

02 April 2015

## **ASX / TSX ANNOUNCEMENT**

### **Company Presentation**

**Orocobre Limited (ASX:ORE) (TSX:ORL)** advises that the attached presentation will be used by Company management today at the Sydney Mining Club.

The presentation focuses on the Company's view of the supply/demand imbalance and the impending short supply in the lithium market. Slide 3 contained a video relating to Harley Davidson's Project Livewire (electric motorbike) which has been removed due to ASX requirements.

This video can be viewed by visiting:

<https://www.youtube.com/watch?v=TcjMUg38NdU> .

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## About Orocobre Limited

Orocobre Limited is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE) (TSX:ORL), and is building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company has built, in partnership with Toyota Tsusho Corporation and JEMSE, the first large-scale, greenfield brine based lithium project in 20 years at the Salar de Olaroz with planned production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate. The full monthly production rate is expected to be reached in the last quarter 2015.

The Olaroz Lithium Project has a low environmental footprint because of the following aspects of the process:

- The process is designed to have a high processing recovery of lithium. With its low unit costs, the process will result in low cut-off grades which will maximise resource recovery.
- The process route is designed with a zero liquid discharge design. All waste products are stored in permanent impoundments (the lined evaporation ponds). At the end of the project life the ponds will be capped and returned to a similar profile following soil placement and planting of original vegetation types.
- Brine is extracted from wells with minimum impact on freshwater resources outside the salar. Because the lithium is in sedimentary aquifers with relatively low permeability, drawdowns are limited to the salar itself. This is different from halite hosted deposits such as Salar de Atacama, Salar de Hombre Muerto and Salar de Rincon where the halite bodies have very high near surface permeability and the drawdown cones can impact on water resources around the Salar affecting the local environment.
- Energy used to concentrate the lithium in the brine is solar energy. The carbon footprint is lower than other processes.
- The technology developed has a very low maximum fresh water consumption of <20 l/s, which is low by industry standards.
- Sales de Jujuy S.A. is also committed to the ten principles of the sustainable development framework as developed by The International Council on Mining and Metals. The company has an active and well-funded “Shared Value” program aimed at the long term development of the local people.

The Company continues to follow the community and shared value policy to successfully work with suppliers and the employment bureau to focus on the hiring of local people from the communities of Olaroz, Huancar, Puesto Sey, Pastos Chicos, Catua, Susques, Jama, El Toro, Coranzulí, San Juan and Abrapampa. The project implementation is through EPCM (Engineering, Procurement and Construction Management) with a high proportion of local involvement through construction and supply contracts and local employment. The community and shared value policy continues to be a key success factor, training local people under the supervision of high quality experienced professionals.

**The Company also wholly-owns Borax Argentina, an important regional borate producer. For further information, please visit [www.orocobre.com](http://www.orocobre.com).**

### ***Caution Regarding Forward-Looking Information-***

*This news release contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information contained in this release may include, but is not limited to, the drawdown of finance for the Olaroz Project, the completion of construction and commissioning of the Olaroz Project and the timing thereof, the commencement of commercial production at the Olaroz Project and the timing thereof, the cost of construction relative to the estimated capital cost of the Olaroz Project, the design production rate for lithium carbonate and potash at the Olaroz Project, the expected brine grade at the Olaroz Project, the expected operating costs at the Olaroz Project and the comparison of such expected costs to expected global operating costs, and the ongoing working relationship between Orocobre and the Province of Jujuy.*

*Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated;; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices and market demand for product; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; risks associated with commissioning of the Olaroz Project to full capacity; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project; general risks associated with the further development of the Olaroz Project; as well as those factors disclosed in the Company’s Annual Report for the year ended June 30, 2014 filed at [www.sedar.com](http://www.sedar.com).*

*The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the timely receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the prices of lithium, potash and borates; market demand for product and the ability of the Company to operate in a safe, efficient and effective manner. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*



# **Orocobre Limited**

**Sydney Mining Club**

**April 2015**

# Cautionary Notes

This presentation has been prepared by the management of Orocobre Limited (the 'Company') in connection with meetings with institutional investors, for the benefit of brokers and analysts and not as specific advice to any particular party or person. The information is based on publicly available information, internally developed data and other sources. Where any opinion is expressed in this presentation, it is based on the assumptions and limitations mentioned herein and is an expression of present opinion only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information. The Company disclaims and excludes all liability (to the extent permitted by law) for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the information, its accuracy, completeness or by reason of reliance by any person on any of it.

This presentation contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information is often characterized by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words or statements that certain events or conditions "may" or "will" occur. Forward-looking information may include, but is not limited to, the financing and profitability of the Olaroz Project, the completion of construction and the successful commissioning of the Olaroz Project, the capital expenditure incurred at the time of completion of construction and the timing thereof, the commencement of commercial production at the Olaroz Project and the timing thereof, the design production rate for lithium carbonate and potash at the Olaroz Project, the expected brine grade at the Olaroz Project, the expected operating costs at the Olaroz Project and the comparison of such expected costs to expected global operating costs, the ongoing working relationship between Orocobre and the Provinces of Jujuy and Salta, the future financial and operating performance of the Company, its affiliates and subsidiaries including Borax Argentina, the estimation and realization of mineral resources at the Company's projects, the viability, recoverability and processing of such resources, timing of future exploration at the Company's projects, timing and receipt of approvals, consents and permits under applicable legislation, trends in Argentina relating to the role of government in the economy (and particularly its role and participation in mining projects), adequacy of financial resources, forecasts relating to the lithium, boron and potash markets, production and other milestones for the Olaroz project, the Olaroz project's future financial and operating performance including production, rates of return, operating costs, capital costs and cash flows, potential operating synergies between the Salinas Grandes and Cauchari projects and the Olaroz project, the potential processing of brines from the Cauchari Project and the incremental capital cost of such processing, expansion, growth and optimisation of Borax Argentina's operations, the integration of Borax Argentina's operations with those of Orocobre and any synergies relating thereto and other matters related to the development of the Company's projects and the timing of the foregoing matters.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the conditions to drawdown of project finance are not satisfied and drawdown is delayed or does not occur, that further funding may be required, but unavailable, for the ongoing development of the Company's projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with construction and development of the Olaroz Project; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project or the Company's other projects; general risks associated with the feasibility and development of the Olaroz Project and the Company's other projects; risks associated with investments in publicly listed companies, such as the Company; risks associated with general economic conditions; the risk that the historical estimates for Borax Argentina's properties that were prepared by Rio Tinto, Borax Argentina and/or their consultants (including the size and grade of such resources) are incorrect in any material respect; the inability to efficiently integrate the operations of Borax Argentina with those of Orocobre; as well as those factors disclosed in the Company's Annual Report for the year ended June 30, 2014 filed at [www.sedar.com](http://www.sedar.com).

Forward-looking information is based on a number of assumptions and estimates that, while considered reasonable by the Company, may prove to be incorrect. Assumptions have been made regarding, among other things: the Company's ability to carry on its exploration and development activities at its projects and to continue production at Borax Argentina's properties, the timely receipt of required approvals, the prices of lithium, potash and boron, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.





BIDNESS<sup>ETC</sup>

## Harley Davidson's First Electric Motorbike "Project Livewire"

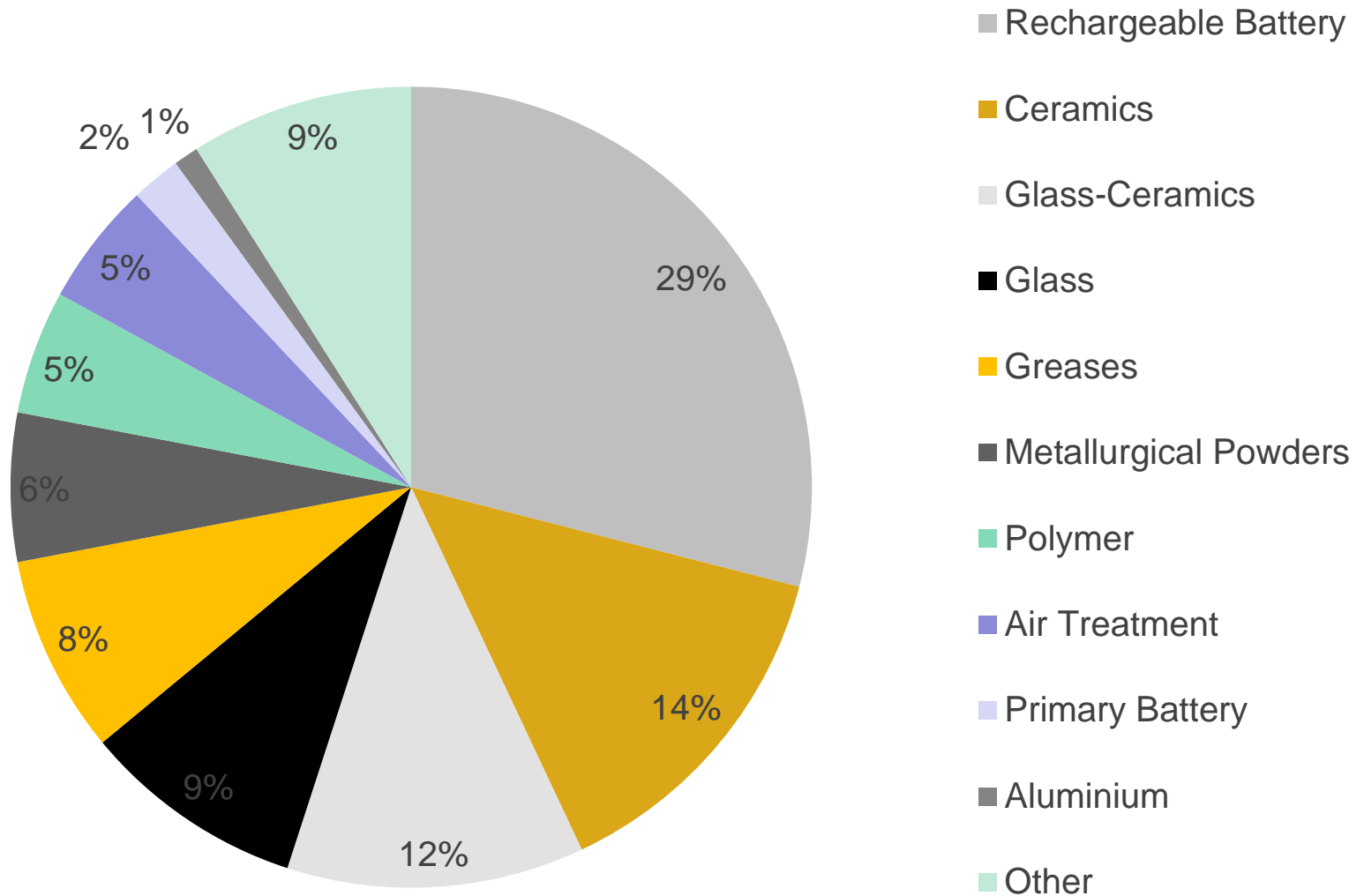
Video Available at: <https://www.youtube.com/watch?v=TcjMUg38NdU>

**Now is the right time for Lithium**



The  
University  
Of  
Sheffield.

# Lithium Demand by Market





## Who is using Lithium



# Lithium Market Overview

## Market Size

- Market size estimated between 160,000-175,000 tonnes LCE\* in 2014
- Market CAGR of ~10%
- Produced from either hard rock or brine deposits
- Lithium carbonate pricing currently US \$5,000- \$6,000/mt
- Lithium hydroxide pricing currently US \$7,000-8,000/mt

## Major Markets

- Major importing markets for Lithium - China, United States, Europe, Japan and South Korea
- Not a “China story”

\* Expressed as Lithium Carbonate Equivalent

Source: Roskill 2013, Deutsche Future Metals Report 2015, Company estimates

# Lithium Market Overview

## Market Applications

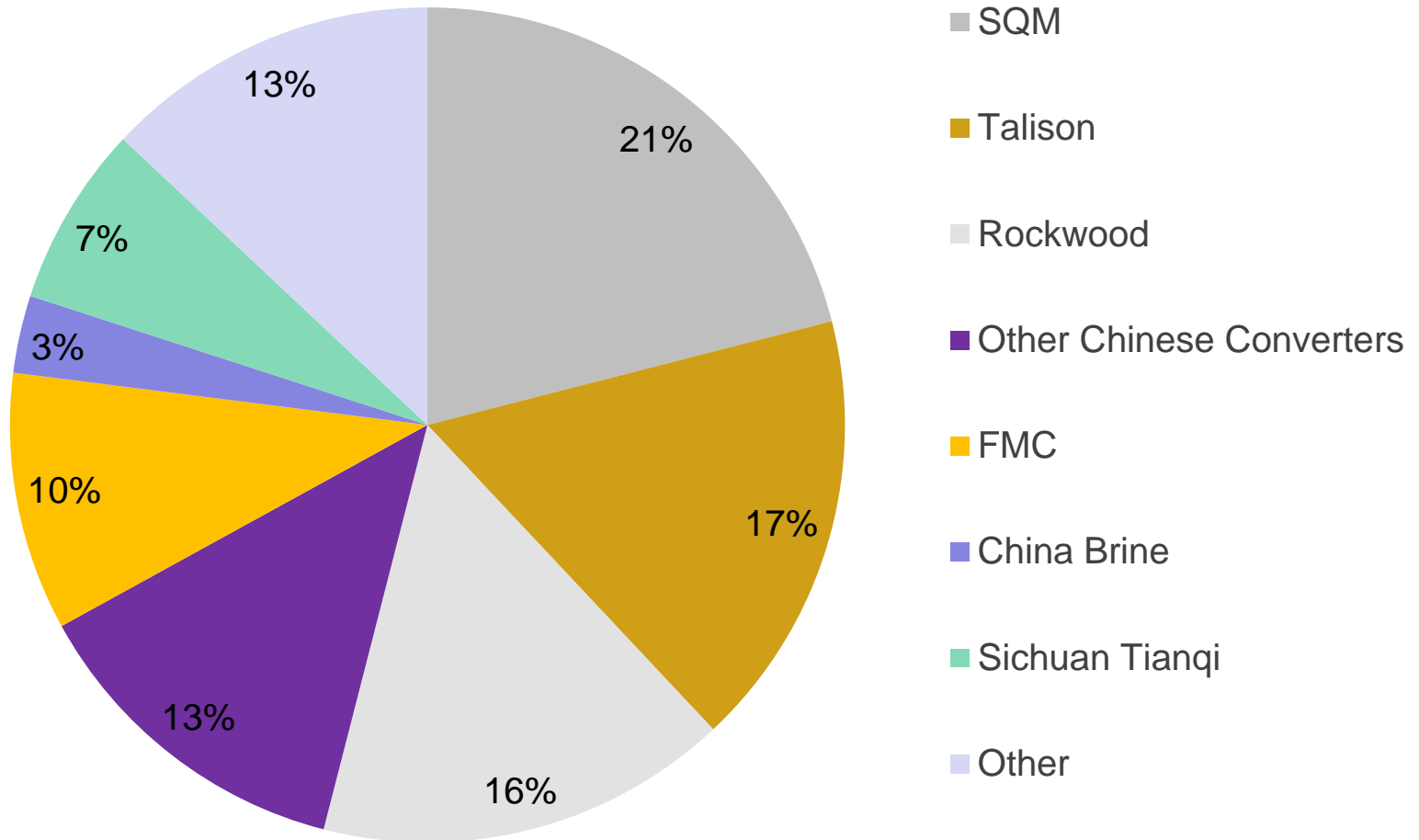
- Rechargeable batteries - the largest market use for lithium and with a CAGR of ~20%
- Industrial markets - growing at ~ 5-6%

## Market Influences

- Government policy
- Environmental conscientiousness
- Battery research and decreasing costs
- Urbanisation
- Grid storage
- Battery gigafactories – e.g. Tesla Motors, LG Chem, Boston Power, Samsung and Foxconn

# Lithium Market Information

## Current Lithium Supply by Company





# Lithium Market Supply

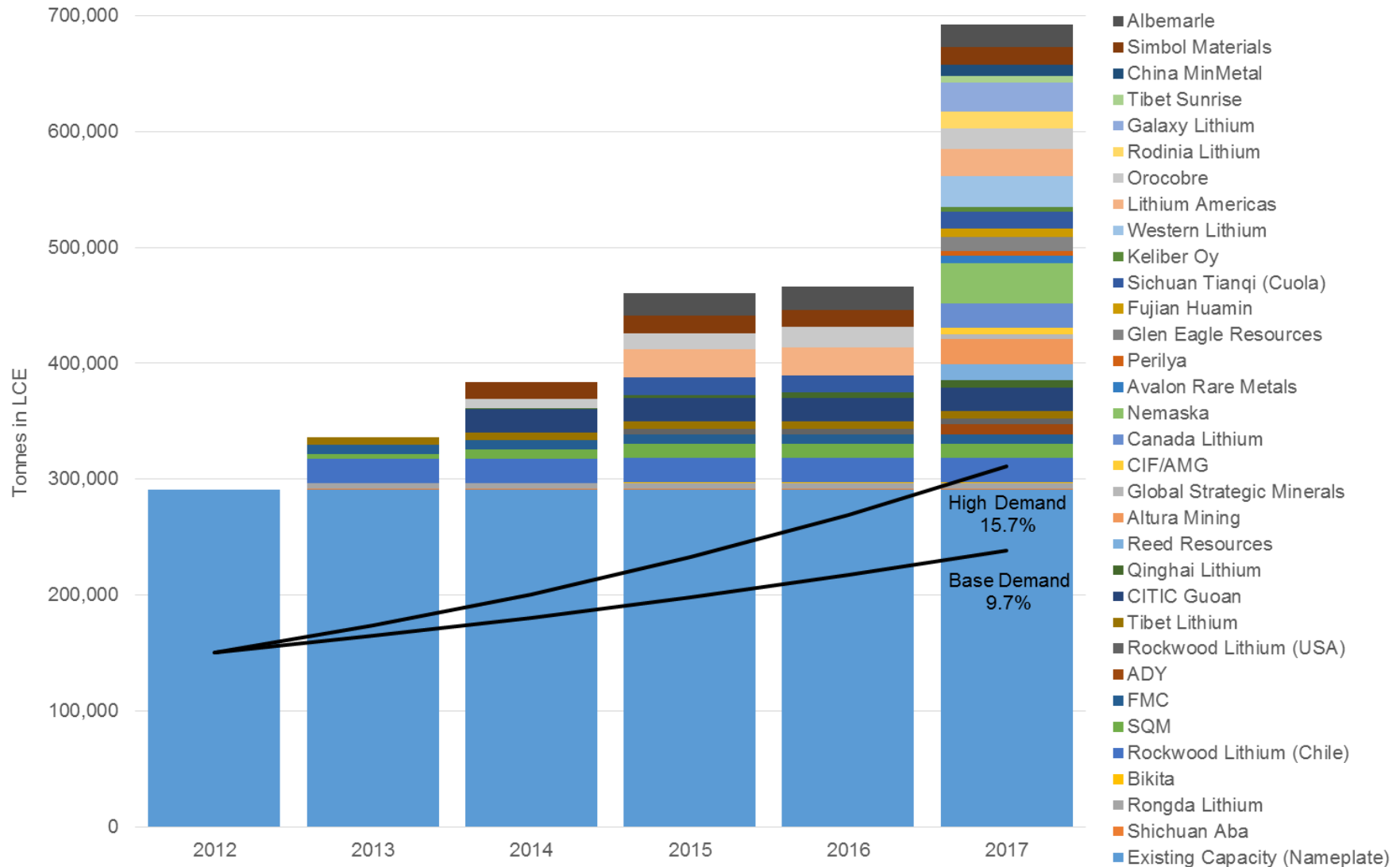
## Supply is Limited and Tightening

- **Market consensus - demand to exceed supply**
- Major suppliers have publically announced they are operating at capacity
- Existing supplier expansion plans delayed
- No new lithium capacity outside of China until at least 2016
- China remains a net importer – and growing
- Suppliers have implemented price increases for 2015

*“Lithium demand for energy storage applications continues to grow at **double-digit rates**. This has led to a **tightening** in some segments and created a more favourable pricing environment especially in lithium hydroxide. We also saw some **tightening in carbonate supply** and demand, which we expect will also lead to **favourable year-over-year pricing.**”*

*- FMC Q4 2014 Results - Earnings Call Transcript*

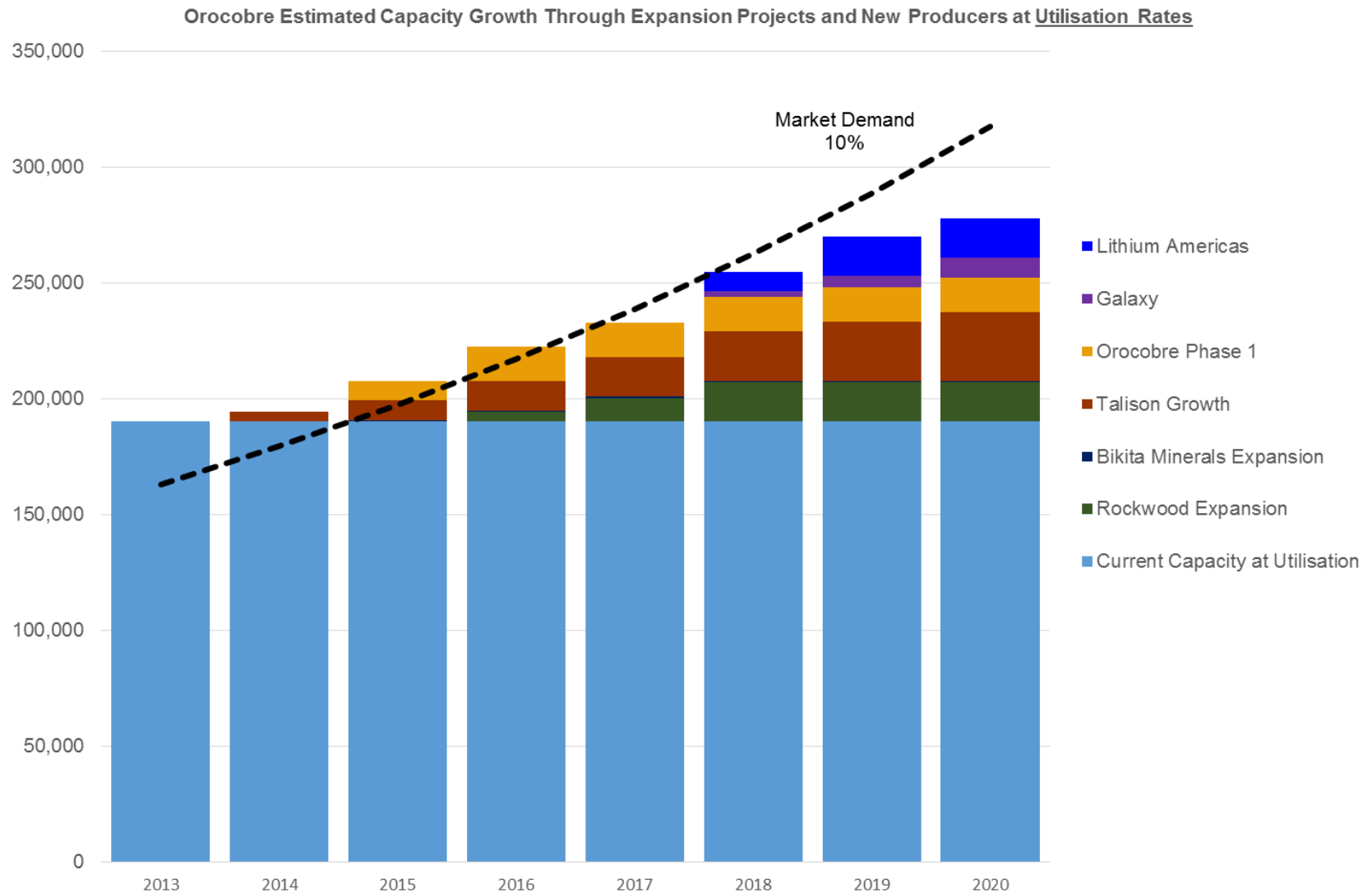
# In 2013 Roskill Reported Potential Expansions and New Projects:



Source: Roskill Report 2013

Available production capacity for 2012 was approximately 291,050 LCE, where no date has been mentioned in tables the date 2017 has been applied for production. Data taken from: Table 16: Planned expansions as reported by existing lithium mineral producers to 2017, Table 17: Potential lithium mineral producers to 2017, Table 18: Planned expansions by existing lithium brine producers to 2017 and Table 19: Potential new lithium brine projects to 2017

# Two Years Later The Market Looks More Like:



Notes: Rest of the world 80% utilisation, China 60% utilisation, Talison's capacity considered in line with Chinese converter plant limitations and Europe industrial market. Estimated Talison's 65,000tpa base as of 2013 increasing 4k mt per year.

Source: Company websites and Orocobre estimates

# Lithium Project Positives

- ✓ Low-cost production
- ✓ Good hydrogeology
- ✓ Good chemistry
- ✓ Favourable environmental conditions
- ✓ Workable and available financing
- ✓ Timed entry to the market



# Lithium Project Challenges

- ✗ High processing cost
- ✗ Complex Government approvals
- ✗ Difficult environmental licencing
- ✗ Foreign investment restrictions
- ✗ Poor community relations
- ✗ Unproven technology

# Company Overview

## Orocobre is an ASX (ORE) & TSX (ORL) Listed Company

- Market Capitalisation of A\$354 million
- Closing share price on 31/03/15 was A\$2.34
- ~50% institutional investors

## Salar de Olaroz Lithium Project

- Located in Jujuy, Argentina
- First greenfield project of it's kind in over 20+ years
- Low cost producer of 17,500mtpa lithium carbonate
- Partnership project with Toyota Tsusho Corporation and JEMSE (provincial government)

## Borax Argentina - Borates Operation

- Three open pit borate mines located in Sijes, Porvenir and Tincalayu, Argentina and a refinery facility in Campo Quijano, Argentina
- Long established boron minerals and refined chemicals supplier with 50+ years of production
- Current annual production in excess of 40,000t of boron chemicals & mineral concentrates
- 100% owned by Orocobre

## Exploration Projects

- Cauchari Project (lithium-potassium-boron brine)
- Salinas Grandes (lithium-potassium-boron brine)
- Guayatoyoc (potassium brine)



Above: Orocobre's operations and exploration projects

# Olaroz Project





# Olaroz Lithium Project Fundamentals

<b>Location</b>	<ul style="list-style-type: none"> <li>Salar de Olaroz, Jujuy, Argentina</li> </ul>
<b>Large resource</b>	<ul style="list-style-type: none"> <li>Large measured and indicated resource of 6.4 Mt LCE, 19.3 Mt KCl &amp; 1.85Mt B to only 197m depth</li> <li>High lithium resource grade of 690mg/l Li, Low Mg/Li ratio of 2.4</li> </ul>
<b>Large Exploration Target</b>	<ul style="list-style-type: none"> <li>Exploration target of between 1.6 and 7.5 million metric tonnes LCE between 197m and 323m depth in thick continuous sand sequences. Depth potential of 600m</li> </ul>
<b>Production</b>	<ul style="list-style-type: none"> <li>Stage 1 production rate of 17,500tpa battery-grade lithium carbonate in Q4 2015 (CY)</li> </ul>
<b>Excellent economics</b>	<ul style="list-style-type: none"> <li>Site cash operating cost of ~US\$2,000/t of lithium carbonate<sup>1</sup></li> <li>Long term expected pricing of ~US\$5,000-\$7,000/t</li> <li>Brine offers operating cost advantage vs hard rock</li> </ul>
<b>High specification battery-grade LCE</b>	<ul style="list-style-type: none"> <li>Producing high purity product</li> <li>Short time lines for product qualification</li> </ul>
<b>Life of mine and expansion</b>	<ul style="list-style-type: none"> <li>Sustainable long life project with expansion potential for lithium carbonate, potash and boron</li> <li>In FS only ~15% of current resources used in 40 years</li> <li>Production expansion at 40% discount compared to establishment capital cost</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>Orocobre 66.5%, Toyota Tsusho Corporation (TTC) 25%, and JEMSE (provincial government) 8.5%</li> <li>TTC also facilitated debt financing through Mizuho &amp; JOGMEC and is acting as marketing agent</li> </ul>



1. At full production (excluding any potash or boron credits)



# Olaroz Lithium Project Update



## Flagship Olaroz lithium project has achieved first production

- First commercial dispatches expected in early Q2 2015
- Ramping up to Stage 1 production level of 17,500tpa in Q4 CY15

## Phase 2 Expansion

- Lithium hydroxide potential
- Increased lithium carbonate production at 40% of CAPEX



# **Orocobre Limited**

**Right Place, Right Time**

**Sydney Mining Club**

**April 2015**