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TSX Venture Exchange: BAJ

## **PRESS RELEASE**

### **EL BOLEO DEFINITIVE FEASIBILITY SCHEDULE AND CONSTRUCTION FINANCING PLANS**

Baja Mining Corp. (the "Company") advises that with the approval of its Environmental Impact Manifest on December 8, 2006 by Mexican Environmental authorities and completion of the in-fill drill program for resource definition for the Definitive Feasibility Study ("DFS") it is now in a position to fast-track project development to achieve production in early 2009.

The Company has elected to proceed with construction financing and off-take arrangements prior to issuance of the Definitive Feasibility Study. An updated Preliminary Economic Assessment ("PEA") is expected to be published by late January 2007, which document will be utilized to support an Offering Document to be issued (on behalf of the Company) by Endeavour Financial International Limited to solicit firm commitments for primary (first mortgage) bank construction financing; with the draw down of funds being subject to delivery of the DFS (and there being no adverse material change between the PEA and the DFS) and registration of appropriate security documents. In addition the Company has commenced discussions with potential off-take parties; including discussion of possible subordinate debt financing to minimize or possibly eliminate any equity financing requirement.

In order to achieve these objectives the Company provides the following status report on the timing of issuance of the Definitive Feasibility Study ("DFS") on its El Boleo project and the Company's current plans in regard to project financing:

#### ***First Quarter 2007***

#### ***Target Date***

<b><i>In-fill drill Program Completed</i></b>	<b><i>Completed</i></b>
<b><i>Interim Resource Model Completed</i></b>	<b><i>Early January 2007</i></b>
<b><i>Interim 20 year Mine Plan</i></b>	<b><i>Mid-January 2007</i></b>
<b><i>Updated Preliminary Economic Assessment Issued</i></b>	<b><i>Late January 2007</i></b>
<b><i>Offering Document for Primary Bank Debt</i></b>	<b><i>Early February 2007</i></b>
<b><i>Final(DFS) Resource Model Completed</i></b>	<b><i>Early March 2007</i></b>
<b><i>Primary Bank Debt Commitment</i></b>	<b><i>March 2007</i></b>
<b><i>Off-take arrangements –Commitment</i></b>	<b><i>March 2007</i></b>
<b><i>Subordinate Bank Debt Commitment</i></b>	<b><i>March 2007</i></b>

*Final (DFS) 20 year Mine Plan Completed*  
*DFS Completed*

*Late March 2007*  
*Late March 2007*

*Second Quarter 2007*

*Target Date*

*Long Delivery Equipment Ordered*  
*Construction Financing Final Commitments*  
*Site Preparation Commenced*  
*Draw-down of Construction Financing*

*April 2007*  
*May 2007*  
*June 2007*  
*June 2007*

*In-Fill Drilling Program*

In connection with construction financing of the project, the Company plans to present an economic model (utilizing relatively conservative metal prices) that uses the discounted net present value approach in valuing the project. In accordance with National Instrument 43-101, "Standards for Disclosure of Mineral Projects", the use of "Inferred" mineral resources is not permitted in an economic evaluation, other than a Preliminary Economic Assessment. The completion of the DFS is dependent on the final resource model (based upon all the in-fill drill program results) converting "Inferred" resources to "Measured" and "Indicated" resource status and the subsequent completion of a final (for DFS purposes) 20 year mine plan. Prior to the commencement of the in-fill drill program approximately 90,000 metres of drilling had been undertaken on the Boleo Project. An additional 36,000 metres (of a total approximately 38,865 metre drill program) of in-fill drill program (for resource definition) is now completed. To date only the results from the first 20,000 metres of the in-fill drill program have been incorporated into an updated geological model by the Company's independent geological consultants. Based upon this updated model, the Company's mining consultants, Australian Mine Design and Development Corp. (in regard to open pit mining) and Agapito Associates Inc. (in regard to underground mining), are generating an interim mine plan for the initial 20 years of mine production. Based upon the drilling completed to September 30, 2006, it is expected that this interim mine plan will incorporate "Inferred Resources" with the expectation that the completed in-fill drill program will result in a final mine plan being advanced utilizing only "Measured and Indicated" resources.

The in-fill drill program is now complete and final samples are being submitted for assaying (results expected mid-January 2007). An independent geological consultant, from Hellman & Schofield Pty Ltd of Sydney, Australia, is scheduled to arrive on site on January 23, 2007 to commence integration of all drill results into the final geological model for the DFS. Assuming no further drilling is required to enhance "Inferred" resources to Measured or Indicated status the Company expects to deliver the 20 year mine plan (the final step in completing the DFS) in the first quarter of 2007.

### ***Preliminary Economic Assessment and Project Financing***

Based upon the next updated resource model, incorporating the first 20,000 metres of in-fill drilling, the Company plans to prepare a new Preliminary Economic Assessment (“PEA”), which is expected to be used in exploring financing for the project. The Company has retained Endeavour Financial International Limited as its financial advisor to solicit offers for primary debt financing (first mortgage security) for construction of the Boleo project. We anticipate that primary debt financing will provide for up to 75% of the capital cost of the project, as well as a potential cost overrun facility.

Due diligence by potential lenders, including visits to the project site, is expected to commence this month. The Company retained an independent engineering firm (to act as advisors to prospective lenders) in early 2006 in order to facilitate prospective lenders due diligence by observing the test mine and phase 2 pilot plant.

### ***Subordinate Debt Financing – Metal Off-take Arrangements***

The Company anticipates that primary lenders in determining the percentage of construction capital (up to an anticipated maximum of 75%) that they may be prepared to advance will be guided by several economic ratios (determined as of the date of commencement of production), including (i) the net present value of the cash flow from proven and probable reserves in relation to the amount of money borrowed, and (ii) the ratio of net cash flow available to pay principal and interest on such debt in any year to the amount of principal and interest on bank debt to be paid in such year.

If the Company is able to demonstrate that the project economics (at metal prices acceptable to such lenders) exceed the agreed ratios it expects to secure subordinate debt (ie second mortgage) to cover all or a portion of the balance of construction financing. To this end, the Company has embarked on discussions with third parties to possibly secure subordinate debt financing, which financing may be linked to off-take arrangements for the marketing of copper, cobalt, zinc and manganese products.

The Company is endeavoring to negotiate and have construction financing available for drawdown early to mid 2007 to allow construction to proceed in an orderly manner to allow commissioning of the project in early 2009.

**Note all discussions for both primary and subordinate debt financing are at a preliminary stage and there is no guarantee any such financing will be available on acceptable terms, if at all.**

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 TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

*This news release contains forward-looking statements regarding the Company, its financing arrangements, its planned use of proceeds and other matters, including the Company's expectations that the offerings will be successfully completed consistent with the terms outlined above. Actual results and developments may differ materially from those contemplated by these statements depending on, among others, satisfaction of customary closing conditions which may be affected by market conditions and global political developments.*

*This press release contains "forward-looking information" which may include, but is not limited to, statements with respect to the timing of our exploration and in fill drilling programs; timing of the preparation of our preliminary economic assessment, geological models, mine plan and definitive feasibility study; expectations related enhancing resource grades; financing plans and the availability of future financing for our Boleo project; anticipated results of our test mine and phase 2 pilot plant, and other plans, projections, estimates and expectations. Such forward-looking statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions, including, the risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. This press release uses the terms "measured," "indicated" and "inferred" resources." We advise readers that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that enable them to be categorized as mineral reserves. We do not undertake to update forward-looking statements.*