

**Baja Mining Corp.**

**(renamed Camrova Resources Inc. on October 17, 2016)**

Condensed Interim Consolidated Financial Statements - Unaudited

**September 30, 2016**

(expressed in thousands of US dollars)

**Notice of no Auditor Review of  
Interim Financial Statements**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Baja Mining Corp. (the “Company”) as at September 30, 2016, and for the three and nine months ended September 30, 2016, have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

# Baja Mining Corp.

## Consolidated Balance Sheets

As at September 30, 2016 and December 31, 2015

(expressed in thousands of US dollars, unless stated otherwise)

|   | September 30,<br>2016 | December 31,<br>2015 |
|---|-----------------------|----------------------|
| <b>ASSETS</b>                                     |                       |                      |
| Cash and cash equivalents                         | 94                    | 651                  |
| Other current assets                              | 22                    | 228                  |
| <b>Current assets</b>                             | <u>116</u>            | <u>879</u>           |
| Other receivables                                 | 1,000                 | 1,000                |
| Shareholder loans receivable (note 3)             | 17,905                | 17,905               |
| <b>Total assets</b>                               | <u>19,021</u>         | <u>19,784</u>        |
| <b>LIABILITIES AND EQUITY</b>                     |                       |                      |
| Accounts payable and accrued liabilities (note 8) | 212                   | 377                  |
| <b>Current liabilities</b>                        | <u>212</u>            | <u>377</u>           |
| Subordinated debt (note 4)                        | 10,000                | 10,000               |
| Provision for foreign withholding tax liability   | 1,541                 | 1,541                |
| <b>Total liabilities</b>                          | <u>11,753</u>         | <u>11,918</u>        |
| Share capital (note 5)                            | 291,467               | 291,467              |
| Contributed surplus                               | 144,091               | 144,084              |
| Deficit   | (434,884)             | (433,223)            |
| Accumulated other comprehensive income            | 6,594                 | 5,538                |
| <b>Total shareholders' equity</b>                 | <u>7,268</u>          | <u>7,866</u>         |
| <b>Total liabilities and shareholders' equity</b> | <u>19,021</u>         | <u>19,784</u>        |

Nature of operations and going concern (note 1)

Guarantees and commitments (note 10)

Approved by the Board and authorized for issue on November 29, 2016.

/s/ C. Thomas Ogryzlo Director      /s/ Wolf Seidler Director

# Baja Mining Corp.

For the three and nine months ended September 30, 2016 and 2015

(expressed in thousands of US dollars, except per share amounts and number of shares outstanding)

## Consolidated Statements of Operations - Unaudited

|  | Three months ended<br>September 30, |            | Nine months ended<br>September 30, |            |
|--|-------------------------------------|------------|------------------------------------|------------|
|  | 2016                                | 2015       | 2016                               | 2015       |
| <b>Expenses</b>                                      |                                     |            |                                    |            |
| General and administration (note 6)                  | 136                                 | 248        | 513                                | 831        |
| Exploration and evaluation expenditures (note 7)     | 17                                  | 31         | 94                                 | 93         |
| <b>Loss before other items</b>                       | (153)                               | (279)      | (607)                              | (924)      |
| Foreign exchange gain (loss)                         | 148                                 | 1,420      | (1,053)                            | 2,862      |
| Finance income                                       | -                                   | -          | 1                                  | 3          |
| Finance expense                                      | (1)                                 | (1)        | (2)                                | (3)        |
| <b>(Loss) income before tax</b>                      | (6)                                 | 1,140      | (1,661)                            | 1,938      |
| Tax expense  | -                                   | -          | -                                  | -          |
| <b>(Loss) income for the period</b>                  | (6)                                 | 1,140      | (1,661)                            | 1,938      |
| <b>Loss (income) per share</b>                       |                                     |            |                                    |            |
| Basic and diluted                                    | -                                   | 0.07       | (0.10)                             | 0.11       |
| <b>Weighted average number of shares outstanding</b> |                                     |            |                                    |            |
| Basic and diluted                                    | 17,010,653                          | 17,010,653 | 17,010,653                         | 17,010,653 |

## Consolidated Statements of Comprehensive Loss - Unaudited

|  | Three months ended<br>September 30, |         | Nine months ended<br>September 30, |         |
|--|-------------------------------------|---------|------------------------------------|---------|
|  | 2016                                | 2015    | 2016                               | 2015    |
| <b>(Loss) income for the period</b>                                      | (6)                                 | 1,140   | (1,661)                            | 1,938   |
| <b>Other comprehensive (loss ) income</b>                                |                                     |         |                                    |         |
| <b>Items that may be reclassified subsequently<br/>to profit or loss</b> |                                     |         |                                    |         |
| Currency translation adjustments   | (146)                               | (1,431) | 1,056                              | (2,887) |
| <b>Total comprehensive loss</b>  | (152)                               | (291)   | (605)                              | (949)   |

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

# Baja Mining Corp.

## Consolidated Statements of Changes in Equity - Unaudited

(expressed in thousands of US dollars, unless stated otherwise)

|                                     | Share capital |         | Contributed surplus | Deficit   | Accumulated other comprehensive income | Total   |
|-------------------------------------|---------------|---------|---------------------|-----------|--|---------|
|                                     | Number        | Amount  |                     |           |  |         |
| <b>Balance – January 1, 2015</b>    | 17,010,653    | 291,467 | 144,054             | (435,419) | 9,059                                  | 9,161   |
| Income for the period               | -             | -       | -                   | 1,938     | -                                      | 1,938   |
| Currency translation adjustment     | -             | -       | -                   | -         | (2,887)                                | (2,887) |
| Stock-based compensation expense    | -             | -       | 26                  | -         | -                                      | 26      |
| <b>Balance – September 30, 2015</b> | 17,010,653    | 291,467 | 144,080             | (433,481) | 6,172                                  | 8,238   |
| Income for the period               | -             | -       | -                   | 258       | -                                      | 258     |
| Currency translation adjustment     | -             | -       | -                   | -         | (634)                                  | (634)   |
| Stock-based compensation expense    | -             | -       | 4                   | -         | -                                      | 4       |
| <b>Balance – December 31, 2015</b>  | 17,010,653    | 291,467 | 144,084             | (433,223) | 5,538                                  | 7,866   |
| Loss for the period                 | -             | -       | -                   | (1,661)   | -                                      | (1,661) |
| Currency translation adjustment     | -             | -       | -                   | -         | 1,056                                  | 1,056   |
| Stock-based compensation expense    | -             | -       | 7                   | -         | -                                      | 7       |
| <b>Balance – September 30, 2016</b> | 17,010,653    | 291,467 | 144,091             | (434,884) | 6,594                                  | 7,268   |

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

# Baja Mining Corp.

## Consolidated Statements of Cash flows - Unaudited For the nine months ended September 30, 2016 and 2015

(expressed in thousands of US dollars, unless stated otherwise)

|   | Nine months ended<br>September 30, |              |
|---|------------------------------------|--------------|
|   | 2016                               | 2015         |
| <b>Cash flows from operating activities</b>                         |                                    |              |
| (Loss) income for the period  | (1,661)                            | 1,938        |
| Items not affecting cash  |                                    |              |
| Depreciation and accretion  | -                                  | 8            |
| Stock-based compensation expense                                    | 7                                  | 26           |
| Unrealized foreign exchange   | 1,050                              | (2,860)      |
|   | <u>(604)</u>                       | <u>(888)</u> |
| Net changes in working capital balances                             |                                    |              |
| Other current assets  | 217                                | 109          |
| Accounts payable and accrued liabilities                            | (179)                              | (107)        |
|   | <u>(566)</u>                       | <u>(886)</u> |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | <u>9</u>                           | <u>(33)</u>  |
| <b>Decrease in cash and cash equivalents</b>                        | (557)                              | (919)        |
| <b>Cash and cash equivalents - beginning of period</b>              | <u>651</u>                         | <u>1,891</u> |
| <b>Cash and cash equivalents - end of period</b>                    | <u>94</u>                          | <u>972</u>   |

### Supplemental cash flow information (note 11)

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

# Baja Mining Corp.

## Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2016

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(expressed in thousands of US dollars, unless stated otherwise)

### 1 NATURE OF OPERATIONS AND GOING CONCERN

Baja Mining Corp. (the “Company” or “Baja”) was incorporated on July 15, 1985, under the Company Act of British Columbia. The Company’s primary asset is its minority investment in the El Boleo copper-cobalt-zinc-manganese deposit (the “Boleo Project” or the “Project”) located near Santa Rosalia, Baja California Sur, Mexico. Minera y Metalúrgica del Boleo, S.A.P.I. de C.V. (“MMB”) holds the mineral property rights to the Boleo Project. In addition, the Company intends to investigate and potentially pursue alternative project opportunities including Cinto Colorado (note 7). The Company is domiciled in Canada and its registered office is 600 – 890 West Pender Street, Vancouver, British Columbia, V6C 1J9.

On October 17, 2016, the Company changed its name to Camrova Resources Inc., and consolidated the Company’s common shares on a twenty-old-shares-for-one-new basis. These condensed interim consolidated financial statements reflect the share consolidation and all references to number of common shares, share options, and per common share amounts have been retroactively restated to present post-consolidation amounts.

The Company is a reporting issuer in Canada and trades on the TSX Venture Exchange, the Frankfurt Stock Exchange and the OTC market.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. The Company’s ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities from normal operations when they become due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least but not limited to twelve months from the end of the reporting period.

As at September 30, 2016, the Company had cash and cash equivalents of \$94, working capital deficit of \$96, and an accumulated deficit of \$434,884. The Company incurred negative cash flows from operations of \$566 for the nine-month period then ended. The Company expects to incur further losses in the development of its business. Based on the Company’s cash flow forecasts, it will require additional financing in the near term in order to meet its ongoing corporate overhead, and to continue its exploration and evaluation programs. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or will be able to raise additional future funding when required. These factors cast significant doubt on the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

### 2 BASIS OF PREPARATION AND NEW ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*.

# Baja Mining Corp.

## Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2016

(expressed in thousands of US dollars, unless stated otherwise)

### 2 BASIS OF PREPARATION AND NEW ACCOUNTING POLICIES (continued)

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statement, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2015, which were prepared in accordance with IFRS as issued by the IASB.

### 3 INVESTMENT IN MMB

|                                      | September 30,<br>2016 | December 31,<br>2015 |
|--------------------------------------|-----------------------|----------------------|
| Shareholder loans receivable         | 17,905                | 17,905               |
| Available for sale equity securities | -                     | -                    |

The Company's investment in MMB is a combination of shares in common stock and shareholder loans. The shareholders of MMB are required to fund their proportionate equity percentage in the Boleo Project by advances through shareholder loans or subscriptions to additional shares.

At September 30, 2016, the Company has 10% (December 31, 2015 – 10%) of the common shares of MMB at \$Nil (December 31, 2015 - \$Nil.).

The Company holds a promissory note receivable from MMB with a \$28,224 principal balance that matures December 31, 2018, and accrues ordinary interest at 4% per annum. The Company recognized the promissory note at its estimated fair value of \$17,905 on initial recognition in April 2014, and calculated an effective interest of 14.3%. However, management considered the going concern uncertainties for MMB, and concluded not to recognize any investment income for the shareholder loans receivable for the three and nine month period ended September 30, 2016 (\$Nil – for the three and nine month period ended September 30, 2015).

The promissory note is subordinate to other priority debt held by MMB. In the event that on the maturity date the priority debt in MMB is still outstanding, the maturity date of the new promissory note will be automatically extended for successive one-year terms as required.

### 4 SUBORDINATED DEBT FACILITIES

#### *Refundable deposit liability*

A refundable deposit liability of \$10,000 was included in the cash proceeds received from the sale of 30% of the Company's interest in MMB to the Consortium in 2008. This deposit was to be refundable to the Consortium should a decision be made not to produce manganese from the Boleo Project by the economic completion date. Alternatively, additional consideration was to be paid to the Company by the Consortium of approximately \$13,000 upon a positive decision related to the production of manganese being made by the time of economic completion of the Boleo Project.

# Baja Mining Corp.

## Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2016

(expressed in thousands of US dollars, unless stated otherwise)

### 4 SUBORDINATED DEBT FACILITIES (continued)

During the second quarter of 2014, the Company agreed in principle with KORES that once the Boleo Project has started paying cash dividends and that the MMB board has decided in good faith not to proceed with the development of manganese at the Boleo Project, Baja will pay the Consortium the \$10,000 out of cash flows paid to Baja from the Boleo Project.

If the MMB board decides in good faith to proceed with the development of manganese at the Boleo Project, the Consortium will pay Baja the \$13,000 out of cash flows paid to the Consortium from the Boleo Project. Terms of the manganese production decision and related payments continue to be under discussion as part of negotiations on a revised MMB shareholders' agreement.

As the manganese production decision is to be made by the board of directors of MMB and the Company no longer controls MMB, the Company cannot accurately predict the outcome or timing of the manganese production decision. No decision on manganese production has been made by MMB as of September 30, 2016.

Should Baja be required to pay the \$10,000 refundable deposit liability, it is management's judgement as of September 30, 2016, that no repayment would be required within the next twelve months. Accordingly, the \$10,000 refundable deposit liability is recorded as a long-term liability as of September 30, 2016.

### 5 SHARE CAPITAL

#### a) Authorized share capital

The Company has been authorized to issue an unlimited number of common shares without par value.

#### b) Stock options

Details of the Company's stock option activity are as follows:

|  | <b>Number of<br/>options</b> | <b>Weighted average<br/>exercise price<br/>(Cdn\$ per option)</b> |
|--|------------------------------|---|
| Stock options outstanding – January 1, 2016    | 302,500                      | 5.16  |
| Forfeited/expired                              | (65,625)                     | 20.16   |
| Stock options outstanding – September 30, 2016 | <u>236,875</u>               | <u>1.00</u>   |

# Baja Mining Corp.

## Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2016

(expressed in thousands of US dollars, unless stated otherwise)

### 5 SHARE CAPITAL (continued)

#### b) Stock options (continued)

The following table summarizes information about stock options outstanding and exercisable at September 30, 2016:

| Range of prices<br>(Cdn\$ per option) | Number of<br>outstanding<br>options | Weighted<br>average<br>years to<br>expiry for<br>outstanding<br>options | Weighted<br>average<br>exercise price<br>for outstanding<br>options<br>(Cdn\$) | Number of<br>exercisable<br>options | Weighted<br>average<br>exercise price<br>for exercisable<br>options<br>(Cdn\$) |
|---------------------------------------|-------------------------------------|---|--|-------------------------------------|--|
| 1.00                                  | 236,875                             | 2.94  | 1.00   | 236,875                             | 1.00   |

The Company's stock option plan (the "Plan") allows the Company to grant stock options up to a maximum of 10% of the number of issued shares of the Company. Options granted under the Plan will vest with the right to exercise one-quarter of the options upon conclusion of every six months subsequent to the grant date, unless otherwise specified by the board of directors at the time the particular options are granted.

No stock options were granted in the nine month period ended September 30, 2016 (2015 – Nil). The total stock-based compensation recorded during the three and nine month period ended September 30, 2016 was \$2 (2015 - \$6), and \$7 (2015 - \$26), respectively. This has been recognized to general and administration expense with the offsetting amount recorded to contributed surplus.

### 6 GENERAL AND ADMINISTRATION EXPENSE

|  | Three months ended<br>September 30, |      | Nine months ended<br>September 30, |      |
|--|-------------------------------------|------|------------------------------------|------|
|  | 2016                                | 2015 | 2016                               | 2015 |
| Wages, salaries, and management fees (i) | 80                                  | 126  | 278                                | 484  |
| Directors fees                           | 17                                  | 25   | 61                                 | 83   |
| Stock-based compensation (note 5(b))     | 2                                   | 6    | 7                                  | 26   |
| Professional and consulting fees         | 15                                  | 37   | 55                                 | 29   |
| Office and administration                | 16                                  | 51   | 99                                 | 165  |
| Shareholders information                 | 6                                   | 1    | 13                                 | 36   |
| Depreciation                             | -                                   | 2    | -                                  | 8    |
|  | 136                                 | 248  | 513                                | 831  |

- (i) During the quarter ended March 31, 2015, the Company paid a \$100 bonus to the interim CEO pursuant to the terms of a contract effective from May 2012. No bonuses were paid in 2016.

# Baja Mining Corp.

## Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2016

(expressed in thousands of US dollars, unless stated otherwise)

### 7 EXPLORATION AND EVALUATION EXPENDITURES

|   | Three months ended<br>September 30, |           | Nine months ended<br>September 30, |           |
|---|-------------------------------------|-----------|------------------------------------|-----------|
|   | 2016                                | 2015      | 2016                               | 2015      |
| <b>Cinto Colorado</b>                         |                                     |           |                                    |           |
| Legal and environmental due diligence         | -                                   | -         | -                                  | 15        |
| Metallurgy, operations engineering and design | 4                                   | 17        | 56                                 | 37        |
| Operating payments                            | 13                                  | 14        | 38                                 | 41        |
|   | <u>17</u>                           | <u>31</u> | <u>94</u>                          | <u>93</u> |

#### *Cinto Colorado*

On April 30, 2013, the Company entered into an option agreement (the “Agreement”) whereby it can earn up to an 80% interest in Cinto Colorado S. de R.L. de C.V. (“Cinto Colorado”), a private Mexican company.

Cinto Colorado’s main asset is a surface lease, which entitles Cinto Colorado to process and/or sell tailings and slag now stored on the lands subject to the lease (the “Lands”). The Lands are situated within Santa Rosalia, Baja California Sur, Mexico and are adjacent to the existing Boleo Project of MMB.

Under the terms of the Agreement, as amended effective December 15, 2015, for Baja to exercise its right to acquire the interest in Cinto Colorado it is required to:

- Pay \$72 to Cinto Colorado (already paid);
- Deliver a NI 43-101 compliant preliminary feasibility study (“PFS”) at the earlier of (i) six months from the date that Cinto Colorado and/or Baja receives formal written communication from MMB that, after proper evaluation and consideration, it will not pursue the purchase for processing at Boleo the Cinto Colorado tailings in their current or other derivative form, and (ii) December 31, 2016;
- Deliver a NI 43-101 compliant definitive feasibility study (“DFS”) on or before eight months following the completion of the PFS; and if needed, complete a financing on or before six months following the delivery of the DFS, equal to the minimum amount estimated in the DFS needed to implement the DFS’ recommendations.

### 8 RELATED PARTY TRANSACTIONS

#### *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.

# Baja Mining Corp.

## Notes to the Condensed Interim Consolidated Financial Statements - Unaudited September 30, 2016

(expressed in thousands of US dollars, unless stated otherwise)

### 8 RELATED PARTY TRANSACTIONS (continued)

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

|  | Three months ended<br>September 30, |      | Nine months ended<br>September 30, |      |
|--|-------------------------------------|------|------------------------------------|------|
|  | 2016                                | 2015 | 2016                               | 2015 |
| Short-term employee benefits (note 6(i)) | 79                                  | 87   | 253                                | 380  |
| Stock-based compensation                 | 1                                   | 5    | 5                                  | 21   |
|  | 80                                  | 92   | 258                                | 401  |

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

### 9 SEGMENTED INFORMATION

The Company currently operates in one business segment, being the acquisition, exploration and development of resource properties.

### 10 GUARANTEES AND COMMITMENTS

In 2012, the Company entered into a lease assignment for offices no longer being 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 fulfill its obligations to the landlord. The lease expires September 30, 2020.

At September 30, 2016, total future aggregate minimum lease payments over the remaining lease term by the assignee to the landlord covered by this indemnity agreement is \$2,072.

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

### 11 SUPPLEMENTAL CASH FLOW INFORMATION

|                  | September 30,<br>2016 | September 30,<br>2015 |
|------------------|-----------------------|-----------------------|
| Cash in bank     | 30                    | 220                   |
| Cash equivalents | 64                    | 752                   |
|                  | 94                    | 972                   |