



MMB Shareholders' Agreement and MSA Margin Settlement Finalized

Vancouver, January 26, 2017 – Camrova Resources Inc. (formerly Baja Mining Corp.) (“Camrova” or the “Company”) (TSX-V: CAV; OTC: BAJFF) is pleased to announce that a new shareholders’ agreement (the “New Shareholders’ Agreement”) has been executed by the shareholders of Minera y Metalúrgica del Boleo S.A. P.I. de CV. (“MMB”), including the Company, Korea Resources Company (“KORES”) and certain of its subsidiaries, and Korean Boleo Corporation, S.A. de C.V. (collectively, the “Korean Consortium”).

In addition, MMB and the Company have agreed upon the amount and payment of the margin owing to the Company pursuant to a management services agreement between MMB and the Company (the “MSA”), which was terminated by MMB in early 2013. The Company will receive a total payment of approximately US\$1,000,000 pursuant to the settlement, and the first of three equal payments over the first three quarters of 2017 has been made.

Tom Ogryzlo, Interim CEO, stated “I am very pleased to have these key issues finally resolved with an outcome that is satisfactory for the Company. It has only been with the support of the Company’s many patient shareholders and the dedicated and tenacious efforts of our executive management over the past 5 years that we have successfully accomplished our difficult objectives. Now with these important obstacles behind us, we can finally look forward to pursuing new opportunities and initiatives that can create value for our shareholders.”

The New Shareholders’ Agreement

The New Shareholders’ Agreement supersedes and replaces the prior shareholders’ agreement between the shareholders of MMB dated May 30, 2008, as well as any prior understandings between MMB’s shareholders respecting any terms potentially to be included in a new shareholders’ agreement. Key commercial and governance matters addressed in the New Shareholders’ Agreement of particular relevance to Camrova and its shareholders include a potential \$10 million manganese deposit repayment to be made by Camrova, MMB and Boleo Project funding and related ownership dilution in respect of defaulting shareholders, MMB board representation, MMB’s distribution policy and debt repayment, each as detailed below.

Manganese production decision and payments:

Under the April 17, 2008 share purchase agreement between Camrova and the Korean Consortium (the "2008 SPA"), Camrova is required to repay a US\$10,000,000 purchase consideration deposit to the Korean Consortium (the "Manganese Refund") if a decision is made not to produce manganese at the Boleo Project by the later of the final economic completion date of the Project or three years from the date of the 2008 SPA (the "Manganese Decision Date"). Additionally, the 2008 SPA requires the Korean Consortium to pay Camrova US\$13,000,000 if a decision is made to produce manganese at the Boleo Project by the Manganese Decision Date. No decision respecting the production of manganese was made by the Manganese Decision Date in accordance with the process outlined in the 2008 SPA.

The Company and KORES anticipate that a decision may be made by the MMB Board respecting the production of manganese at the Boleo Project at a future date. The New Shareholders' Agreement requires that in making such decision, the MMB Board shall exercise reasonable judgment and shall consider relevant information as to the technical and economic feasibility of manganese production at the Boleo Project. If a decision is made not to produce manganese, (the "Manganese Non-Production Decision"), on the date of such decision, Camrova will then be obligated to repay the Manganese Refund and at that time will issue a promissory note to the Korean Consortium evidencing its obligation to pay the Manganese Refund, which shall bear interest at a rate of 4% per annum commencing from the date of the Manganese Non-Production Decision (the "Manganese Promissory Note"). The Manganese Promissory Note must be repaid 20 years following its issuance (the "Maturity Date"). While the Manganese Promissory Note remains outstanding, Camrova will be obligated to make or cause payments to be made to the Korean Consortium from time to time limited and equal to 85% of any cash or other liquid and fungible payments received by Camrova from MMB, including payments on account of dividends, interest, and debt principal repayments, net of any related withholdings and/or taxes due or payable.

As continuing collateral security for its obligation to repay the Manganese Refund plus accrued interest, on issuance of the Manganese Promissory Note, Camrova will concurrently execute and deliver to the Korean Consortium a security agreement granting a first-ranking security interest in all present and after-acquired MMB equity securities owned by Camrova, and an assignment of a promissory note held by Camrova and issued by MMB with a \$28,224,000 principal balance (collectively, the "Security").

Upon payment in full of the Manganese Refund and all interest thereon, or if a decision is subsequently made by the MMB Board to produce manganese (the "Manganese Positive Production Decision") prior to the fourth anniversary of the date the Manganese Non-Production Decision is made, the Security will be terminated and the debt evidenced by the Manganese Promissory Note shall be cancelled.

The Korean Consortium shall be entitled to realize upon the Security upon the occurrence of any of the following events (each, a "Termination Event"), namely (i) the taking of any corporate action or initiation of any other steps or legal proceedings by or against Camrova in conjunction with, or the occurrence of an insolvency, bankruptcy, or related restructuring, other than that not having a material adverse effect on the assets, business or value of Camrova, or (ii) the failure to pay the Manganese Refund and all interest thereon in full by the Maturity Date.

Notwithstanding the occurrence of a Termination Event or the Korean Consortium realizing on the Security, Camrova will remain obligated to pay to the Korean Consortium the outstanding balance of the Manganese Refund together with interest thereon, and the Korean Consortium will have full recourse against Camrova for the full outstanding balance of the Manganese Refund together with interest thereon, following the occurrence of a Termination Event or the transfer of the entire Camrova Security to the Korean Consortium, provided that a cumulative total amount of not less than US\$2,000,000 in cash and other amounts and payments in kind (subject to any payments in kind being liquid and fungible) has been paid to Camrova by MMB on or before the time of such Termination Event (the "Recourse Threshold").

This arrangement restructures and defers a possible near-term obligation to repay the Manganese Refund if a Manganese Non-Production Decision is made and provides that settlement will be funded out of cash flows received from MMB, being subject to the Security and recourse rights (subject to the Recourse Threshold having been met) of the Korean Consortium detailed above. In order to achieve this outcome, the Company agreed to waive the requirement for the Korean Consortium to pay Camrova the US\$13,000,000 in further purchase consideration owing to the Company in the event of a Manganese Positive Production Decision, as set out in the 2008 SPA.

MMB funding and related ownership dilution:

The New Shareholders' Agreement provides that each MMB shareholder must contribute to MMB its pro rata portion, based on each shareholder's holding of shares in MMB at the time the pro rata portion is payable, of the total cost in order to achieve construction completion and to fund operations and ownership and maintenance of the Boleo Project in excess of US\$1,751,190,000. In respect of funding required in excess of the US\$1,751,190,000, the MMB shareholders shall be obligated, as and when funds are required by MMB in accordance with a funding notice, to make contributions as specified by MMB by way of either shareholder loans, or subscriptions for additional MMB shares, in either case in proportion to their then respective holdings of MMB shares at the time the pro rata portion is payable.

If an MMB shareholder (the "Defaulting Shareholder") fails to make a contribution required to be made by way of either subscriptions for shareholder loans or additional MMB shares, the other MMB shareholders (the "Non-defaulting Shareholders") will be entitled (but not obligated) to elect to make such contributions on behalf of the Defaulting Shareholder giving rise dilution as illustrated below:

- i. In respect of cash calls for shareholder loans, contribute the amount of such contribution that was required to be made by the defaulting Shareholder on the same terms that such funds would have been loaned by the Defaulting Shareholder. There is no dilution impact on the Defaulting Shareholder's ownership interest in MMB in respect of contributions of shareholder loans made on behalf of the Defaulting Shareholder by a Non-defaulting Shareholder.

However, the Non-defaulting Shareholders who make such loan in respect of the Defaulting Shareholder will have the right to make a one-time election in respect of such loan not later than six months after making such loan to convert all or any part of the loan made by the non-defaulting Shareholders in respect of the defaulting Shareholder into additional MMB shares, other than loans made in respect of cash calls made prior to December 15, 2016, for

which such right will extend to June 15, 2017. To the extent a Non-defaulting Shareholder elects to convert such loan in respect of a Defaulting Shareholder into additional MMB shares, the ownership interest of the Defaulting Shareholder will be diluted in accordance with a formula set out in the New Shareholders' Agreement.

To date, MMB has issued cash calls in excess of the US\$1,751,190,000 amounting to US\$346,000,000, which have been funded by way of shareholder loans. The Company has not contributed any amount to the cash calls and KORES has funded the Company's pro rata portion (10%, or US\$34,600,000). In accordance with the dilution formula applicable to conversions of loans made by a Non-defaulting Shareholder on behalf of a Defaulting Shareholder, if KORES elects to convert the entire amount contributed on behalf of the Company, the Company's ownership interest in MMB would be reduced from its current level of 10% to approximately 7.7%;

- ii. In respect of cash calls for subscriptions of additional MMB shares, contribute to MMB for additional shares the amount of such contribution that was required to be made by the Defaulting Shareholder and the ownership in MMB of the Defaulting Shareholder will be reduced according to a formula set out in the New Shareholders' Agreement. By way of illustration, had the US\$346,000,000 in cash calls been required to be made by way of subscriptions for additional MMB shares, the contributions made by KORES on behalf of the Company, the Company's ownership interest in MMB would have been reduced from 10% to approximately 6.6%.

With reference to the Company's news release dated January 13, 2017, the MMB 2017 Budget has a working capital requirement for additional funding of approximately US\$160,000,000. It is the Company's current expectation that it will not contribute to any cash calls made by MMB in 2017, which may result in initial dilution or further dilution of the Company's ownership in MMB, depending on the funding structure of the cash call (ie subscription of additional MMB shares or shareholder loans) and whether or not KORES has exercised any option to convert any of the loan contributions made on behalf of the Company at such time.

MMB board representation:

For as long as Camrova owns no less than 8% of the total outstanding MMB shares it shall be entitled to nominate one director to the MMB board, which is currently comprised of five directors but may be comprised of up to seven members. If at any time, Camrova owns less than 8% of the total outstanding MMB shares, Camrova will not be entitled to nominate any Directors but, provided it continues to own at least 5% of total outstanding MMB shares, will be entitled to appoint one observer to the Board, who shall have no voting rights but will be entitled to receive all information and documents that the Directors receive with respect to such meetings. If KORES elects to exercise its option to convert the loan contributions made on behalf of the Company pursuant to the MMB cash calls made to date, the Company's ownership position would fall below 8% and the Company would no longer be entitled to its representation on the MMB Board. Mr. Tom Ogryzlo, Camrova's Interim CEO currently represents Camrova on the MMB Board.

Distribution policy and MMB debt repayment:

The New Shareholders' Agreement provides that excess cash flows from the Boleo Project will be distributed to MMB's shareholders after certain priority debt service and principal repayments have been made.

MMB shall, as soon as reasonably practicable and no less frequently than once every year, after making all other payments required, and after all loans owing to MMB shareholders or to third parties have been repaid to a reasonable extent required pursuant to the terms of the relevant agreements, make a pro rata cash distribution to the MMB shareholders, in proportion to each shareholder's holding of MMB shares at that time, of the amount excess cash funds of MMB (as defined in the New Shareholders' Agreement).

The debts of MMB owing under the following unsecured loans (the "Unsecured Debt") will be repaid in the following order: (a) firstly, the Bonds; (b) secondly, the KORES MMB Loan Agreement and the KORES Lux Loan Agreement; (c) thirdly, the Baja Funding Loan Agreement (owed to the Korean Consortium); (d) fourthly, shareholders loans made pursuant to cash calls for funding in excess of US\$1,751,190,000 (the "Other Shareholder Loans"); and (e) lastly, promissory notes to MMB shareholders. MMB may, at its sole discretion, incur indebtedness to one or more third parties (the "Senior Debt") and that the indebtedness of MMB to its shareholders may, pursuant to the terms of such Senior Debt, be subordinate in right of payment. Notwithstanding the order of priority stated above, provided that the MMB Board approves, the Corporation may repay the Other Shareholder Loans in priority to all other Unsecured Debt.

With reference to the Company's news release dated January 13, 2017, the MMB LOM operations are projected to achieve cash flow breakeven, assuming the refinancing of the Bonds. This suggests that distributions or the repayment of the MMB promissory note to Camrova over the LOM may not be possible.

Other governance/minority protections:

Under the New Shareholders' Agreement, the following matters will require the consent of Camrova as long as the Company holds at least 5% of the total outstanding MMB shares:

- i. the amendment of the bylaws of MMB as to the corporate or economic rights pertaining to the class of MMB shares held by the Company; and
- ii. any related party agreements and related party transactions of MMB with a value in excess of \$5,000,000.

In addition, the New Shareholders' Agreement contains certain rights of first refusal, rights of first offer and drag-along and tag-along rights, including if at any time any MMB shareholder owns less than 8% of the outstanding MMB shares, the remaining shareholders may exercise a call right to acquire the shareholding at its fair value as determined in accordance the terms of the New Shareholders' Agreement.

MMB Management Services Agreement Margin Settlement

Pursuant to a management services agreement (“MSA”) between Camrova and MMB, the Company had invoiced MMB for amounts owed in respect of the cumulative margin on services provided to MMB since 2009 through 2012. The MSA was terminated by MMB during Q1 2013. MMB and the Company, with the consent of KORES have agreed to a settlement giving rise to the payment of the cumulative MSA margin amounting to US\$996,000, payable in three equal installments payable every three months commencing in January 2017. The Company has received payment of the first installment of US\$332,000.

About Camrova Resources Inc. (formerly Baja Mining Corp.)

Camrova is a Canadian mining company. Camrova, through Minera y Metalurgica del Boleo S.A.P.I. de C.V. (MMB), currently owns a 10% interest in the Boleo copper-cobalt-zinc-manganese project located in Baja California Sur, Mexico. The Boleo Project is producing copper, cobalt and zinc and the commissioning phase of the processing plant has been declared completed and MMB is actively seeking solutions to improve cash flow. The Company is working to identify and evaluate alternative project opportunities that are consistent with its technical expertise and have the potential for near-term generation of cash flow or value creation.

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

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