

Baja Corporate Update - Boleo Project, Cinto Colorado, MMB Shareholders Agreement and Board Retirement

Vancouver, July 11, 2016 – Baja Mining Corp. (“Baja” or the “Company”) (TSX-V:BAJ - OTC:BAJFF) reports that Tom Ogryzlo - Interim CEO and Director, and Nigel Kirkwood – CFO, visited the Boleo Mine on June 17, 2016, to attend a board meeting of Minera y Metalúrgica del Boleo, S.A. P.I. de C.V. (“MMB”) and tour the Boleo process plant, underground and open pit mining.

At the MMB board meeting, MMB management provided an update on recent activities at Boleo and for the year to date through May 2016. Key highlights communicated to Baja were as follows:

- The Boleo process plant is performing well and achieved 86% availability in March 2016 and over 81% copper recovery in May 2016. Average feed material grade processed was 1.04%;
- Boleo produced 5,000 MT of copper cathode and shipped 6,309 MT;
- The cobalt-zinc circuit is ramping up production. A design error in the zinc circuit was corrected in early April and cobalt production is being optimized with target levels exceeding budget. The plant has produced 35 MT of cobalt and 153 MT of zinc sulphate;
- Plant and mining operations were severely disrupted for 15 days in late April and early May by a group of approximately 100 MMB union workers who created an illegal blockade at the main gate, demanding a change of union. These demands were provoked by a Federal Union and did not originate internally within MMB;
- Plant throughput was also impacted by two weeks of unscheduled maintenance in January due to repairs to the leaching tank agitators. Additionally, in mid-June there was a one-week shut due to the rupture of the return water line to the ocean, which caused the acid plant to be shut down and restarted;
- Cu production for the year is now forecast at 20,000 MT in line with the budget (21,806 MT) having been able to move forward a scheduled plant shut-down for maintenance later in the year, which was undertaken during the recent plant shut downs;
- Underground test mining in good ground conditions reached a maximum daily rate of 1,000 tonnes per day (“tpd”) but average production remains more in the order of 400tpd. Geological ground conditions remain more severe than ever anticipated and these conditions together with delays in the delivery of customized mining equipment are limiting underground production. The illegal blockade also resulted in the loss of a substantial portion of the experienced underground miners effectively stalling progress underground;
- Surface mining is delivering an average grade of 1.14% and operating with a strip ratio approximating 10:1, with an average haul of 4 kilometers;

- The mine plan for the current year has been revised to decrease underground production by 50% of budget and increase surface production by the shortfall to maintain a stable source of feed to the plant. To date surface and underground mining achieved production of 154,000 DMT at an average grade of 1.25%;
- In the second half of the year, retreat mining and semi-shield mining operations underground are scheduled to resume, supported by the delivery of new equipment and the recruitment of experienced underground miners with daily production targeted to reach about 2,000 tpd. The addition of new trucks to the haul fleet in June and July will support increased surface production under the revised mine plan; and
- Changes to the management structure at MMB were introduced to reflect the shift from the development to the operations stage, including the appointment of Mr. Sang Bum Lee to the position of CEO.

As a minority shareholder of MMB holding a 10% interest in MMB, Baja is not the operator of the Boleo Project, and is dependent on MMB's management for information regarding MMB's operations and the status of the Boleo Project.

Boleo Project Funding

On May 27, 2016, MMB issued a cash call for US\$40.0 million for funding planned operations through Q3 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 and March 2016 MMB cash calls (total advance of US\$166.0 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).

Cinto Colorado

In early April 2016, the executive management of the Company, together with a representative of SNC-Lavalin, met with senior executives of KORES in Wonju, South Korea to discuss the proposed installation of an autoclave. KORES subsequently informed the Company that though the autoclave installation has attractive commercial merit to add copper cathode production from the SX/EW circuit, which KORES has also been evaluating, KORES prefers to wait for stable production to be achieved and to have MMB undertake this project internally sometime in the future. This position was reaffirmed by KORES to Baja at meetings at Boleo in June 2016. In addition, KORES also indicated 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. Baja is currently exploring alternative projects.

Cinto Colorado continue to await for 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 but have

been recently advised that the necessary documentation has been readied for ratification by the Cabildo at its next scheduled meeting.

Revised MMB Shareholders Agreement update

Baja management met recently in Vancouver with representatives of KORES to discuss the few outstanding issues remaining in respect of the revised MMB shareholders' agreement (the "Shareholders' Agreement"), including dilution and the manganese production decision and related payments (see Baja news release dated April 2, 2014), as well as settlement of the Management Services Agreement ("MSA") margin amount owing to Baja.

Baja believes that an agreement in principle has been reached, but the specifics remain subject to final documentation and the approval of the Shareholders' Agreement by the KORES and Baja Boards and by the remaining members of the Korean Consortium.

Change to Board of Directors

Ross Glanville who joined the Baja board in June 2012 to support the stabilization and restructuring of the Company following the disclosure of the Boleo cost over-runs and the change in control of the Boleo Project, has elected to retire as a director of the Company at the end of June 2016. Mr. Glanville has been a tireless and valued contributor to the Company and management's efforts to address the many challenges facing the business during its restructuring over the last four years. The remaining board members and management of the Company wish to express their appreciation to Mr. Glanville for his contribution and wish him well in his future endeavors.

At this time the Company has no plans to name a replacement for Mr. Glanville on the board of directors.

For further information, please contact Baja's Interim CEO Tom Ogryzlo at 604-685-2323 or via email at info@bajamining.com

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