Management's Discussion and Analysis
Quarter Ended September 30, 2016

This Management's Discussion and Analysis ("MD&A") of Baja Mining Corp. and its subsidiaries ("Baja" or the "Company") provides analysis of the Company's financial results for the quarter ended September 30, 2016. All financial information included in this MD&A, including comparatives, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The following information should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements for the quarter ended September 30, 2016, including the notes to those interim financial statements (the "Financial Statements").

Subsequent to the quarter end, on October 17, 2016, the Company changed its name to "Camrova Resources Inc."). The Company's Financial Statements are available on the SEDAR website at www.sedar.com under the profile of Camrova Resources Inc.

Financial information is expressed in United States dollars, unless stated otherwise. This MD&A is current as of November 29, 2016.

Caution on Forward-Looking Information

This MD&A contains certain forward-looking statements concerning anticipated developments in Baja's operations in future periods. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. These forward-looking statements may include statements regarding exploration results, mineral resource estimates, projected liquidity, capital expenditures, available capital resources and the potential availability of short-term and long-term financing, timelines, strategic plans, market prices of base metals or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of Baja may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors. Baja's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from Baja's expectations include: the impact of the loss of control of the Company's principal asset and related uncertainties regarding decisions on the further development of the Boleo Project (or the "Project"); uncertainties as to when or if the Company will realize any cash flows from the Boleo Project or generate revenues or cash flow from its own independent operations; uncertainties relating to the Company's ability to continue as a going concern and obtain additional financing to fund its future working capital and/or investment needs, including any cash call in support of the Project to avoid further dilution of the Company's ownership in the Project; uncertainties involved in fluctuations in copper and other commodity prices and currency exchange rates; uncertainty as to timely availability of permits and other governmental approvals; other uncertainties relating to the Boleo Project including it obtaining adequate funding to support working capital needs and the ramp-up of production, achieving sustainable profitability, the need for cooperation of government agencies and local groups in the exploration and development of the Project, and the issuance of required permits; and other risks and uncertainties disclosed in the MD&A for the year ended December 31, 2015, and other information released by Baja and filed with the appropriate regulatory agencies.

Summarized Financial Results

(*thousands of USD unless otherwise noted*)	September 30, 2016	December 31, 2015
Cash and cash equivalents	94	651
Working capital (deficit)	(96)	502
Other receivables – non-current(1)	1,000	1,000
Shareholder loans receivable	17,905	17,905
Subordinated debt(2)	10,000	10,000

1) MMB MSA margin receivable of $1.00 million (see "*Ongoing Discussions on New Shareholders Agreement*" on page 3).
2) Manganese Refundable Deposit Liability.

	Three months ended		Nine months ended	
(*thousands of USD*)	2016	2015	2016	2015
Loss before other items	(153)	(279)	(607)	(924)
Foreign exchange gain (loss)	148	1,420	(1,53)	2,862
Net (loss) income for the period	(6)	1,140	(1,661)	1,938

Third Quarter Highlights and Recent Events

- At the end of the quarter, the Company had a working capital deficit of $96,000. The Company will require additional funding in the near-term to cover its operating costs (see "*Corporate Outlook*" on page 4 and "*Liquidity, Capital Resources and Going Concern*" on page 9).
- The Company reported a net loss during the quarter ended September 30, 2016, of $6,000, including the impact of a $148,000 foreign exchange gain during the quarter. During the quarter the Company achieved further general and administration cost savings associated with the expiration of the Company's office lease at the end of April 2016, the liquidation of the Luxembourg subsidiaries and the departure of a full-time employee (see "*Review of Baja's Operating Results*" on page 6);
- Following meetings in Vancouver in mid-June 2016 with representatives of KORES to discuss the few outstanding issues remaining in respect of the revised MMB shareholders' agreement (the "Shareholders' Agreement"), the parties are working with their respective legal counsel toward finalizing the agreements. (see "*Ongoing Discussions on New Shareholders' Agreement*" on page 3).
- The settlement of the MSA margin amount receivable also remains under discussion in connection with finalizing the Shareholders' Agreement, including the possible payment of a portion of the MSA margin amount owing to Baja shortly after finalizing the Shareholders' Agreement.
- MMB reported to the Company that copper production for the year to date through September 30, 2016 was 10,269 tonnes, with 5,704 tonnes shipped during the quarter (see "*Boleo Project Operating Update" on* page 5).
- In June 2016, Mr. Ogryzlo and later in July 2016, Mr. Kirkwood, together with a representative of SNC Lavalin, visited a small scale copper processing plant in Chile and have entered into discussions in connection with a possible investment in the operation. Discussions are ongoing (see "*Corporate Outlook*" on page 4).
- On October 10, 2016, MMB issued a cash call for $101.7 million for funding planned operations through Q4 2016. The Company informed MMB that it would not contribute any of its 10% share (see "*Boleo Project Development Activities, Boleo Project Funding*" on page 6); and
- On October 17, 2016, the Company completed a 20-for-1 consolidation of its common shares and the change of its name to "Camrova Resources Inc." (see "*Share Consolidation and Name Change*" on page 3).

Overview

Baja Mining Corp. was incorporated on July 15, 1985, under the *Company Act* (British Columbia). The Company's principal asset is its minority investment in the Boleo Project, a copper-cobalt-zinc-manganese deposit located near Santa Rosalia, Baja California Sur, Mexico, including its shareholder loan in MMB with a carrying value of $17.9 million as at September 30, 2016. The Project achieved the production first copper in January 2015 and in April 2016, MMB management declared that the commissioning phase of the processing plant operations has now been completed.

As at September 30, 2016, the Company owned a 10.0% interest in the MMB. MMB holds all mineral and property rights in the Project. As at September 30, 2016, the remaining 90.0% of MMB was indirectly owned by members of a Korean consortium (the "Consortium"), comprised of KORES, LS-Nikko Copper Inc., Hyundai Hysco Co. Ltd., SK Networks Co. Ltd., and Iljin Materials Co. Ltd., which acquired an initial 30% interest in June 2008.

Following the loss of control of MMB on August 27, 2012, the Company is no longer the operator of the Boleo Project and no longer has day-to-day involvement in the management and development of the Project or access to timely operational or financial information, or the Project site. The Company's current focus is on addressing outstanding matters relating to the change of control in MMB and is working to identify and evaluate alternative project opportunities with potential for near-term cash flow or value creation (see "*Cinto Colorado Project"* below and "*Corporate Outlook*" on page 4).

Ongoing Discussions on New Shareholders' Agreement

Following meetings between the Company's management and representative of KORES in Vancouver in mid-June 2016 at which time an agreement in principle between the parties was reached on the final outstanding issues in relation to a new MMB shareholders' agreement (the "Shareholders' Agreement"), the parties have been working with legal counsel to prepare final documentation. The Shareholders' Agreement remains subject to the formal approval of KORES and the Company's Board, and the approval of the remaining members of the Korean Consortium. The MSA margin amount receivable also remains under discussion in connection with finalizing the Shareholders' Agreement, including the possible payment of a portion of the MSA margin amount owing to the Company shortly after finalizing the Shareholders' Agreement.

Cinto Colorado Project

Cinto Colorado continues to await a meeting of the Cabildo (elected municipal governing body of the Municipio of Mulegé, the regional municipality) to be held to ratify the Cinto Colorado lease. In view of the earlier indication received from KORES that MMB will not utilize the Cinto Colorado tailings as a potential feed source for the Boleo plant, preferring to mine and process low grade Boleo ore, the Company is considering its options for the development of the tailings. Therefore, a decision has not yet been made whether to seek a further extension of the Cinto Option agreement, which would otherwise expire on December 31, 2016 when the Company does not deliver a NI 43-101 compliant feasibility study for the development of the tailings.

The Company is currently exploring alternative projects (see "*Corporate Outlook*" on page 4).

Share Consolidation and Name Change

On October 17, 2016, the Company completed a 20-for-1 consolidation of its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every twenty (20) pre-consolidation common shares and the change of the Company's name from "Baja Mining Corp." to "Camrova Resources Inc.". On that date, the post-consolidation common shares of the Company commenced trading on a post-consolidated basis on the TSX Venture Exchange (the "TSX-V") under the trading symbol "CAV" at market open on Monday, October 17, 2016. Following the share consolidation the Company has 17,010,653 post-consolidation common shares outstanding.

<u>Corporate Outlook</u>

The Company's current focus continues to be on addressing outstanding matters relating to the change of control of MMB and the Boleo Project and its restructuring so as to minimize potential risks and maximize potential value for the Company and its shareholders (see "*Ongoing Discussions on New Shareholders' Agreement*" on page 3). In addition, the Company is working to identify and is selectively evaluating alternative project opportunities, including the Cinto Colorado option and a potential investment in a small-scale copper processing plant in Chile. In June 2016, Mr. Ogryzlo, and later in July 2016, Mr. Kirkwood together with a representative of SNC Lavalin, visited a small scale copper processing plant in Chile and entered into discussions in connection with a possible investment in the operation. Those discussions are ongoing.

The Company does not have sufficient cash resources to fund its operations for the next 12 months and has undertaken a 20-for-1 share consolidation in preparation to raise additional financing to fund its ongoing overheads and to pursue other potential project opportunities. The size and timing of any fund raising may be influenced by the timing of the finalization of the Shareholders' Agreement and the possible receipt of the MSA Margin funds owing from MMB.

<u>Boleo Project Operating Update</u>

The latest available NI 43-101 compliant technical report on the Boleo Project is dated March 2, 2010 (the "March 2010 Technical Report"), which is available on the Company's website or on <u>www.sedar.com</u> (the "March 2010 Technical Report"). The Company believes that the preparation of an updated NI 43-101 technical report, that would have otherwise superseded the March 2010 Technical Report, is no longer practical. Readers are cautioned that the Company exerts no control or influence over the Boleo mine plan redesign process or timing, or any decision by MMB or KORES to update the March 2010 Technical Report. Readers are further cautioned that information regarding the Boleo Project set out in the March 2010 Technical Report and its existing public disclosure may no longer be current or accurate, and may not be updated in the foreseeable future, or ever.

The Company's principal asset is its minority investment in the Boleo Project and related shareholder loan. Therefore, the Company's management attempts to closely follow, and wherever possible influence, developments at the Project, which are relevant to the Company's investment, and ultimately any recovery it may realize. To the best of the Company's knowledge, the key developments during the period are summarized under the sub-section headings below.

<u>Information presented below is based on or derived from the latest available information provided to the Company by MMB and KORES. The Company ceased to control MMB or be the operator of the Boleo Project on August 27, 2012. Readers are cautioned that while the Company has no reason to believe that the information provided to it by MMB and/or KORES and reflected herein is not materially correct, it has not independently verified the accuracy or completeness of such information and must rely on MMB and/or KORES for the provision of such information.</u>

The Boleo Project is located on the east coast of Baja California Sur, Mexico, near the town of Santa Rosalia, some 900 kilometers south of San Diego, California. The deposit contains seven mineralized seams, called "mantos", stacked within a single formation, all dipping gently to the east towards the Sea of Cortez in a step-like fashion, due to post depositional faulting.

The Project consists of roughly 12,000 hectares of mineral concessions and 7,000 hectares of surface occupancy rights, each assembled as part of a contiguous titled block. The Project is located within the "buffer zone" of the El Vizcaíno Biosphere ("El Vizcaíno"), a Mexican National environmental reserve; and the required Environmental Impact Manifest has been approved by Mexican authorities, allowing the Project to be built and operated in the buffer zone of El Vizcaíno.

Process plant operations

The process plant operation continued to be stable through August 2016 achieving the highest mill throughput since start-up. Plant availability exceeded 85% in the month, which was similar to July operation. However, plant operation was adversely impacted by Hurricane Newton that passed through Baja California Sur on September 7 and 8, 2016. At that time, the plant which had already been shut for three days of scheduled maintenance, had to be shut for a further three days due to the hurricane, thus creating some problems in the copper electrowinning circuit. Several important maintenance and improvement projects were completed during the shutdown.

In July 2016 during repairs, the booster blower in the SO2 plant was significantly damaged thereby knocking the SO2 plant off line and suspending the reductive leach process and consequently impacting Cu recovery. The SO2 booster blower was rebuilt and successfully installed and reductive leach circuit was restarted at the end of September.

Copper cathode production was 4,196 tonnes during the September quarter and 10,269 tonnes year-to-date September 2016. During the quarter, a third and fourth shipment of copper cathode were made totalling 5,704 tonnes.

The cobalt-zinc circuit continues to ramp up production. Year-to-date September 2016, the plant had produced 237 MT of cobalt and 823 MT of zinc sulphate.

Mine operations

Underground

During the quarter underground mining teams developed mains, sub mains and panels at M303C, M312B and M312A mines with the assistance of GCM and Rios y Montañas UG contractors. The MMB production team focused its efforts on panel developments. Successful MRS retreat mining was performed in M312A. The newest Contractor, Rios y Montañas, performed shortwall operations at M303C mine. Another contractor, GCM, advanced Mains, sub-main entries at M312B mine.

A new staffing plan was implemented by MMB to fill vacant positions left by an illegal blockage last April. Hiring of experienced miners from mainland continued with over 36 experienced miners hired by the end of September 2016.

New underground mining equipment was received during the quarter. The commissioning of two new Famur roadheaders took place during July 2016 as well as the installation of over 300 meters of a monorail system along M312A conveyor belt to improve material delivery to working faces. A new Famur roadheader was also delivered and put in operation during the month of July. An additional Famur roadheader (#5) and two IBS roadheaders were delivered in September. Semi-shield mining equipment commissioning and training was conducted in September with the start-up of semi-shield production scheduled in October 2016.

Underground production for the year-to-date September 2016 was reported at 136,153 DMT with an average grade of 1.25 Cu. Production during the quarter approximated 500 DMT per day, which remains below targeted levels.

Surface mining

The surface mining group continued to mine from OC3120 and OC3170 during the quarter. In July, the surface crew continuously focused on OC3120 as planned, and mining activity in OC3170 was low due to availability of surface fleet. However, waste removal in OC3130 Ext was initiated in order to prepare exploitation after completion of OC3120. In August the surface crew completed OC3120 as planned before the onset of heavy rains. Mining activity in OC3170 was continued to maintain production rates.

The hurricane Newton caused some production delays and required de-watering from open pit and underground main entries. However, immediate recovery of access roads enabled the prompt resumption of surface production and semi shield commissioning. Year-to-date September 2016, surface mining achieved production of 857,373 DMT, ahead of plan, at an average grade of 1.20%. Surface waste of 7,276,722 DMT was removed, approaching a strip ratio of 9:1.

Ore stockpiles at the end of September were 889,974 DMT at 0.93% Cu.

The technical and other information in respect of the Boleo operations disclosed herein has been reproduced from reports provided to the Company by MMB. 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, the Company and its representatives have been unable to verify the technical disclosures in the reports containing information 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 herein is correct

Boleo Project Funding

On October 10, 2016, MMB issued a cash call for $101.7 million for funding planned operations through Q4 2016. The Company has informed MMB that it would not contribute its 10% share of the cash call. This may 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, February 2016, March 2016 MMB and May 2016 cash calls (together with the October 2016 cash call amounting to US$346.0 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 (i.e. shareholder loan or equity) (see "*Ongoing Discussions on New Shareholders' Agreement*" on page 3).

Review of Operating Results

Comparison of the three-month period ended September 30, 2016, to the three-month period ended September 30, 2015

For the three-month period ended September 30, 2016 ("Q3 2016"), the Company recorded net loss of $6,000 or $0.00 per share (basic) as compared to a net income of $1,140,000 or $0.07 per share (basic) for the same period in 2015 ("Q3 2015"). The net loss in Q3 2016 includes a foreign exchange gain of $148,000 (gain of $1,420,000 in Q3 2015).

Operating expenses during the quarter ended September 30, 2016, were $153,000 compared to $279,000 for Q3 2015. Operating expenses during Q3 2016 were comprised of general and administrative expenses of $136,000 ($248,000 in Q3 2015) and exploration and evaluation expenditures of $17,000 (Q3 2015 - $31,000). The most significant differences in operating expenses are discussed below:

- Wages, salaries and management fees: $80,000 ($126,000 in Q3 2015) – the decrease relative to Q3 2015 reflects cost savings from the departure of one employee during Q3 2015 and one during Q2 2016, and cost savings attributable the liquidation of the Luxembourg subsidiaries;
- Director fees: $17,000 ($25,000 in Q3 2015) – the decrease relative to Q3 2015 reflects the retirement of one director at the end of Q2 2016 and no further fees being paid in respect of the function of the Chairman of the Litigation Committee following the settlement of the class action in Q1 2016;
- Professional and consulting fees: $15,000 ($37,000 in Q3 2015) – the decrease relative to Q3 2015 reflects tax advisory fees incurred in Q3 2015 in connection with the Luxembourg restructuring, which is partly offset by consulting costs incurred in Q3 2016 in connection with technical due diligence undertaken on the small-scale copper processing plant in Chile;

- Office and administration: $16,000 ($51,000 in Q3 2015) – the decrease relative to Q3 2015 reflects cost savings attributable the liquidation of the Luxembourg subsidiaries and to the set up of a virtual office following the expiration of the Company's office lease at the end of April 2016;
- Shareholder information: $6,000 ($1,000 in Q3 2015) – the increase relative to Q3 2015 reflects the costs incurred in connection with the share consolidation and name change completed subsequent to the end of Q3 2016; and
- Exploration and evaluation expenses: $17,000 ($31,000 in Q3 2015) – the decrease relative to Q3 2015 reflects lower project management consulting costs in Q3 2016 and the cost of metallurgical test work undertaken in Q3 2015. The Company continued to incur certain Cinto Colorado operating costs pursuant to the option agreement;

Other items

- Foreign exchange gain: $148,000 (gain of $1,420,000 in Q3 2015) – during Q3 2016, the Canadian dollar weakened only marginally against the US dollar as compared to more significant weakening against the US dollar in Q3 2015. The foreign exchange gains and losses are primarily a result of Baja's (Canadian functional currency) US dollar based investment (shareholder loan) in the Boleo Project.

Comparison of the nine-month period ended September 30, 2016, to the nine-month period ended September 30, 2015

For the nine-month period ended September 30, 2016 ("9M 2016"), the Company recorded net loss of $1,661,000 or $(0.10) per share (basic) as compared to income of $1,938,000 or $0.11 per share (basic) for the same period in 2015 ("9M 2015"). The net loss in 9M 2016 includes a foreign exchange loss of $1,053,000 (gain of $2,862,000 in 9M 2015).

Operating expenses during 9M 2016 were $607,000 compared to $924,000 for 9M 2015. Operating expenses during 9M 2016 were comprised of general and administrative expenses of $513,000 ($831,000 in 9M 2015) and exploration and evaluation expenditures of $94,000 (9M 2015 - $93,000). The most significant differences in operating expenses are discussed below:

- Wages, salaries and management fees: $278,000 ($484,000 in 9M 2015) – the decrease relative to 9M 2015 reflects the payment in Q1 2015 of a contractual bonus of $0.10 million and the foreign exchange impact of a stronger US$ on the C$ payroll. In addition, the decrease relative to 9M 2015 reflects cost savings from the departure of one employee during Q3 2015 and one during Q2 2016, and cost savings attributable the liquidation of the Luxembourg subsidiaries arising in Q1 2016;
- Director fees: $61,000 ($83,000 in 9M 2015) – the decrease reflects in 9M 2016 the retirement of a director at the end of Q2 2016, fewer director meetings held and no further fees being paid in respect of the function of the Chairman of the Litigation Committee following the settlement of the class action in Q1 2016;
- Professional and consulting fees: $55,000 ($29,000 in 9M 2015) – in 9M 2015, the Company recovered amounts incurred in connection with defending the Louis Dreyfus actions, which was settled during Q1 2014, and incurred tax consulting and legal fees associated with the restructuring and liquidation of the Luxembourg subsidiaries. The Company also incurred lower audit fees in 9M 2016 versus 9M 2015.
- Office and administration: $99,000 ($165,000 in 9M 2015) – the decrease relative to 9M 2015 reflects management's continuing efforts to reduce costs, and includes specific cost savings attributable the liquidation of the Luxembourg subsidiaries and to the set up of a virtual office following the expiration of the Company's office lease at the end of April 2016; and
- Shareholder information: $13,000 ($36,000 in 9M 2015) – the decrease relative to 9M 2015 reflects in 9M 2016 the substantial reduction in the Company's Ontario Security Commission annual filing fee,

which is partly offset by the costs incurred in connection with the share consolidation and name change completed subsequent to the end of Q3 2016;

Other items

- Foreign exchange loss: $1,053,000 (gain of $2,862,000 in 9M 2015) – during 9M 2016, the Canadian dollar strengthened against the US dollar as compared to a weakening against the US dollar in 9M 2015. The foreign exchange gains and losses are primarily a result of Baja's (Canadian functional currency) US dollar based investment (shareholder loan) in the Boleo Project.

Selected Annual Information

	2015 **USD '000s**	**2014** **USD '000s**	**2013** **USD '000s**
Income (loss) for the year	2,196	(577)	(29,319)
Income (loss) per share			
- Basic	0.13	(0.03)	(1.72)
- Diluted	0.13	(0.03)	(1.72)
Total assets	19,784	21,135	24,076
Net working capital (deficit)(2)	502	1,788	(4,867)
Total non-current financial liabilities(3)	11,541	11,541	1,541

(1) The Company's financial results presented above have been prepared in accordance with IFRS. The Company's presentation currency is USD. The functional currency of Baja Mining Corp. is the Canadian dollar. Subsequent to the quarter ended September 30, 2016, the Company effected the consolidation of the Company's common shares on a twenty-old-shares-for-one-new basis. All references to per common share amounts have been retroactively restated to reflect this common share consolidation.

(2) 2015 and 2014 exclude (i) $1.00 million receivable from MMB (2013 – includes $1.67 million (before impairment)), which was reclassified as a non-current asset as at December 31, 2014, reflecting management's judgment that the receivable from MMB may not be realized into cash within twelve months; and (ii) $10.00 million Manganese Refundable Deposit Liability reclassified as a non-current liability as at June 30, 2014, based on agreement in principle with KORES to restructure terms relating to any possible repayment.

(3) 2015 and 2014 include $10.00 million Manganese Refundable Deposit Liability.

The significant loss in 2013 reflects MMB losses attributable to the Company's results in 2013 prior to the loss of significant influence in Q2 2013 when the Company's ownership interest in MMB was diluted below 20%.

The decrease in the loss in 2014 reflects lower general and administrative costs in 2014 and the absence of any impact of MMB on the Company's financial performance following the loss of significant influence.

The income in 2015 results from a foreign exchange gain of $3,500,000 arising during the year.

Review of Quarterly Results

The eight most recently completed quarters up to September 30, 2016:

	Q4 Dec 31, 2014	Q1 Mar 31, 2015	Q2 Jun 30, 2015	Q3 Sep 30, 2015	Q4 Dec 31, 2015	Q1 Mar 31, 2016	Q2 Jun 30, 2016	Q3 Sep 30, 2016
Total Revenues (USD ’000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Income (loss) for the period attributable to common shareholders of the Company (USD ’000)	$ (237)	$ 1,478	$ (680)	$ 1,140	$ 258	$ (1,459)	$ (196)	$ (6)
Basic and diluted income (loss) per share for the period[(2)]	$ (0.01)	$ 0.09	$ (0.04)	$ 0.07	$ 0.02	$ (0.09)	$ (0.01)	$ -

(1) The Company’s financial results presented above have been prepared in accordance with IFRS. The Company’s presentation currency is USD. The functional currency of Baja Mining Corp. is the Canadian dollar.

(2) Subsequent to the quarter ended September 30, 2016, the Company effected the consolidation of the Company’s common shares on a twenty-old-shares-for-one-new basis. All references to per common share amounts have been retroactively restated to reflect this common share consolidation.

The fluctuating income (loss) of the Company is primarily impacted by foreign exchange fluctuations between the Canadian and US dollars, with the largest impact attributable to Baja’s (Canadian functional currency) US dollar based investment in the Project.

Liquidity, Capital Resources, and Going Concern

MMB’s mineral exploration and development activities have provided the Company with no source of income, and a history of losses, working capital deficiencies and deficit positions. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and, in the near-term, to obtain the necessary financing to meet its obligations, cover overheads, and settle its liabilities from normal operations as they become due. The Company does not expect to receive any cash flows from its shareholding in MMB or shareholder loan in the foreseeable future.

As at September 30, 2016, the Company has recorded a receivable from MMB amounting to $1,000,000 (December 31, 2015 - $1,000,000) in respect of the cumulative margin on services provided to MMB since 2009 pursuant to a management services agreement (“MSA”), which was terminated by MMB during Q1 2013. The timing and amount of settlement has been under discussion with KORES and MMB for an extended period of time, and therefore, there is uncertainty as to what amount of this receivable and when this receivable will be realized and whether it will be realized into cash within 12 months. In view of the uncertainty, as at September 30, 2016, the receivable balance of $1,000,000 is classified as a long-term asset, and there is no change to the classification or carrying amount of the MMB receivable. However, the MSA margin amount receivable is currently under discussion in connection with the Shareholders’ Agreement negotiations, including the possible payment of a portion of the MSA margin amount owing to Baja shortly after finalizing the Shareholders’ Agreement (see “*Ongoing Discussions on New Shareholders’ Agreement*” on page 3).

The Company’s combined cash and cash equivalents and short-term deposits as at September 30, 2016, totaled $94,000 (December 31, 2015 - $651,000).

The Company has a working capital deficit of $96,000 as at September 30, 2016 (December 31, 2015 – $502,000).

During 9M 2016, the Company utilized $566,000 of cash in operations (9M 2015 - $886,000). This was measured after taking into account adjustments for non-cash items such as an unrealized foreign exchange loss of $1,050,000 (9M 2015 - $2,860,000 gain) and cash released from net changes in working capital balances of $38,000 (9M 2015 – $2,000).

The Company did not incur any cash expenditures on property, plant and equipment during 9M 2016 (2015 - $Nil).

The Company did not complete any equity financings during 9M 2016 (9M 2015 - $Nil), nor receive any cash proceeds (2015 - $Nil) through the exercise of stock options.

The Company does not have sufficient cash resources to fund its operations for the next 12 months and is preparing to raise additional financing to fund its ongoing overheads and to pursue other potential project opportunities. There can be no assurance that the Company would be able to obtain adequate financing in the near future or that such financing would be on terms acceptable to the Company. These factors cast significant doubt on the Company's ability to continue as a going concern.

Commitments, Contingencies and Contractual Obligations

As at September 30, 2016, the Company had the following undiscounted contractual obligations:

Contractual Obligations	**Payments due by period (thousands of USD)**				
	Total	Less than 1 year	2-3 years	4-5 years	More than 5 years
Accounts payable	$212	$212	$nil	$nil	$nil
Subordinated debt[1]	$10,000	$nil	$nil	$nil	$10,000
Total	$10,212	$212	$nil	$nil	$10,000

[1] The Company has a refundable deposit liability of $10,000 from the sale of 30% of the Company's interest in MMB to the Consortium in 2008. Terms of the manganese production decision and related payments continue to be under discussion as part of negotiations on a revised MMB shareholders' agreement (see "*Ongoing Discussions on New Shareholders Agreement*" on page 3).

Off-Balance Sheet Arrangements

In 2012, the Company entered into a lease assignment for offices no longer used by the Company. In order to induce the landlord to approve the assignment, the Company provided an indemnity agreement to the landlord. The Company will remain liable during the balance of the lease term in the event the assignee does not fulfil its obligation to the landlord. The lease expires September 30, 2020.

The future aggregate minimum lease payments by the assignee to the landlord covered by this indemnity agreement are as follows:

	(USD '000s)
Not later than one year	515
Later than one year and not later than five years	1,557
	2,072

No amount has been accrued for this indemnity as of September 30, 2016, as management has assessed that it is not probable that the Company will be required to cover any amounts under the indemnity.

The Company does not have any other material off-balance sheet arrangements, including guarantee contracts, contingent interests in assets transferred to an entity, or other derivative instruments obligations not already described herein.

Transactions with Related Parties

Compensation of key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel of the Company include executive officers and directors.

The compensation paid or payable to key management, or to companies in common with key management personnel, for services provided is shown below.

(USD '000s)	Three months ended September 30, 2016	2015	Nine months ended September 30, 2016	2015
Short-term employee benefits[1]	79	87	253	380
Stock-based compensation	1	5	5	21
	80	92	258	401

(1) Nine months ended September 30, 2015 includes $100 bonus paid to the Interim CEO pursuant to a contract effective from May 2012.

Accounts payable and accrued liabilities

As at September 30, 2016, the accounts payable and accrued liabilities balance includes $64,000 owing to key management personnel (December 31, 2015 - $Nil).

Share Capital Information

The Company did not grant any stock options to employees or directors of the Company during the quarter. On October 17, 2016, the Company completed a twenty-for-one share consolidation. As at the date of this MD&A the Company had an unlimited amount of common shares authorized for issuance, with 17,010,653 issued and outstanding and 236,875 stock options outstanding.

Changes in Accounting Standards

Adoption of new or revised IFRS pronouncements during the period

The Company did not adopt any new accounting standard during the quarter ended September 30, 2016.

Critical Accounting Estimates and Judgments

The preparation of the Interim Financial Statements requires that the Company's management make assumptions and estimates of effects of various future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates.

Estimates are reviewed on an ongoing basis using historical experience and other factors that are considered relevant given the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The significant assumptions about the future and other major sources of estimation uncertainty at the end of the reporting period relate to the following:

- Classification of receivable from MMB;
- Impairment of amounts due from MMB;
- Measurement of the refundable deposit liability;
- Income taxes; and
- Going concern assumption.

Further detail is set out in note 3 of the Company's audited annual consolidated financial statements for the year ended December 31, 2015 and, in respect of the going concern assumption, Note 1 of the Interim Financial Statements.

Risk Factors

Readers should carefully consider the risks and uncertainties described in the Company's MD&A for the year ended December 31, 2015 (available on the SEDAR website at www.sedar.com), before deciding whether to invest in the common shares of the Company.

In addition, the reader's attention is directed to the going concern risk highlighted in Note 1 of the Financial Statements and in the "*Liquidity, Capital Resources and Going Concern*" section of this MD&A (page 9).

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the Interim Financial Statements and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.