



23 November 2016

Annual General Meeting 2016

Chairman's Address

Good morning ladies and gentlemen and welcome to Orocobre's 2016 Annual General Meeting. My name is Robert Hubbard, the Chairman of Orocobre and on behalf of my fellow Board members I would like to thank you for attending today's Annual General Meeting of Orocobre Limited.

Today, I would like to briefly update you on our achievements in the year to 30 June 2016 (FY16). I will also outline for you our focus for the year ahead before handing over to our CEO and Managing Director, Richard Seville, who will go into more detail on this front.

I am very pleased to be able to report to you that Orocobre has made major steps forward in the last year. Our focus in recent years has been to build successful projects. We are now embarking on the journey to build a world leading lithium and chemicals company.

To get there, your board and the senior management team is maintaining a radar like focus on the following key success factors:

- Ensuring that we deliver on the promise and potential of Olaroz.
- Developing our borax resources to become a meaningful and reliable contributor.
- Living by the principals of shared value, through the pillars of education, health, sustainability and employment so that we are respected as a vital member of the Jujuy, Salta and Argentine communities.
- Continuing to invest in our people and their culture of integrity, transparency, problem solving, commitment and sustainability.

These are the foundation stones by which we will continue to build our Company.

I am pleased to report that we finished FY16 in a strong position with many significant achievements.

Through sheer hard work and innovation, our team at Olaroz led by Cristian Saavedra has brought to market the first new lithium brine production facility in approximately 20 years. Many of you here today have shared that journey with us and know the many challenges that we have faced and overcome. With the knowledge and experience accumulated along the way, we are confident we can expand Olaroz to a possible 42,500 tonnes per annum, with potential commissioning as early as late 2018.

Much has been written about the growing demand for lithium and the supply response, some informed, much not. We developed our view of the market some time ago and remain confident that the fundamentals for lithium remain strong, underpinned by growing demand for electric vehicles,

power storage and mobile devices. We estimate that supply will not be so readily available and that the supply response will be slower and more expensive than anticipated. Experienced observers of commodity markets recognise these characteristics and we do not believe lithium will be different. Incumbent producers are clearly advantaged and this augurs well for Orocobre.

Whilst Olaroz had made significant progress and enjoyed buoyant market conditions, our borax business continued to face tough market conditions in South America, particularly in Brazil, with intense competition from the world's two major producers of borax products. Collectively this has kept prices at cyclical lows. As shareholders would expect the Borax management team led by Ivan Gomez, responded by implementing significant operating and structural improvements, restoring margin in the second half, but more importantly developing a pathway to grow and expand our operations and realise the undeniable value of our resources. We are seeing some indications that pricing for borax products may be recovering from the low point in the cycle. With our production expansion plans, cost reduction targets and competitive advantages in local markets we are well positioned when economic conditions and market prices recover.

In the year, we raised additional equity capital twice. Now with our current funding and Olaroz performance, we intend to fund any further expansion from the combination of operating cash flow and the potential divestment of low priority assets. In particular, over the next few years we should see Olaroz repay loans and bank guarantees to Orocobre. These funds will support Orocobre in achieving our growth aspirations and the ability to pursue the opportunities that buoyant markets always provide. In the absence of any other opportunities we have no plans or need to raise further capital. I would like to thank the shareholders who have supported us through the capital raising processes that allowed us to debottleneck our Olaroz operations and continue to ramp up production. We will work hard over the next few years to repay the confidence you have placed in us.

We are planning the next stages of growth for our company with confidence and the experience of already operating in Argentina. The Macri Administration has laid the groundwork for the economic revival of Argentina through several reforms including floating the Peso, reduction of export duties and import restrictions, and the removal of capital transfer restrictions. For Orocobre, this has made our operations more competitive and should expedite the delivery and lower the cost of our planned expansion.

I mentioned earlier that part of our philosophy is to live by the principals of shared value. We are proud of the contribution we make to the communities in which we operate, and we take our responsibilities seriously. Our businesses in Argentina employ over 500 people directly and we further support our communities by purchasing locally and employing local contractors and services. We are confident that we create sustainable operations through our actions in the areas of health, safety, environmental management and social inclusiveness. However, we recognise we can improve our communication of these activities. To rectify this, we have commenced a project to overhaul our reporting on these areas over the next 12 months. I look forward to keeping you updated on this.

Most AGM addresses consider the issue of executive remuneration. There has been much written this year about soft targets, short term incentive rewards for average performance and the disconnect between shareholder and executive return. The boards' expectations of Orocobre executives are demanding with extensive periods required away from home and family and many anti-social hours. Our remuneration structure must respond to these demands. That said we apply a simple philosophy at Orocobre. In disappointing, below par or low growth years': bonuses will be hard to find. However, in years of achievement, pleasing shareholder returns and growing profits and cash flows we will be generous in the rewards earned by our executives. In this way, we seek to retain absolute alignment between shareholder and executive returns.

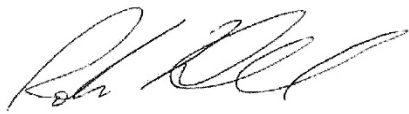
James Calaway retired as Chairman of Orocobre in July. He made an enormous contribution to Orocobre through his vision, passion and leadership. There is no doubt that following James as

Chairman means there are big shoes to fill. In paying tribute to James, I would also like to welcome Leanne Heywood to your board. Leanne joined Orocobre only recently after a career with Rio Tinto characterised by real “hands on” experience of mine site operations and major commodity markets.

I extend my absolute appreciation to my fellow Board members, the management team and all Orocobre employees for their hard work, dedication, excellence and achievements over the past year. And finally thank you, to our shareholders, for your ongoing support and belief in the company.

I will now ask Managing Director and Chief Executive Officer Richard Seville to take you through in more detail our achievements and performance in FY16 and outline for you what lies ahead for Orocobre in FY17.

Best Regards,



Robert Hubbard
Chairman

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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 approximately 20 years at the Salar de Olaroz with planned production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate.

The Olaroz Lithium Facility 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.

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 completion of commissioning, the commencement of commercial production and ramp up of the Olaroz Lithium Facility and the timing thereof, the cost of construction relative to the estimated capital cost of the Olaroz Lithium Facility, the meeting of banking covenants contained in project finance documentation, the design production rate for lithium carbonate at the Olaroz Lithium Facility, the expected brine cost and grade at the Olaroz Lithium Facility, the expected operating costs at the Olaroz Lithium Facility and the comparison of such expected costs to expected global operating costs, the estimation and conversion of exploration targets to resources at the Olaroz Lithium Facility, the viability, recoverability and processing of such resources, the potential for an expansion at the Olaroz Lithium Facility, the capital cost of an expansion at the Olaroz Lithium Facility; the future performance of the relocated borax plant and boric acid plant, including without limitation the plants estimated production rates, financial data, the estimates of mineral resources or mineralisation grade at Borax Argentina mines, the economic viability of such mineral resources or mineralisation, mine life and operating costs at Borax Argentina mines, the projected production rates associated with the borax plant and boric acid plant, the market price of borate products whether stated or implied, demand for borate products and other information and trends relating to the borate market, taxes including recoveries of IVA, royalty and duty rate and the ongoing working relationship between Orocobre and the Province of Jujuy, TTC and Mizuho Bank.

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 and ramp up of the Olaroz Lithium Facility to full capacity; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Lithium Facility;

general risks associated with the further development of the Olaroz Lithium Facility; general risks associated with the operation of the borax plant or boric acid plant; a decrease in the price for borates resulting from, among other things, decreased demand or an increased supply of borates or substitutes, as well as those factors disclosed in the Company's Annual Report for the year ended June 30, 2016 filed at 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 products 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.