

**OROCOBRE LIMITED**

**ABN 31 112 589 910**

**CONSOLIDATED FINANCIAL REPORT  
FOR THE HALF - YEAR ENDED  
31 DECEMBER 2015**

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## CORPORATE INFORMATION

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### **Directors**

*Non-Executive Chairman*  
James D. Calaway

*Managing Director & CEO*  
Richard Seville

*Non-Executive Directors*  
John W. Gibson  
Federico Nicholson  
Fernando Oris De Roa  
Courtney Pratt  
Robert Hubbard

### **Joint Company Secretary**

Rick Anthon  
Neil Kaplan

### **Company**

OROCOBRE LIMITED  
ACN 112 589 910

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AUSTRALIA

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### **Auditors**

ERNST & YOUNG  
111 Eagle Street  
Brisbane QLD 4000  
AUSTRALIA

### **Legal Advisors**

McCarthy Tetrault LLP  
Suite 5300 TD Bank Tower  
Toronto Dominion Centre  
66 Wellington Street West  
TORONTO ON M5K1E6  
CANADA

Saravia Frias Cornejo  
Abogados  
Rivadavia 378  
(A4400BTH)  
SALTA  
ARGENTINA

### **Share Registries**

BOARDROOM PTY LIMITED  
Level 7, 207 Kent Street  
Sydney NSW 2000  
AUSTRALIA

TMX Equity Transfer Services  
200 University Avenue  
Suite 300  
Toronto ON M5H4H1  
CANADA

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2015.

## DIRECTORS

The following persons were Directors of the Company during the half year and at the date of this report except as otherwise noted:

J. D. Calaway (Chairman)	C. Pratt
R. P. Seville	F. O. de Roa
J. W. Gibson	F. Nicholson
R. Hubbard	

## REVIEW & RESULTS OF OPERATIONS

### Group financial performance

A summary of consolidated revenues and results is set out below:

	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
Revenue	15,051,242	11,672,696
EBITDAX*	(5,345,587)	(4,684,332)
Less Depreciation & Amortisation	(1,016,018)	(515,369)
EBITX**	(6,361,605)	(5,199,701)
Less Interest	(1,999,868)	121,220
EBTX***	(8,361,473)	(5,078,481)
Less Foreign currency gains/(losses)	6,913,158	7,261,091
Less share of fx loss of joint venture	(28,137,421)	(93,265)
Group profit/(loss) before tax	(29,616,271)	1,876,944
Income tax expense	1,341,193	430,802
Net profit/(loss) after tax	(28,275,078)	2,307,746

\*EBITDAX - Group earnings before Interest, taxes, depreciation, amortisation, and foreign currency gains/(losses)

\*\*EBITX - Group earnings before Interest, taxes, and foreign currency gains/(losses)

\*\*\*EBTX - Group earnings before taxes and foreign currency gains/(losses)

As the Group's operations are outside of Australia, the Group is exposed to currency exchange fluctuations when reported in Australian Dollars ("AUD"). The Group's profit measure of Earnings before interests, taxes, and foreign currency gains/(losses) "EBITDAX" has also been provided in the table above and commentary below to compare the impact of foreign exchange movements from the Group's performance against the pcp as a separate item from profit and loss. The EBITDAX profit measure is not compliant with Australian Accounting Standards.

### Consolidated Results

As a result of the large devaluation of the Argentine Peso during the half year ended 31 December 2015, the Group's results were dominated by the impact of foreign exchange translation. Including the loss from its share of the Olaroz joint venture the Group's Net (loss) after tax/gain for the half year, was (\$28,275,078) (31 December 2014: \$2,307,746).

### Group's performance

As Sales de Jujuy S.A (SDJ) is still in "construction phase" for accounting purposes, sales were offset against the carrying value of the asset in the balance sheet. Once SDJ is in "production phase" sales in the comprehensive statement of

income will be reported under "share of net profit/(loss) of the Joint Venture Sales de Jujuy PTE" as this entity is equity accounted.

Accordingly, sales in the financial report only relate to Borax Argentina.

Sales for the half year were \$12.2m (2014 \$11m).

Sales attributable to Borax Argentina in USD were down 8% compared to the previous corresponding period (pcp) but increased in AUD terms by 10% as a result of the strengthening of the United State Dollar ("USD") to the AUD.

EBITDAX of (\$5.3m) represents an increased loss of (\$0.7m) or (14%) compared to pcp. The increase in loss of EBITDAX was driven, in particular, by factors including:

- Gross loss of (\$0.2m) was down by (\$0.8m) from pcp gross profit of \$0.6m. Borax Argentina gross profit was negatively impacted by downward market price pressure driven by the poor economic conditions in Brazil and increasing unit costs in Argentina due to local inflation and decreased production rates.
- Gain in sale of financial instruments of \$1.1m acquired and disposed of during the period.
- Corporate costs of \$4.9m (2014 \$3.1m) were up from pcp by \$1.8m primarily due to legal fees related to the Rio Tinto Minerals arbitration of \$0.9m, employment termination costs of \$0.3m, and fees paid to Tenova Bateman of \$0.2m for the first stage of the Lithium Hydroxide Plant development studies. Included in corporate costs there were other costs of \$1.3m (2014: \$0.5m) of charges to the Joint Venture party recovered through other income.

#### *Net interest expense (finance costs)*

Net finance costs of \$2m (2014 \$0.12m) were up by \$1.9m primarily due to \$1.2m related to the discounting impact to Net Present Value of financial assets and liabilities at balance sheet date.

#### *Depreciation and amortisation expense*

Depreciation and amortisation expense increased 97% compared to the pcp due to the additional depreciation related to Capital Projects recently commissioned at Borax Argentina.

#### *Foreign currency gains*

Due to the strengthening of the USD against the AUD, the translation of USD denominated Standby Letters of Credit(SBLCs) and USD loans with SDJ held by the group have resulted in gains of \$6.9m during the half year and \$7.3m in pcp.

#### *Share of FX loss in joint venture*

Share of loss in joint venture of \$28.2m is attributable to the Group's interest in the foreign exchange loss of SDJ. Whilst the Olaroz project was considered to be in "construction phase" during the period, the functional currency of SDJ was the Argentine Peso ("ARS") which has reduced in value by comparison to the AUD by 36% and to the USD by 43% during the six month period. The reported loss from the joint venture mainly originated from the revaluation of the USD loan facility with Mizuho Bank into ARS at balance sheet date, resulting in a foreign exchange loss in its profit and loss of \$42.3m (Orocobre's share \$28.2m). Refer to note 9 of the half year financial report for detailed disclosure on these items.

#### *Income Tax Expense*

The income tax benefit for the half year was \$1.3m (income tax benefit of \$0.4m in the pcp). The higher tax benefit during the half year ended 31 December 2015 is due to the higher loss before tax of Borax Argentina compared to pcp. Deferred taxes related to tax losses at Corporate and SDJ were not recognised on the basis that these are not considered recoverable at balance sheet date.

### **Argentine Government Policy**

President Macri's administration has moved quickly to implement sweeping changes to lift economic restrictions and controls.

Key changes made that directly benefit the Company's operation in Argentina include:-

- removing the "dollar clamp" to allow the free flow of capital in and out of the country
- effectively allowing the floating of the Argentine peso and ending the artificially high official exchange rate

- eliminating export taxes on almost all agricultural and industrial products, specifically removing the 5% export duty on lithium carbonate and refined boron products and 10% on mineral concentrates
- removal of most controls on the importation of goods into Argentina

The impact of these policy changes on Orocobre are material with a reduction of operating costs (in USD terms) and an enhancement of revenue. In addition the Company can access goods and services in a normal way eliminating the regulatory roadblocks which delayed commissioning of the production plant. For further details please refer to the Company's ASX release "Changes in Argentine Government Policy" dated 23 December 2015. However, from an accounting and reporting perspective these changes have adversely impacted the Group's net results for the half year ended 31 December 2015. As SDJ and Borax Argentina Both had ARS as the functional currency, the devaluation of 36% of the ARS against the AUD and 43% against the USD resulted in a decrease of the Group's net assets by AUD 60m at 31 December 2015.

#### **OLARAZ LITHIUM PROJECT (Orocobre 66.5%)**

The Olaroz Project Joint Venture is operated through SDJ a subsidiary of Sales de Jujuy PTE, a Singaporean company that both Orocobre and Toyota Tsusho Corporation (TTC) respectively, are shareholders in directly and indirectly. The effective Olaroz Project equity interest is Orocobre 66.5%, TTC 25.0% and Jujuy Energia y Minería Sociedad del Estado ("JEMSE") 8.5%.

The joint venture between the Company and TTC was created on 17 October 2012 and the accounting consequences reflected in the 30 June 2013 financial statements. Since that date Orocobre has recognised its interest in the joint venture (**JV**) as an equity accounted investment. Please refer to note 9 in the financial report for further detail on this item.

The Olaroz Lithium Project is located in the Puna region of Jujuy Province in northern Argentina approximately 230 kilometres northwest of the capital city of Jujuy at an altitude of approximately 3900 metres above sea level. The project is the first large scale "green fields" lithium brine development in approximately twenty years and was designed to have an initial nominal capacity of 17,500tpa of battery grade lithium carbonate. This capacity accounts for approximately 10% of the current global lithium market, which is forecast to experience a 10% year-on-year growth in demand until 2020.

In the half year period July-December 2015, 1,600 tonnes of lithium carbonate were produced consisting of 492 tonnes in the September quarter and 1,108 tonnes in the December quarter. From a half year starting point in July of 93 tonnes of production, the production rate of 20 tonnes per day was achieved at the end of December (427 tonnes total for the month) followed by the production of 699 tonnes in January and the achievement of operating cost breakeven (excluding taxes paid or reimbursed, financing costs and depreciation). The debottlenecking program is complete.

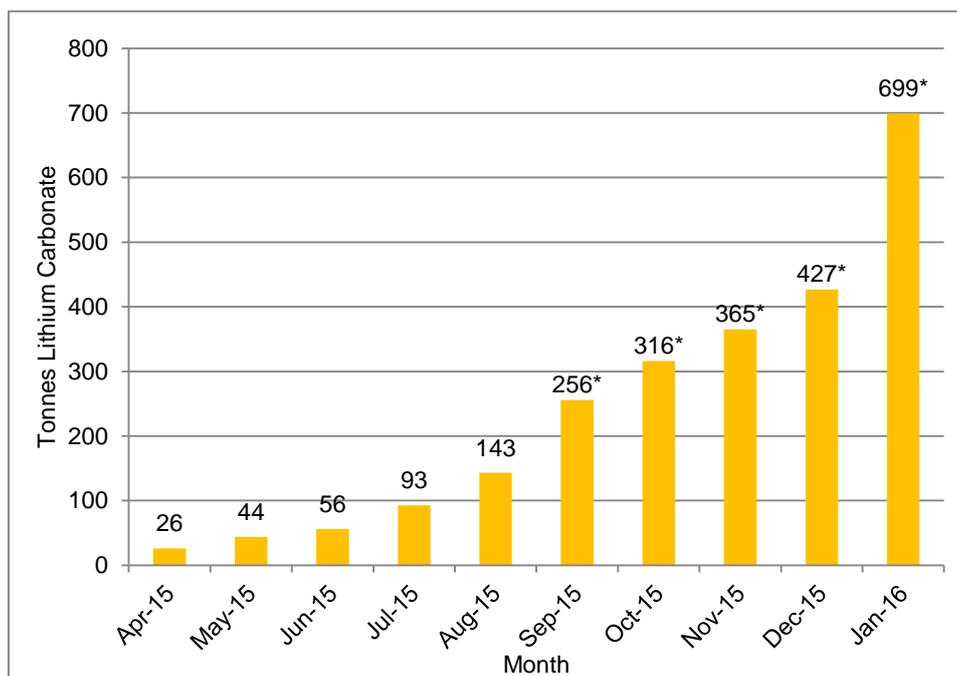
The Olaroz Lithium Facility is now entering the final stage of production ramp up. Production for the March quarter is forecast at approximately 2,400 tonnes with nameplate capacity to be achieved in September 2016.

The Olaroz Lithium Facility first produced battery grade material in May 2015 with median values of 99.98% - 99.99% achieved for the lithium carbonate production in May and June, as reported in the June 2015 Quarterly Report, released on 28 July 2015. Samples of lithium carbonate were first supplied to battery market customers in July. The majority of tonnes produced outside of product produced for battery market customers for the final product approval process was sold to technical and chemical market customers while battery market customers worked through the final product qualification process. The fulfilment of commercial orders to the first five of these battery market customers commenced in February 2016.

The market environment has also changed significantly in the months since July 2015 with prices gathering upward momentum. The sales of product in the half year comprised early stage production volume, samples, and in-process material that has been sold to downstream product manufacturers. Hence the sales over the half year are not representative of the market prices being achieved in CY2016. In addition, all revenue inflows to SDJ from the sales of lithium carbonate are net of freight, port charges, insurance, and sales commission.

At the end of the quarter, brine inventory was approximately 41,000 tonnes of lithium carbonate equivalent (LCE).

Production Performance April 2015 – January 2016



\*Sep to Jan figures include lithium carbonate tonnes recovered from the purification circuit.

**Joint Venture Reporting**

The functional currency of the subsidiary, SDJ is the Argentine Peso which has reduced in value by comparison to the AUD by 36% and to the USD by 43% over the half year. As the loan facility with Mizuho Bank is USD denominated the subsidiary recorded a foreign exchange loss in the income statement of AUD 42.3m.

In addition, as a result of the Peso devaluation to the AUD, the Joint Venture SDJ PTE's net assets have been reduced by AUD 42.1m as at 31 December 2015 when presented in AUD.

It is expected that functional currency of the Joint Venture will change to USD in Q4 of FY16.

The following statements detail the SDJ PTE's key financials, Profit and Loss, use of funds and Balance Sheet.

SDJ PTE KEY FINANCIALS	AUD	
	DEC 2015	DEC 2014
<b>SDJ PTE Profit &amp; Loss</b>		
Corporate Admin Expenses	(47,042)	(324,947)
Costs (Corporate, Interest, etc)	2,526	5,562
Foreign Currency Gain / Loss	(42,311,911)	(140,248)
<b>Net loss after tax</b>	<b>(42,356,427)</b>	<b>(459,633)</b>
(Subtract)/add back: Income tax (credit)/charge	-	-
Add back: Depreciation	524	479
(Subtract)/add back: Net Interest	(2,526)	(5,562)
<b>EBITDA</b>	<b>(42,358,429)</b>	<b>(464,716)</b>
Earnings (loss) before interest, taxes, depreciation, and amortization ("EBITDA")		

**Pre-production revenue**

As the Olaroz project continued to be in the "construction phase" from an accounting perspective during the interim period, both sales and cost of sales for the half year have been offset against the asset cost.

Sources and uses of funds July to December 2015	AUD
<b>Sources of funds</b>	
Cash on hand at the beginning of the period	1.8
Proceeds from overdraft facilities	14
Proceeds from shareholder loans	49.6
Proceeds from share capital increases	7.5
<b>Total sources of funds</b>	<b>72.9</b>
<b>Uses of funds</b>	
Principal and interest payments (project finance facility)	(9.7)
Capital and operating costs (net of proceeds from pre-production revenue)	(63)
<b>Total uses of funds</b>	<b>(72.7)</b>
<b>Cash on hand at the end of the period*</b>	<b>0.2</b>
*Cash on hand excludes available funds from overdraft facilities of USD 7.4m (AUD 10.1m)	

#### Notes on use of funds

Funding for the project during the half year was largely covered by the Joint Venture partners via capital contributions of USD 5.4m (AUD 7.5m) and shareholder loans of USD 35.9m (AUD 49.6m). From these funds, SDJ made its first principal and interest payment to Mizuho Bank Limited of USD 7m (AUD 9.7m).

Additional funds of USD 10.7m (AUD 14.1m) were made available to SDJ through the working capital facility held in ARS as a result of the devaluation of the ARS to the USD. As the ARS denominated facility is backed by USD SBLCs offshore to the extent of ~80%, SDJ can continually draw down funds in Argentina to the equivalent ARS value.

SDJ PTE BALANCE SHEET	AUD	
	DEC 2015	DEC 2014
Cash, cash equivalents	167,689	1,799,273
Receivables	2,139,686	1,419,309
Intangible assets	25,887,329	35,268,267
Inventories	36,449,780	31,719,642
Property, plant & equipment	437,031,748	483,503,195
VAT Receivable	28,938,143	35,550,791
Other Assets	5,339,748	7,607,718
<b>Total assets</b>	<b>535,954,123</b>	<b>596,868,195</b>
Short term borrowings	81,989,633	82,394,997
Payables	9,277,090	23,916,933
Taxes payable and deferred	25,887,416	35,268,386
Related party loans	85,109,849	32,679,074
Long term debt	226,719,444	228,251,618
Derivative	14,677,688	12,259,938
Other Liabilities	22,740,106	29,714,523
<b>Total liabilities</b>	<b>466,401,226</b>	<b>444,485,469</b>
<b>Equity</b>	<b>69,552,897</b>	<b>152,382,726</b>

## Notes on Balance Sheet

The significant decrease in the carrying value of the company's net assets in AUD is due to the devaluation of the ARS at balance sheet date of (36%) following the free float of the ARS during December 2015. Excluding the impact of translation resulting from the ARS devaluation to the AUD, the carrying value of Sales de Jujuy PTE net assets (including minority interest) would have been higher by approximately AUD 88m during the half year.

Value Added Tax (VAT) that has been paid on CAPEX and expenses to date, will be recovered in coming years. The delays in recovery of the VAT has required funding from the shareholders. VAT recoverable is AUD 28.9m (USD 21.1m) which has been fair valued and hence discounted. Nominal value of VAT is USD 33.6m. VAT reimbursement presentations for April to December 2015 have been lodged with the first refund expected to be collected in the second half of the financial year.

Short term borrowing include two Mizuho principal payments due in March and September 2016 of approximately of USD 10.4m each. Additional working capital facilities of approximately USD 37.8m are included in short term borrowings.

## MOU for Development of a Lithium Hydroxide Plant

In November the Company signed a Memorandum of Understanding (MOU) with Bateman Advanced Technologies (BAT) a subsidiary of Tenova S.p.A. a worldwide supplier of advanced technologies, products and engineering services.

The MOU sets out the basis on which the parties have agreed to jointly work together in a staged process towards the development and ultimate commissioning of a large scale lithium hydroxide plant capable of producing between 15,000 tpa to 25,000 tpa of lithium hydroxide monohydrate directly from brine (concentrated or otherwise) utilising proprietary technology developed or enhanced by BAT.

Under the terms of the MOU the parties will work together through the following stages:

- Stage 1: Mini Pilot Plant (commenced during the last quarter of calendar year 2015).
- Stage 2: Pilot Plant (commencement by March 31, 2016). If results from the mini pilot plant are favourable the parties will jointly work together to construct a pilot plant
- Stage 3: Feasibility Study (commencement by December 31, 2016). If the results of Stage 2 are favourable, Orocobre will decide if the parties proceed to Stage 3 to produce a definitive feasibility study (DFS) for the construction of the commercial plant
- Stage 4: Commercial development of an industrial plant capable of producing between 15,000tpa and 25,000tpa of lithium hydroxide monohydrate (execution by June 30 2017).

BAT will provide intellectual property, design services, licenses and specialist equipment and potential construction services on a lump sum basis.

At the end of each stage Orocobre will make an assessment as to whether or not to proceed to the next stage. For further details please refer to the Company's announcement "MOU for development of Lithium Hydroxide Plant", 13 November, 2015.

## BORAX ARGENTINA (Orocobre 100%)

Borax Argentina has a fifty year production history producing Borax Argentina chemicals, boric acid and boron minerals. The production currently comes from the principal mines at Tincalayu and Sijes with mines and concentrators and a chemicals plant at Campo Quijano producing boric acid and anhydrous products.

Sales for the half year were \$12,128,404 (2014 \$11,052,615) and a net (loss) of (\$2,945,106) (2014 (\$2,020,802)) was incurred. Operating cash flow was also negatively impacted by delays in accounts receivable recoveries and downward market price pressure driven by the poor economic conditions in Brazil.

Approximately 18,202 tonnes of combined products were sold during the half year. This is an increase of 7% on the previous corresponding half year when adjusted for low value tincal ore sales. However, changes in product mix, downward pressure on market prices and increased costs of production in USD experienced as a result of the managed

ARS exchange rate has put significant pressure on gross margins. In addition, unit costs of Borax Argentina chemical products were negatively impacted by the relocation of two Piralisi centrifuges from Tincalayu to Olaroz.

### Production and Commercial

Projects to be completed during the second half of the year:

- to relocate the pentahydrate plant from Campo Quijano to Tincalayu to allow for the manufacture of pentahydrate on site at Tincalayu instead of transporting decahydrate to Campo Quijano for processing; and
- increase production capacity at the boric acid plant by 20%. The current boric acid plant at Campo Quijano has a production capacity of 9,000tpa. In conjunction with these projects there is also a production efficiency review to be implemented in Q1 CY2016.

During the half, a new Sales Manager was appointed to rejuvenate the function. The sales and market development is focused on product and market diversification and reinforcing positions with “home market” customers based on sound value propositions, including leveraging Borax Argentina’s geographic position and the benefits of shorter lead times to assist customers in managing supply risk.

The recent Argentine Government policy changes resulting in the removal of export taxes and the devaluation of the currency will have a positive impact on the Borax Argentina business. Through the devaluation in the ARS operating unit costs in USD terms have been reduced and the removal of the export duty on refined products and mineral concentrates enhances revenue. Combined, these impacts will improve competitiveness.

*Combined product sales volume by quarter:*

Previous Year Quarters		Recent Quarters	
March 2014	9,027	March 2015	8,981
June 2014	9,558	June 2015	8,061
September 2014	8,304	September 2015	8,124
December 2014	8,745	December 2015	10,078

*\*Combined product sales volumes include Borax Argentina chemicals, boric acid and boron minerals and does not include sales of tincal ore of 4,021 tonnes in September 2014 quarter, 4,225 tonnes in the December 2014 quarter and 2,061 tonnes in June 2015 quarter.*

### SOUTH AMERICAN SALARS JOINT VENTURE (OROCOBRE 85%)

In July 2008 South American Salars SA was established to focus on the exploration and exploitation of minerals found in salars in South America separate from the Company’s development of the Olaroz Project. The Company owns 85% of South American Salars SA. The JV agreement with TTC does not include the projects held by South American Salars SA.

South American Salars SA holds properties in a number of areas. These include Salar de Cangrejillo/Salinas Grandes, Guayatoyoc and Salar de Cauchari.

No work was undertaken during the half year.

### CORPORATE

#### Arbitration Proceedings – Rio Tinto Minerals (RTM)

An arbitration hearing of the claims by Borax Argentina against RTM was concluded in December 2015. The Arbitrator has reserved his decision and the date when the decision is to be handed down is not known at this stage. Borax Argentina is seeking damages, together with interest and legal costs from RTM in respect of the alleged failure by RTM to fully disclose a number of liabilities or potential liabilities of Borax Argentina at the time of the sale. During the December quarter the Company paid the balance of the purchase moneys of USD 1.6m for the shares in Borax Argentina to RTM pursuant to orders made in the course of arbitration.

### Finance

The effect of the Argentine government’s policy changes as detailed above resulted in positive impact on various areas of the business. The devaluation of the peso allows the working capital facility guaranteed by USD SBLCs to be significantly increased. At the end of the year the security value of the SBLC was at a rate of 11.6 but had risen to ~14.1

as of the date of this release. In addition, with the devaluation, the USD value of ARS costs of has significantly decreased resulting in operating cost reductions. The elimination of export duties of 5% on refined products and 10% on mineral concentrates is also a direct benefit.

As detailed in Note 7 of the financial statements, there are SBLCs in place for SDJ . A SBLC allows Orocobre to provide working capital to SDJ by depositing funds in USD as security in a restricted term deposit. This allows a SBLC to be issued which in turn allows SDJ to draw down funds in Argentina to the equivalent ARS value. During the half year USD 10m of the USD 37.5m SBLCs that the Company holds offshore, were transferred to Argentina and now are held as a local Argentine peso guarantee that covers ARS 133.8m of SDJ's overdraft facilities.

During the half year USD 35.9m was funded as shareholder loans by the JV partners. Of this amount in December TTC provided USD 9m funding to SDJ of which USD6.75m was an advance on behalf of Orocobre. USD 6.75m (plus interest) was to be repaid by Sales de Jujuy PTE by 29 February 2016 and Orocobre has guaranteed repayment by Sales de Jujuy PTE. Such loan was subsequently repaid in early February 2016.

## **SUBSEQUENT EVENTS**

### **Capital Raising**

The Company announced the completion of a \$85m capital raising on 22 January 2016 through a placement to domestic and international institutional and sophisticated investors (refer ASX Announcement 22 January 2016: \$85 million Capital Raising Completed). The price per share for the Placement is \$2.10 per share.

As set out in the Company Presentation released at the time of the Placement the proceeds of the capital raising will be used primarily to provide funds to SDJ , the operator of the Olaroz Lithium Facility, of AUD 21m for the purposes of meeting principal and interest payments when they fall due in March and September 2016, final debottlenecking payments, allowance for redundancy and optimisation programs. There is also the repayment of AUD 10.1m on behalf of Sales de Jujuy PTE to TTC for the loan advance received in December 2015, a deposit AUD 14.4m in a debt service reserve account (DSRA) as required under the loan documents, AUD 4.4m assigned to corporate costs, AUD 2.2m for the Bateman Advanced Technology (BAT) Lithium Hydroxide Study and AUD 40.7m as a cash buffer. The balance of funds required to be held in the DSRA for Mizuho Bank will reduce as the balance of the loan facility reduces over time. The Company is responsible for funding 75% of the Olaroz Lithium Project with TTC meeting 25% of the funding requirements.

## **OUTLOOK**

### **Olaroz Lithium Facility**

Since the end of the half year, the debottlenecking program has been completed with production of 699 tonnes in January and operating cost breakeven (excluding taxes paid or reimbursed, financing costs and depreciation) achieved. The Olaroz Lithium Facility now enters the final stage of ramp up with the nameplate production rate forecast to be achieved in September 2016.

The lithium market is still constrained on the supply side. Market demand growth is running at approximately 10% CAGR and price increases of 15% were announced and implemented by existing suppliers across all lithium products effective October 2015. All forecast production has been committed for in Q1 CY2016 and negotiations are underway for Q2 CY2016. Prices for lithium carbonate continue to rise.

The Company has orders to be dispatched to the first five battery market customers in February and March and it is expected that more battery market customers will be placing orders for supply in Q2 once their final stage of the product qualification process is completed.

### **Borax Argentina S.A.**

For the second half of this financial year Borax Argentina will continue the focus on production optimisation, reducing unit costs and sales and market development.

The two production optimisation projects to relocate the Borax Argentina pentahydrate plant from Campo Quijano to the Tincalayu mine/production site and the increasing of the production capacity at the boric acid plant in Campo Quijano of 9,000tpa by 20% are currently occurring during the second half of this financial year.

The sales and market development strategy is focused on the product and market diversification strategy and building strong, sound value propositions to assist customers in managing supply risk.

The recent Argentine Government policy changes resulting in the removal of export taxes and the devaluation of the currency will have a positive impact on the Borax Argentina business. Through the devaluation in the ARS operating unit costs in USD terms have been reduced, the removal of the 5% export duty on refined products and the more recent 10% export duty on mineral concentrates enhances revenue. Combined, these impacts will improve competitiveness.

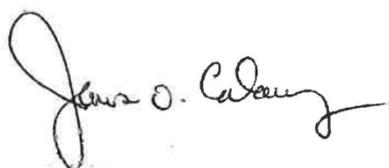
## **RISKS**

Orocobre's business faces certain risks that could affect the success of the strategies and the outlook for future financial years. These include, but are not limited to the ongoing rectification of bottlenecks and development of good operating practice and the associated production ramp up and production of product within the required specification at the Olaroz Lithium Facility, the achievement of the design production rate for lithium carbonate, the expected brine grade and the expected operating costs and recoveries at the Olaroz Lithium Facility, the ongoing working relationship between Orocobre and the Province of Jujuy (JEMSE), TTC and Mizuho Bank and the meeting of banking covenants contained in project finance documentation. With respect to Borax Argentina the risks associated with the business are the weaknesses in the company's traditional markets and strong competition from other producers in these markets, challenges in developing new markets and the implementation of unit cost reduction measures. Other risks include changes in government regulations, policies or legislation, fluctuations or decreases in product prices and currency, the impact of inflation on local costs, the impact of devaluation of the ARS and risks associated with weather patterns and their impact on production rate.

## **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration under the Corporations Act 2001 is included in this half year financial report.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "J D Calaway". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke at the end.

J D Calaway  
Chairman

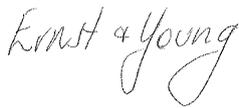
Signed: 2 March 2016  
Brisbane, Queensland

## Auditor's Independence Declaration to the Directors of Orocobre Limited

As lead auditor for the review of Orocobre Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Orocobre Limited and the entities it controlled during the financial period.



Ernst & Young



Kellie McKenzie  
Partner  
2 March 2016

# OROCOBRE LIMITED

ABN 31 112 589 910

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 31 December 2015

		Consolidated Group	
	Note	31 December 2015 \$	30 June 2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	2,308,321	9,439,319
Trade and other receivables	5	9,100,866	9,533,299
Inventory	6	7,667,819	11,076,850
Other		94,832	16,685
<b>Total Current Assets</b>		19,171,838	30,066,153
<b>NON-CURRENT ASSETS</b>			
Financial assets	7	47,849,327	48,806,955
Property, plant and equipment	8	18,501,300	17,104,429
Exploration and evaluation asset		9,090,181	11,148,806
Investment in joint ventures	9	44,555,139	100,536,358
Inventory	6	363,331	150,901
Deferred tax asset		2,937,720	2,715,790
Trade and other receivables	5	72,431,202	41,271,924
<b>Total Non-Current Assets</b>		195,728,200	221,735,163
<b>TOTAL ASSETS</b>		214,900,038	251,801,316
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	11,450,448	18,034,456
Loans and borrowings	7	1,672,049	2,716,050
Employee benefit liabilities		1,113,541	1,134,867
<b>Total Current Liabilities</b>		14,236,038	21,885,373
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	1,019,253	1,477,299
Loans and borrowings	7	2,715,441	797,006
Employee benefit liabilities		1,815,629	2,036,276
Deferred tax liability		924,231	1,531,382
Provisions		12,930,516	12,253,075
<b>Total Non-Current Liabilities</b>		19,405,070	18,095,038
<b>TOTAL LIABILITIES</b>		33,641,108	39,980,411
<b>NET ASSETS</b>		181,258,930	211,820,905
<b>EQUITY</b>			
Issued capital	10	208,898,956	176,488,844
Reserves		(76,041,224)	(41,662,893)
Retained profits		49,853,340	78,060,177
Parent interest		182,711,072	212,886,128
Non controlling interest		(1,452,142)	(1,065,223)
<b>TOTAL EQUITY</b>		181,258,930	211,820,905

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the period ended 31 December 2015

	Note	Consolidated Group	
		31 December 2015 \$	31 December 2014 \$
Sale of goods	2a	12,227,303	11,052,615
Cost of goods sold		(12,430,032)	(10,430,016)
<b>Gross profit/(loss)</b>		(202,729)	622,599
Other income	2a	2,823,939	620,081
Corporate expenses	2b	(4,956,669)	(3,136,647)
Administrative expenses	2c	(4,026,146)	(3,305,734)
Finance income		776,469	509,431
Finance costs	2d	(2,776,337)	(388,211)
Share of net losses of joint venture	9	(28,167,956)	(305,666)
Foreign currency gain/(loss)	2e	6,913,158	7,261,091
<b>Profit/(Loss) before income tax</b>		(29,616,271)	1,876,944
Income tax benefit/(expense)	3	1,341,193	430,802
<b>Profit/(Loss) for the year</b>		(28,275,078)	2,307,746
<b>Other comprehensive income/(loss)</b> <i>(Items that may be reclassified subsequently to profit and loss)</i>			
Translation gain/(loss) on foreign operations		(33,859,086)	9,332,941
Net gain/(loss) on revaluation of derivative	9	(1,174,079)	(2,146,645)
<b>Other comprehensive income/(loss) for the period, net of tax</b>		(35,033,165)	7,186,296
<b>Total comprehensive income/(loss) for the period</b>		(63,308,243)	9,494,042
<b>Profit/(Loss) attributable to:</b>			
Members of the parent entity		(28,206,837)	2,335,124
Non-controlling interest		(68,241)	(27,378)
		(28,275,078)	2,307,746
<b>Total comprehensive income/(loss) attributable to:</b>			
Members of the parent entity		(62,921,324)	9,666,405
Non-controlling interest		(386,919)	(172,363)
		(63,308,243)	9,494,042
Basic earnings per share (cents per share)	11	(16.78)	1.77
Diluted earnings per share (cents per share)	11	(16.78)	1.75

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the period ended 31 December 2015

	Issued Capital	Retained Profits/ (Accumulated Losses)	Option Reserve	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve	Other Reserves	Non controlling Interests	Total
	Note 10							
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	130,139,019	79,074,866	1,727,074	(47,638,791)	(2,566,737)	-	(1,149,178)	159,586,253
Profit/(loss) attributable to members of the company	-	2,335,124	-	-	-	-	-	2,335,124
Profit/(loss) attributable to non controlling interests	-	-	-	-	-	-	(27,378)	(27,378)
Other comprehensive income/(loss) for the period	-	-	-	9,477,926	(2,146,645)	-	(144,985)	7,186,296
Total comprehensive income/(loss)	-	2,335,124	-	9,477,926	(2,146,645)	-	(172,363)	9,494,042
Options expensed during the period	-	-	281,122	-	-	-	-	281,122
<b>Balance at 31 December 2014</b>	<b>130,139,019</b>	<b>81,409,990</b>	<b>2,008,196</b>	<b>(38,160,865)</b>	<b>(4,713,382)</b>	<b>-</b>	<b>(1,321,541)</b>	<b>169,361,417</b>
<b>Balance at 1 July 2015</b>	176,488,844	78,060,177	2,862,326	(38,331,566)	(5,861,467)	(332,186)	(1,065,223)	211,820,905
Profit/(loss) attributable to members of the company	-	(28,206,837)	-	-	-	-	-	(28,206,837)
Profit/(loss) attributable to non controlling interests	-	-	-	-	-	-	(68,241)	(68,241)
Other comprehensive income/(loss) for the period	-	-	-	(33,540,408)	(1,174,079)	-	(318,678)	(35,033,165)
Total comprehensive income/(loss)	-	(28,206,837)	-	(33,540,408)	(1,174,079)	-	(386,919)	(63,308,243)
Shares issued during the period	32,450,000	-	-	-	-	-	-	32,450,000
Transaction costs	(39,888)	-	-	-	-	-	-	(39,888)
Options expensed during the period	-	-	336,156	-	-	-	-	336,156
<b>Balance at 31 December 2015</b>	<b>208,898,956</b>	<b>49,853,340</b>	<b>3,198,482</b>	<b>(71,871,974)</b>	<b>(7,035,546)</b>	<b>(332,186)</b>	<b>(1,452,142)</b>	<b>181,258,930</b>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS  
for the period ended 31 December 2015

	Note	Consolidated Group	
		31 December 2015 \$	31 December 2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		10,065,069	8,498,122
Payments to suppliers and employees		(21,199,875)	(16,117,363)
Interest received		574,560	186,060
Interest paid		(1,655,042)	(604,341)
Other cash receipts		2,696,386	834,088
<b>Net cash provided by/(used in) operating activities</b>		<b>(9,518,902)</b>	<b>(7,203,434)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capitalised exploration expenditure		(235,930)	(183,762)
Payment for subsidiary net of cash (acquired in 2012)		(2,346,066)	-
Purchase of property, plant and equipment	8	(1,674,327)	(1,142,301)
Proceeds from sale of property plant and equipment		127,553	89,815
Investment in joint venture		(4,877,380)	(469,415)
<b>Net cash provided by/(used in) investing activities</b>		<b>(9,006,150)</b>	<b>(1,705,663)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Standby letters of credit (SBLC's) on behalf of joint venture		4,406,092	(19,236,893)
Proceeds from issue of shares		31,088,066	-
Net proceeds from borrowings		4,565,539	(228,112)
Loan to joint venture		(28,093,033)	1,500,867
<b>Net cash provided by/(used in) financing activities</b>		<b>11,966,664</b>	<b>(17,964,138)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(6,558,388)</b>	<b>(26,873,235)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>7,407,817</b>	<b>25,739,532</b>
Effect of exchange rates on cash holdings in foreign currencies		963,653	799,558
<b>Cash at end of year</b>	4	<b>1,813,082</b>	<b>(334,145)</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2015

### NOTE 1: Summary of Significant Accounting Policies

#### Corporate information

The interim consolidated financial statements of the Group for the six months ended 31 December 2015 were authorised for issue, in accordance with a resolution of the directors, on 29 February 2016.

Orocobre Limited (the Company) is a limited company incorporated and domiciled in Australia whose shares are publicly traded. The principal activities of the Company and its subsidiaries (the Group) are the exploration and development of industrial chemicals in Argentina.

#### Basis of preparation

The interim consolidated financial statements for the six months ended 31 December 2015 have been prepared in accordance with AASB 134 Interim Financial Reporting. The statements are at historical cost basis and are in Australian dollars. The half year has been treated as a discrete reporting period.

In preparation of the financial statements the following exchange rates have been used:

Spot Rates	31 December 2015	30 June 2015	Movement (%)
Peso -> USD 1	13.0400	9.0880	(43.49%)
Peso -> AUD 1	9.5192	6.9872	(36.24%)
AUD -> USD 1	1.3699	1.3007	(5.32%)
Average Rates (6 months)	31 December 2015	31 December 2014	Movement (%)
Peso -> USD 1	9.6644	8.3886	(15.21%)
Peso -> AUD 1	6.9910	7.4670	6.38%
AUD -> USD 1	1.3826	1.1250	(22.90%)

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements. It is recommended that the half year financial statements be read in conjunction with the Group's annual report for the year ended 30 June 2015 and considered together with any public announcements made by the Group during the half year ended 31 December 2015 in accordance with the continuous disclosure obligations of the ASX listing rules.

#### New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2015. New standards and amendments to standards mandatory for the first time for the financial year beginning 1 July 2015 have been adopted. The adoption of these standards had no material impact on the current period or any prior period and is not likely to affect future periods.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ending 31 December 2015, outlined below:

- *AASB 9 Financial Instruments AASB134(16A)* Revised requirement AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard does not need to be applied until 1 January 2018 but is available for early adoption. The group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets. The group will not adopt AASB 9 before its mandatory date.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The new hedge accounting rules will align the accounting for hedging instruments more closely with the group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting. While the group is yet to undertake a detailed assessment, it would appear that the group's current hedge relationships would qualify as continuing hedges upon the adoption of AASB 9.

- *AASB 15 Revenue from contracts with customers* The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for the first interim period within annual reporting periods beginning on or after 1 January 2018, and will allow early adoption. The Group has not yet assessed the impact of AASB 15, and it has not yet decided whether to adopt any parts of AASB 15

- *IFRS 16 Leases* supersedes *IAS 17 Leases*, *IFRIC 4 Determining whether an Arrangement contains a Lease*, *SIC-15 Operating Leases-Incentives*, and *SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The key features of IFRS 16 are as follows:

##### Lessee accounting

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.
- IFRS 16 contains disclosure requirements for lessees.

##### Lessor accounting

- IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16. The Group has not yet assessed the impact of IFRS 16, and it has not yet decided whether to adopt any parts of IFRS 16 early.

### NOTE 2: Result for the Period

	Half-year ended 31 December 2015	Half-year ended 31 December 2014
	\$	\$
2a) Revenue		
Sale of goods	12,227,303	11,052,615
Other revenue	2,823,939	620,081
<b>Total revenue</b>	<b>15,051,242</b>	<b>11,672,696</b>

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2015

**NOTE 2: Result for the Period (continued)**

**2b) Corporate expenses:**

Salaries and directors fees	(2,028,569)	(1,584,137)
Legal and consulting fees (1)	(1,235,148)	(540,263)
Other costs (2)	(1,692,952)	(1,012,247)
<b>Total corporate expenses</b>	<b>(4,956,669)</b>	<b>(3,136,647)</b>

Corporate expenditure relates to Brisbane Corporate

(1) Legal and consulting fees includes \$937,200 of Rio Tinto Minerals (RTM) legal costs for the December 2015 period (see note 13 for more detail).

(2) Other costs includes \$150,915 to Tenova Bateman for the Memorandum of Understanding (MOU) for the December 2015 period.

**2c) Administrative expenses:**

Salaries	(1,367,604)	(1,870,669)
Depreciation	(1,008,425)	(506,559)
Local taxes	(518,922)	(175,415)
Other costs	(1,131,195)	(753,091)
<b>Total administrative expenses</b>	<b>(4,026,146)</b>	<b>(3,305,734)</b>

Administrative expenditure relates to Borax Argentina S.A. and South American Salars S.A.

**2d) Finance costs:**

Interest on loans and borrowings	(1,706,874)	(727,321)
Changes in fair value of financial assets and liabilities	(1,069,463)	339,110
<b>Total finance costs</b>	<b>(2,776,337)</b>	<b>(388,211)</b>

**2e) Sundry expenses**

Foreign currency gain (1)	6,913,158	7,261,091
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(1) The foreign currency gain mainly relates to the devaluation of the Australian Dollar in relation to the US Dollar cash at bank and SBLC's held in Australia, and loans the Company has with the joint venture and joint venture partners.

**NOTE 3: Income tax**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of comprehensive income are:

	Half-year ended 31 December 2015	Half-year ended 31 December 2014
	\$	\$
<b>Income Taxes</b>		
Current income taxes/(benefits)	(1,341,193)	(592,110)
Deferred income tax expense related to origination and reversal of deferred taxes	-	161,308
Income tax expense/(benefit) recognised in the statement of profit or loss	(1,341,193)	(430,802)

**NOTE 4: Cash and cash equivalents**

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	31 December 2015	30 June 2015
	\$	\$
Cash at bank and in hand	2,217,237	9,348,224
Short term deposits	91,084	91,095
<b>Total accessible cash and short-term deposits</b>	<b>2,308,321</b>	<b>9,439,319</b>
Bank overdraft (see note 7)	(495,239)	(2,031,502)
<b>Total cash and cash equivalents</b>	<b>1,813,082</b>	<b>7,407,817</b>

**NOTE 5: Trade and Other Receivables**

**Current:**

	31 December 2015	30 June 2015
	\$	\$
Trade receivables	7,560,443	6,420,805
Related party receivables	158,384	108,302
Other receivables	1,144,730	1,909,466
VAT tax credits	237,309	1,094,726
	<b>9,100,866</b>	<b>9,533,299</b>

**Non Current:**

Trade receivables	1,652,663	1,450,753
Receivable from joint venture - USD 44m (30 June: USD 23m)	60,511,155	29,977,457
Receivable from joint venture partners - USD 6.2m (30 June: USD 5.7m)	8,452,790	7,363,486
VAT tax credits	1,814,594	2,480,228
	<b>72,431,202</b>	<b>41,271,924</b>

**Trade receivables**

As at 31 December 2015, no trade receivables were impaired. It is expected all balances will be received when due. There are no balances with terms that have been renegotiated but which would otherwise be past due or impaired. The amounts are non-interest bearing and generally on 120 days terms. No collateral is held over receivables. The carrying value of receivables approximates fair value.

**NOTE 6: Inventory**

**Current:**

	31 December 2015	30 June 2015
	\$	\$
Inventory	7,667,819	11,076,850
	<b>7,667,819</b>	<b>11,076,850</b>

**Non Current:**

Inventory	363,331	150,901
	<b>363,331</b>	<b>150,901</b>

Total inventories are carried at the lower of cost and net realisable value. Current inventories relate to borates and related products. Non current inventory relates to consumables and spare parts.

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2015

**NOTE 7: Financial Instruments**

**Non Current:**

	31 December 2015	30 June 2015
Standby Letters of Credit	47,837,095	48,794,723
Shares in listed entity	12,232	12,232
	<u>47,849,327</u>	<u>48,806,955</u>

The Standby Letters of Credit (SBLC's) are short term deposits relating to the Company issuing SBLC's on behalf of the joint venture company SDJ SA. USD deposits earn rates of between 0.29% and 0.48% p.a. in Australia, and Argentine Peso deposits earn approximately 22% p.a. and are generally held for a term of six months at a time. Such SBLC's have been provided due to a working capital requirement for SDJ SA which has arisen principally due to delays in the production start up. The carrying value approximates fair value.

**Financial Liabilities**

**Interest bearing loans and borrowings**

**Current:**

Loans & other financing	1,176,810	684,548
Bank overdrafts	495,239	2,031,502
	<u>1,672,049</u>	<u>2,716,050</u>

**Non Current:**

Loans & other financing	2,715,441	797,006
	<u>2,715,441</u>	<u>797,006</u>

**Loans and other financing**

The ARS 18m HSBC loan has been drawn down under a four year bank facility and accrues interest at the rate of 15.25%. At 31 December 2015, the loan is repayable within 18 months and is secured by guarantee).

The ARS 29m HSBC loan has been drawn down under a three year bank facility with 1 year grace period for principal payments. It accrues interest at the rate of 19%. At 31 December 2015, the loan is repayable within 31 months and is secured by a mortgage on land and buildings owned by Borax Argentina in Camp Quijano, Salta, Argentina.

**Bank overdrafts**

The bank overdrafts are Peso denominated, and have an indefinite term. The Patagonia Bank overdraft accrues interest at the rate of 30%.

The carrying amounts of the loans and borrowings approximate fair value. Fair value has been determined using a discounted cash flow valuation technique based on contractual and expected cash flows and current market interest rates (Level 2).

**NOTE 8: Property, Plant and Equipment**

**Plant and equipment**

	Land & buildings	Plant & equipment	Total
At cost	12,484,173	8,020,270	20,504,443
Accumulated depreciation	(1,146,005)	(2,254,009)	(3,400,014)
<b>Total at 30 June 2015</b>	<u>11,338,168</u>	<u>5,766,261</u>	<u>17,104,429</u>
At cost	11,075,355	10,855,812	21,931,167
Accumulated depreciation	(1,475,756)	(1,954,111)	(3,429,867)
<b>Total at 31 December 2015</b>	<u>9,599,599</u>	<u>8,901,701</u>	<u>18,501,300</u>

**Plant and equipment**

Reconciliation of the carrying amounts for property, plant and equipment is set out below:

	31 December 2015	30 June 2015
	\$	\$
Balance at the beginning of year	17,104,429	13,364,136
Additions - cash	1,674,327	2,547,628
Additions - non-cash	6,586,360	1,345,914
Depreciation expense	(1,016,018)	(1,633,813)
Foreign currency translation movement	(5,847,798)	1,480,564
Carrying amount at the end of period	<u>18,501,300</u>	<u>17,104,429</u>

Significant additions were made at Borax Argentina S.A..

**NOTE 9: Investment in Joint Venture**

	31 December 2015	30 June 2015
	\$	\$
Investment in Joint Venture	44,555,139	100,536,358

**Interest in joint venture**

The tables below provide summarised financial information for the Joint Venture of the group. The information disclosed reflects the amount presented in the financial statements of the Joint Venture and not Orocobre Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	31 December 2015	30 June 2015
	\$	\$
<b>Summarised balance sheet</b>		
Current assets, including cash and cash equivalents \$167,689 (30 June: \$1,799,273), inventory \$20,524,130 (30 June: \$19,585,330), and prepayments \$3,740,110 (30 June: \$5,120,462)	39,079,423	37,354,606
Non-current assets, including intangible assets \$25,887,329 (30 June: \$35,268,267), and inventory \$15,925,650 (30 June: \$12,134,312) (1)	496,874,700	559,513,589
Current liabilities, including short-term borrowing \$82,069,081 (30 June: \$82,503,235)	(100,987,836)	(124,426,847)
Non-current liabilities, including long-term borrowing \$311,749,845 (30 June: \$260,822,454) and deferred tax liabilities \$25,887,416 (30 June: \$35,268,386)	(365,413,390)	(320,058,622)
Joint venture's non-controlling interest	(6,259,601)	(13,300,135)
Equity	<u>63,293,296</u>	<u>139,082,591</u>
Elimination of unrealised intercompany transactions	(1,990,134)	(755,186)
<b>Carrying amount</b>	<u>61,303,162</u>	<u>138,327,405</u>
Proportion of the Group's ownership	72.68%	72.68%
Carrying amount of the investment	<u>44,555,139</u>	<u>100,536,358</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2015

**NOTE 9: Investment in Joint Venture (continued)**

(1) The major components of non-current assets are:

	31 December 2015	30 June 2015
	\$	\$
<b>Property, plant and equipment</b>		
Fair value uplift on creation of joint venture	80,108,746	110,194,171
Inventory	15,925,650	12,134,311
Other assets	357,757,226	374,349,110
<b>Other assets</b>		
Recoverable VAT	15,847,790	25,536,205
Other assets	1,347,959	2,031,525
<b>Total tangible assets</b>	<b>470,987,371</b>	<b>524,245,322</b>
<b>Intangible assets</b>		
Goodwill	25,887,329	35,268,267
<b>Total non-current assets</b>	<b>496,874,700</b>	<b>559,513,589</b>

VAT is charged on services and goods (including capital) goods at rates between 10.5% and 27%, with 21% being the standard charge. VAT is claimed back based on 21% of export sales and can also be recouped against VAT on local sales, if any. Hence the recovery of VAT, that has been paid on capex and expenses to date, is a slow and extended process. VAT related to Sales de Jujuy SA, is forecast to be fully recovered in the 2018-2019 financial year.

	31 December 2015	30 June 2015
	\$	\$
<b>Reconciliation to carrying amounts</b>		
Opening net assets 1 July	138,327,405	129,959,512
Capital Investment	6,710,769	1,529,673
Profit/(loss) for the period	(38,756,131)	(313,285)
Other comprehensive income	(43,743,933)	7,093,609
Elimination of unrealised intercompany transactions	(1,234,948)	57,896
<b>Closing net assets</b>	<b>61,303,162</b>	<b>138,327,405</b>
Group's share in %	72.68%	72.68%
Group's share in \$	44,555,139	100,536,358
<b>Carrying amount</b>	<b>44,555,139</b>	<b>100,536,358</b>

The share of other comprehensive income of the Joint Venture in relation to foreign currency translation relates to the translation of the Joint Venture's subsidiary's net assets. The functional currency of the subsidiary is Pesos, which has reduced in value by comparison to the Australian dollar by approximately 36% in the half year ended 31 December 2015. As a consequence, the carrying value of the Groups' investment in the Joint Venture has been reduced by \$30,619,006, and this reduction is equity accounted for through other comprehensive income. This is a non cash item and has been accounted for in accordance with the Groups' accounting policy.

	Half-year ended 31 December 2015	Half-year ended 31 December 2014
	\$	\$
<b>Summarised statement of profit or loss</b>		
Finance income, including interest income \$25,924 (2014: \$12,097)	25,924	11,325
Finance costs, including interest expense \$23,398 (2014: \$11,947)	(23,398)	(5,763)
Corporate & administrative expenses, including depreciation \$524 (2014: \$997)	(47,042)	(324,947)
Foreign currency gain/(loss)	(42,311,911)	(140,248)
<b>Profit/(loss) before tax</b>	<b>(42,356,427)</b>	<b>(459,633)</b>
Income tax expense	-	-
<b>Profit/(loss) for the year from continuing operations</b>	<b>(42,356,427)</b>	<b>(459,633)</b>
Income attributable to joint venture's non-controlling interest	(3,600,296)	(39,069)
<b>Profit/(loss) for the year from continuing operations</b>	<b>(38,756,131)</b>	<b>(420,564)</b>
<b>Group's share of profit/(loss) for the year</b>	<b>(28,167,956)</b>	<b>(305,666)</b>
Share of the joint venture's other comprehensive income:		
Translation gain/(loss) on foreign operations	(30,619,006)	8,904,546
Net gain/(loss) on revaluation of derivative	(1,174,080)	(2,146,645)
Share of total other comprehensive income for the year from continuing operations	(31,793,086)	6,757,901
<b>Share of total comprehensive income for the year from continuing operations</b>	<b>(59,961,042)</b>	<b>6,452,235</b>

Sales de Jujuy PTE LTD cannot distribute profits until it obtains the consent from the two venture partners.

The costs capitalised into the Project's equipment and infrastructure assets includes borrowing costs incurred for the purpose of developing these as intended by the company.

These costs include the costs of specific borrowings for the purpose of financing the construction of the asset, and those general borrowings that would have been avoided if the expenditure on the qualifying asset had not been made. As the development of Olaroz is funded by USD borrowings and SDJ had an ARS functional currency at balance sheet date, *AASB 21 The Effects of Changes in Foreign Exchange Rates* requires any foreign exchange gain or loss to be recognised in the income statement unless they are regarded as adjustments to interest costs, in which case they can be capitalised as borrowing costs in accordance with IAS 23. Due to the significant devaluation of the ARS to USD in December 2015 in excess of the interest rates differential, SDJ recorded a foreign exchange loss in the income statement of A\$41.3m.

The Group's share of project development commitments which are funded through current and future project financing:

Operating commitments	977,990	6,581,954
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**NOTE 10: Issued Capital**

Fully paid ordinary shares

**Ordinary shares**

	31 December 2015	30 June 2015
	\$	\$
Balance at the beginning of the reporting period	151,653,677	132,041,911
Shares issued during the period:		
Previous financial year	-	19,611,766
06 July 2015 - Australian placement at \$1.90	17,000,000	-
30 November 2015 - Option exercise at \$1.50	100,000	-
Balance at reporting date	<b>168,753,677</b>	<b>151,653,677</b>

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2015

**NOTE 10: Issued Capital (continued)**

	31 December 2015 No.	30 June 2015 No.
<b>Options</b>		
<b>Unlisted Share Options and Performance Rights</b>	2,137,857	3,101,765
Balance at the beginning of the reporting period	3,101,765	2,562,493
Options and rights issued during the period	-	639,272
Options and rights exercised during the period	(100,000)	-
Options and rights lapsed during the period	(863,908)	(100,000)
<b>Balance at reporting date</b>	<b>2,137,857</b>	<b>3,101,765</b>

**NOTE 11: Earnings Per Share**

	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
Basic earnings per share (cents)	(16.78)	1.77
Diluted earnings per share (cents)	(16.78)	1.75
Net profit/(loss) after tax used in the calculation of basic and diluted earnings per share	(28,206,837)	2,335,124

Options to acquire ordinary shares in the parent entity are the only securities considered as potential ordinary shares in determination of diluted EPS.

There are 100,000 share options excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for the current period presented.

**NOTE 12: Commitments**

	31 December 2015 \$	30 June 2015 \$
<b>Not later than 1 year</b>		
- contracts (1)	2,324,889	3,464,839
<b>Later than 1 year but not later than 5 years</b>		
- contracts (1)	-	605,457
	-	605,457

(1) The group has contractual commitments regarding project development. See note 9.

**NOTE 13: Trade and Other Payables**

	31 December 2015 \$	30 June 2015 \$
<b>CURRENT:</b>		
Unsecured liabilities:		
Trade payables and accrued expenses	11,450,448	15,922,148
Subsidiary and associate instalments payable (1)	-	2,112,308
	11,450,448	18,034,456
<b>NON-CURRENT:</b>		
Unsecured liabilities:		
Trade payables and accrued expenses	1,019,253	1,477,299
	1,019,253	1,477,299

The carrying amounts approximate fair value.

(1) An arbitration hearing of the claims by Borax Argentina against RTM was concluded in December 2015. The Arbitrator has reserved his decision and the date when the decision is to be handed down is not known at this stage. Borax Argentina is seeking damages, together with interest and legal costs from RTM in respect of the alleged failure by RTM to fully disclose a number of liabilities or potential liabilities of Borax Argentina at the time of the sale. During the quarter the Company paid the balance of purchase moneys of US\$1,629,013 for the shares in Borax Argentina to RTM pursuant to orders made in the course of arbitration.

**NOTE 14: Segment Reporting**

The Group operates primarily in Argentina in the mining industry. The Group's primary focus is on exploration for and development of lithium, potash and salar mineral deposits. The Group also includes the operating Borax mine.

The economic entity has four reportable segments, being Orocobre Ltd, the Olaroz project, South American Salars and Borax.

In determining operating segments, the entity has had regard to the information and reports the chief operating decision maker uses to make strategic decisions regarding resources. The Chief Executive Officer (CEO) is considered to be the chief operating decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the economic entity. The CEO assesses and reviews the business using the reportable segments below. Segment performance is evaluated based on the performance critical parameters agreed for each segment. These include, but are not limited to: financial performance, exploration activity, mine yield, production volumes and cost controls.

**Segment Information**

The following tables present revenue and profit information about the Group's operating segments (including the Group's share of the Olaroz project) for the six months ended 31 December 2015 and 2014 respectively.

NOTES TO THE FINANCIAL STATEMENTS  
for the period ended 31 December 2015

**NOTE 14: Segment Reporting (continued)**

Six months ended 31 December 2015	Orocobre Ltd \$	Olaroz project \$	South American Salars \$	Borax \$	Eliminations \$	Total Entity \$
Revenue	-	-	54,216	14,997,026	-	15,051,242
EBITDAX*	(3,590,225)	(31,866)	(42,653)	(1,712,709)	31,866	(5,345,587)
Less Depreciation & Amortisation	(7,593)	(348)	(19,004)	(989,421)	348	(1,016,018)
EBITX**	(3,597,818)	(32,214)	(61,657)	(2,702,130)	32,214	(6,361,605)
Less Interest	1,310,139	1,679	(135,968)	(2,276,479)	(899,239)	(1,999,868)
EBTX***	(2,287,679)	(30,535)	(197,625)	(4,978,609)	(867,025)	(8,361,473)
Less Foreign currency gains/(losses)	6,478,152	-	(257,304)	692,310	-	6,913,158
Less share of fx loss of joint venture	-	(28,137,421)	-	-	-	(28,137,421)
Segment profit/(loss) before tax	4,190,473	(28,167,956)	(454,929)	(4,286,299)	(897,560)	(29,616,271)

\*EBITDAX - Segment earnings before Interest, taxes, depreciation, amortisation, and foreign currency gains/(losses)

\*\*EBITX - Segment earnings before Interest, taxes, and foreign currency gains/(losses)

\*\*\*EBTX - Segment earnings before taxes and foreign currency gains/(losses)

Inter-segment interest of \$897,560 is eliminated on consolidation.

Six months ended 31 December 2014	Orocobre Ltd \$	Olaroz project \$	South American Salars \$	Borax \$	Eliminations \$	Total Entity \$
Revenue	-	-	-	11,672,696	-	11,672,696
EBITDAX*	(3,111,286)	(215,781)	(56,241)	(1,516,805)	215,781	(4,684,332)
Less Depreciation & Amortisation	(8,810)	(319)	(25,392)	(481,167)	319	(515,369)
EBITX**	(3,120,096)	(216,100)	(81,633)	(1,997,972)	216,100	(5,199,701)
Less Interest	938,605	3,699	(116,544)	(383,129)	(321,411)	121,220
EBTX***	(2,181,491)	(212,401)	(198,177)	(2,381,101)	(105,311)	(5,078,481)
Less Foreign currency gains/(losses)	7,315,933	-	15,661	(70,503)	-	7,261,091
Less share of fx loss of joint venture	-	(93,265)	-	-	-	(93,265)
Segment profit/(loss) before tax	5,134,442	(305,666)	(182,516)	(2,451,604)	(317,712)	1,876,944

Inter-segment interest of \$317,712 is eliminated on consolidation.

The following tables present segment assets and liabilities of the Group's operating segments as at 31 December 2015 and 30 June 2015:

As at 31 December 2015	Orocobre Ltd \$	Olaroz project \$	South American Salars \$	Borax \$	Eliminations \$	Total Entity \$
<b>ASSETS</b>						
Segment assets	130,805,646	78,172,059	28,471,764	68,558,239	(91,107,670)	214,900,038
<b>LIABILITIES</b>						
Segment liabilities	777,209	582,546	30,220,370	68,953,312	(66,892,329)	33,641,108
As at 30 June 2015	Orocobre Ltd \$	Olaroz project \$	South American Salars \$	Borax \$	Eliminations \$	Total Entity \$
<b>ASSETS</b>						
Segment assets	102,556,172	131,235,295	29,718,683	53,767,439	(65,476,273)	251,801,316
<b>LIABILITIES</b>						
Segment liabilities	2,564,865	584,354	29,004,281	52,806,301	(44,979,390)	39,980,411

**NOTE 15: Events After Balance Sheet Date**

Subsequent to the reporting date of 31 December 2015, the Company announced that it had raised A\$85m through a placement to domestic and international institutional and sophisticated investors. Of the Placement approximately 25,350,551 shares (representing \$53.2m of the Placement) were immediately issued pursuant to Orocobre's existing 15% capacity under ASX Listing Rule 7.1, with the balance of shares (15,125,639) to be issued subject to and upon receipt of shareholders' approval, to be sought at a General Meeting to be held on or about 29 February 2016. The funds raised are to be used principally to service financing costs related to the Olaroz project.

**OROCOBRE LIMITED**

**ABN 31 112 589 910**

**DIRECTORS' DECLARATION**

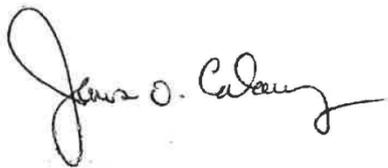
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In accordance with a resolution of the directors of Orocobre Limited, we state: In the

opinion of the directors:

1. The attached financial statements and notes for the half year ended 31 December 2015 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standards and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
  
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors:



J D Calaway  
Chairman



R P Seville Managing  
Director

Dated this: 2 day of March 2016

To the members of Orocobre Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Orocobre Limited which comprises the interim consolidated statement of financial position as at 31 December 2015, the interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Orocobre Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

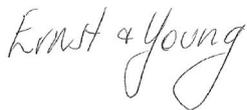
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Orocobre Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Kellie McKenzie  
Partner  
Brisbane  
2 March 2016

## Schedule of Tenements

Tenement Name	Tenement Number	Area ( Hectares)	Orocobre Interest	Location of Tenements
<b>Olaroz</b>				
	1842-S-12	2988.17	66.5%	Argentina
	1274-P-2009	5972	66.5%	Argentina
	131-I-1986	100	66.5%	Argentina
	039-M-1998	98.4	66.5%	Argentina
	112-S-04	100	66.5%	Argentina
	117-A-44	100	66.5%	Argentina
	114-S-44	100	66.5%	Argentina
	40-M-1998	100	66.5%	Argentina
	029-M-1996	100	66.5%	Argentina
	126-T-44	100	66.5%	Argentina
	393-M-44	98.4	66.5%	Argentina
	112-D-44	299.94	66.5%	Argentina
	125-S-44	100	66.5%	Argentina
	319-T-2005	1473.97	66.5%	Argentina
	056-L-1991	300	66.5%	Argentina
	519-L-2006	2000	66.5%	Argentina
	520-L-2006	1896.52	66.5%	Argentina
	521-L-2006	2000	66.5%	Argentina
	522-L-2006	2000	66.5%	Argentina
	147-L-2003	1927.92	66.5%	Argentina
	724-L-2007	3336.19	66.5%	Argentina
	725-L-2007	2940.11	66.5%	Argentina
	726-L-2007	2889.98	66.5%	Argentina
	727-L-2007	3117.26	66.5%	Argentina
	728-L-2007	3182.35	66.5%	Argentina
	503-L-2006	6200	66.5%	Argentina
	943-R-2008	563.98	66.5%	Argentina
	1136-R-2009	1199.34	66.5%	Argentina
	1137-R-2009	1195.97	66.5%	Argentina
	944-R-2008	432.3	66.5%	Argentina
	1134-R-2009	895.70	66.5%	Argentina
	1135-R-2009	1098.64	66.5%	Argentina
	963-R-2004	1194.84	66.5%	Argentina
	964-R-2008	799.84	66.5%	Argentina
	945-R-2008	428.08	66.5%	Argentina
<b>Cauchari</b>				
	259-R-2004	494.4	85%	Argentina
	260-R-2004	444.26	85%	Argentina
	948-R-2008	887.56	85%	Argentina

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	949-R-2008	1770.51	85%	Argentina
	950-R-2004	1997.09	85%	Argentina
	1155-P-2009	1500	85%	Argentina
	968 R 2008	703.34	85%	Argentina
	1081 P 2008	1995	85%	Argentina
	1.119-P-2009	2493.07	85%	Argentina
	1082 P 2008	1468	85%	Argentina
	1101 P 2008	2483.9	85%	Argentina
	966 R 2008	117.37	85%	Argentina
	965 R 2008	1345	85%	Argentina
	951-R-2008	795	85%	Argentina
	1083 P 2008	1445.68	85%	Argentina
	1.118-P-2009	2395.70	85%	Argentina
	1130-P-2009	1239.96	85%	Argentina
	952-R-2008	487.58	85%	Argentina
	1084 P 2008	1526.78	85%	Argentina
	1156-P-2009	66.17	85%	Argentina
	1086 P 2008	1716.63	85%	Argentina
	1085 P 2008	1197.90	85%	Argentina
<b>Jujuy</b>				
	148-Z-1996	300	85%	Argentina
	817-I-2007	1142.55	85%	Argentina
	1098 P 2008	645.26	85%	Argentina
	1099 P 2008	1393.48	85%	Argentina
	1120 P-2009	2499	85%	Argentina
	1.125 -P-2009	2429.25	85%	Argentina
	1.121-P-2009	2222	85%	Argentina
	1.122 -P-2009	2498.48	85%	Argentina
	1.123 -P-2009	1250.58	85%	Argentina
	1124-P-2009	2499	85%	Argentina
	1129_P- 2009	2300	85%	Argentina
	604-T-2006	500	85%	Argentina
	788-M-2007	1162	85%	Argentina
	183-Z-2004	494	85%	Argentina
	184-D-1990	100	85%	Argentina
<b>Salta</b>				
	19391	2411.97	85%	Argentina
	18199	500	85%	Argentina
	67	100	85%	Argentina
	18834	495.82	85%	Argentina
	17734	200	85%	Argentina

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	60	100	85%	Argentina
	1110	100	Nil-earning	Argentina
	1104	100	85%	Argentina
	13699	100	85%	Argentina
	18808	100	85%	Argentina
	266	100	85%	Argentina
	18183	2778	85%	Argentina
	12970	100	85%	Argentina
	19891	100	85%	Argentina
	62	100	85%	Argentina
	17681	400	85%	Argentina
	44	100	Nil-earning	Argentina
	8170	300	85%	Argentina
	1107	100	Nil-earning	Argentina
	18481	97.04	85%	Argentina
	1112	100	85%	Argentina
	13487	100	85%	Argentina
	14329	100	85%	Argentina
	57	100	85%	Argentina
	68	100	85%	Argentina
	17538	95.43	85%	Argentina
	14589	100	85%	Argentina
	18924	300	85%	Argentina
	18925	99.94	85%	Argentina
	19206	869	85%	Argentina
	11577	100	85%	Argentina
	11578	100	85%	Argentina
	11579	100	85%	Argentina
	11580	100	85%	Argentina
	1111	100	85%	Argentina
	18833	270	85%	Argentina
	17321	186	85%	Argentina
	53	100	85%	Argentina
	19742	2490.07	85% T	Argentina
	19744	2499.97	85% T	Argentina
	19766	2488.09	85% T	Argentina
	19768	2987.09	85% T	Argentina
	48	100	85%	Argentina
	203	100	85%	Argentina
	204	100	85%	Argentina
	54	100	85%	Argentina

Tenement Name	Tenement Number	Area ( Hectares)	Orocobre Interest	Location of Tenements
	63	100	85%	Argentina
	50	100	85%	Argentina
	1105	100	85%	Argentina
	65	100	85%	Argentina
	70	100	85%	Argentina
	206	100	85%	Argentina
	86	300	85%	Argentina
	17744	500	85%	Argentina
	18533	97.03	85%	Argentina
	17580	100	85%	Argentina
<b>Diablillos</b>				
	1190	99.65	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	18009	99	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	18010	200	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	1187	99.7	85%(Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	1189	100	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	1177	100	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
<b>Tincalayu</b>				
	1271	300	100%	Argentina
	1215	300	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	1495	200	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	7772	471	100%	Argentina
	5596	300	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	5435	300	100%	Argentina
	8529	900	100%	Argentina
	13572	647	100%	Argentina
	13848 (Diana)	100	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	17335 (Valerio)	274,32	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
<b>Sijes</b>				
	8587	799	100%	Argentina
	11800	488	100%	Argentina
	11801	400	100%	Argentina
	11802	3399	100%	Argentina

Tenement Name	Tenement Number	Area ( Hectares)	Orocobre Interest	Location of Tenements
	14801	8	100%	Argentina
	14121	10	100%	Argentina
	5786	200	100%	Argentina
<b>Pozuelos</b>				
	1208	194	Lithea Inc (Borax Argentina has usufruct over the borates)	Argentina
	5569	300	Lithea Inc (Borax Argentina has usufruct over the borates)	Argentina
	4959	200	Lithea Inc (Borax Argentina has usufruct over the borates)	Argentina
	13171	200	Lithea Inc (Borax Argentina has usufruct over the borates)	Argentina
	13172	200	Lithea Inc (Borax Argentina has usufruct over the borates)	Argentina
<b>Ratones</b>				
	62066	300	Potasio y Litio Argentina S.A. ( Borax Argentina has usufruct over the borates)	Argentina
	3843	300	Potasio y Litio Argentina S.A. ( Borax Argentina has usufruct over the borates)	Argentina
<b>Cauchari</b>				
<b>Boroquímica Group – File No. 90-B-1994</b>	394	300	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	336	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	347	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	354	160	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	340	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	444	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	353	300	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	350	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	89	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	345	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	344	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	343	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	352	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	351	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	365	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	122	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	221	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
190	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina	

Tenement Name	Tenement Number	Area ( Hectares)	Orocobre Interest	Location of Tenements
	116	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	117	300	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	389	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	306	24	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	402	119	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	195	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	220	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	259	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	43	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	341	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	42	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	438	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	160	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	378	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	339-C	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	377-C	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	191-R	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina

DIABILLOS				
<b>Diablillos Group – File No. 11.691</b>	1175	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	Argentina
	1176	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	Argentina
	1164	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	Argentina
	1172	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	Argentina
	1165	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	
	1166	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	Argentina
	1179	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	Argentina
	1180	200	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	Argentina
	1182	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	Argentina
	1195	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines) Argentina	Argentina
	1206	100	100% (Potasio y Lito de Argentina S.A. has an usufruct on the brines)	Argentina

	1168	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1163	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1167	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1170	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1174	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1171	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	7021	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1181	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	12653	200	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1173	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1169	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1178	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	12652	200	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina