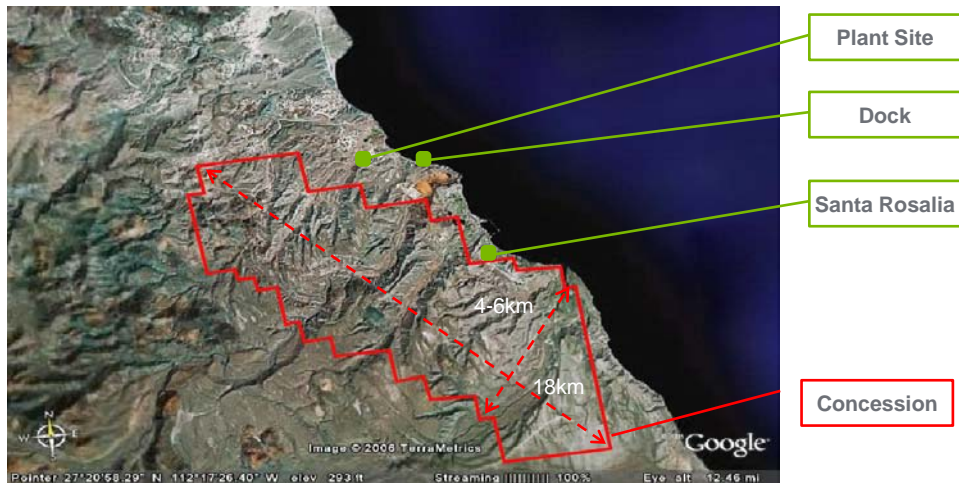
CASE 1 – PRICING AT NPV 8%

	Case 1	Case 2	Case 3
Copper (US\$/lb)	2.91	2.25	3.40
Cobalt (US\$/lb)	26.85	20.00	21.17
Zinc (US\$/lb)	0.53	0.50	0.45
IRR	25.6%	20.4%	27.9%
NPV 5% (US\$M)	1,922	1,230	2,122
NPV 8% (US\$M)	1,306	815	1,473

# Resource & Reserve

	TONNES M	GRADE				CONTAINED METALS			
		Cu %	Co %	Zn %	Mn %	Cu M lb	Co M lb	Zn M lb	Mn M lb
Underground	67.4	1.49	0.08	0.59	2.93	2,218.1	111.2	873.8	4,348.1
Open Cut	17.6	0.73	0.09	0.41	2.88	283.8	34.5	160.8	1,111.9
<b>P+P RESERVES</b>	<b>85.0</b>	<b>1.33</b>	<b>0.08</b>	<b>0.55</b>	<b>2.92</b>	<b>2501.9</b>	<b>145.7</b>	<b>1034.5</b>	<b>5459.9</b>
<b>M+I RESOURCES</b>	<b>264.7</b>	<b>0.76</b>	<b>0.06</b>	<b>0.64</b>	<b>3.23</b>	<b>4,434.5</b>	<b>350.1</b>	<b>3,734.3</b>	<b>18,846.8</b>
<b>INFERRED RESOUR.</b>	<b>159.9</b>	<b>0.47</b>	<b>0.05</b>	<b>0.70</b>	<b>2.93</b>	<b>1,656.3</b>	<b>158.6</b>	<b>2,466.8</b>	<b>10,325.5</b>

# Site Layout



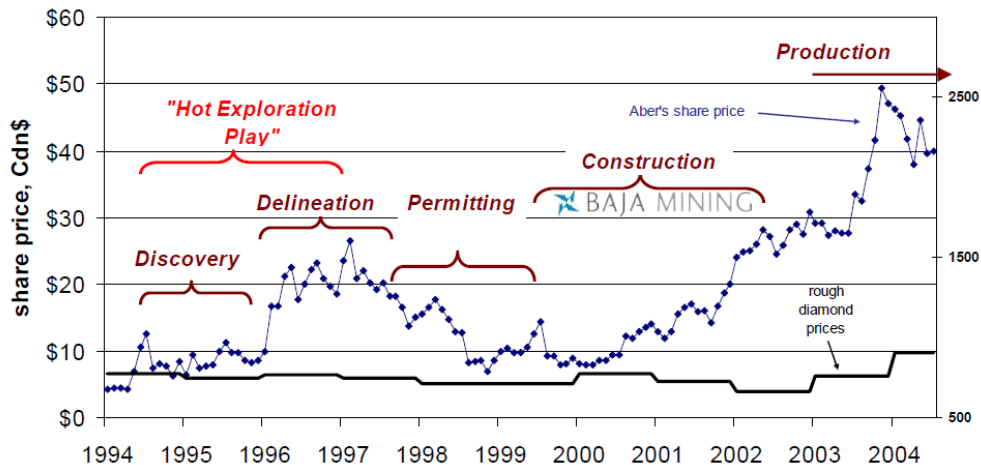
# Santa Rosalia: Supportive Local Community



SANTA ROSALIA - HARBOUR

- Originally built by the French as a mining town in 1885
- Population of approximately 12,000 and an available work force
- Baja involvement:
  - 2004-2006: Cleaning & Re-construction after two hurricanes
  - 2008: Donation of fire trucks & water tanks
  - 2009: Construction of landfill (El Goto)
  - Ongoing training of teams responding to fires and emergency

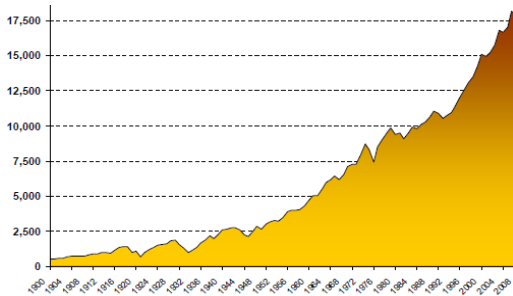
# History of a Mining Play



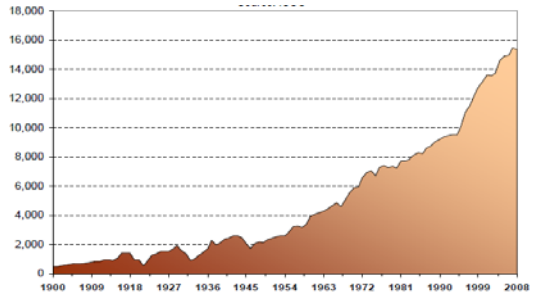
Source: Salman Partners - Aber Diamond stock chart, diamond prices are annual averages of a US\$ index of rough diamond prices, Jan 1970=100, measured by Salman Partners off chart published by De Beers Group, February 11, 2009)

# Global Copper Shortage

- Since 1900, world demand for refined copper increased from less than 500 kt to around 18 Mt in 2008. Average annual growth rate since 1900: 4%
- World production – 1900: 495 kt; 2008: over 15 Mt



WORLD COPPER CONSUMPTION 1900-2008 (K TONNES)



WORLD COPPER PRODUCTION 1900-2008 (K TONNES)

Source: International Copper Study Group – The World Copper Fact Book 2009