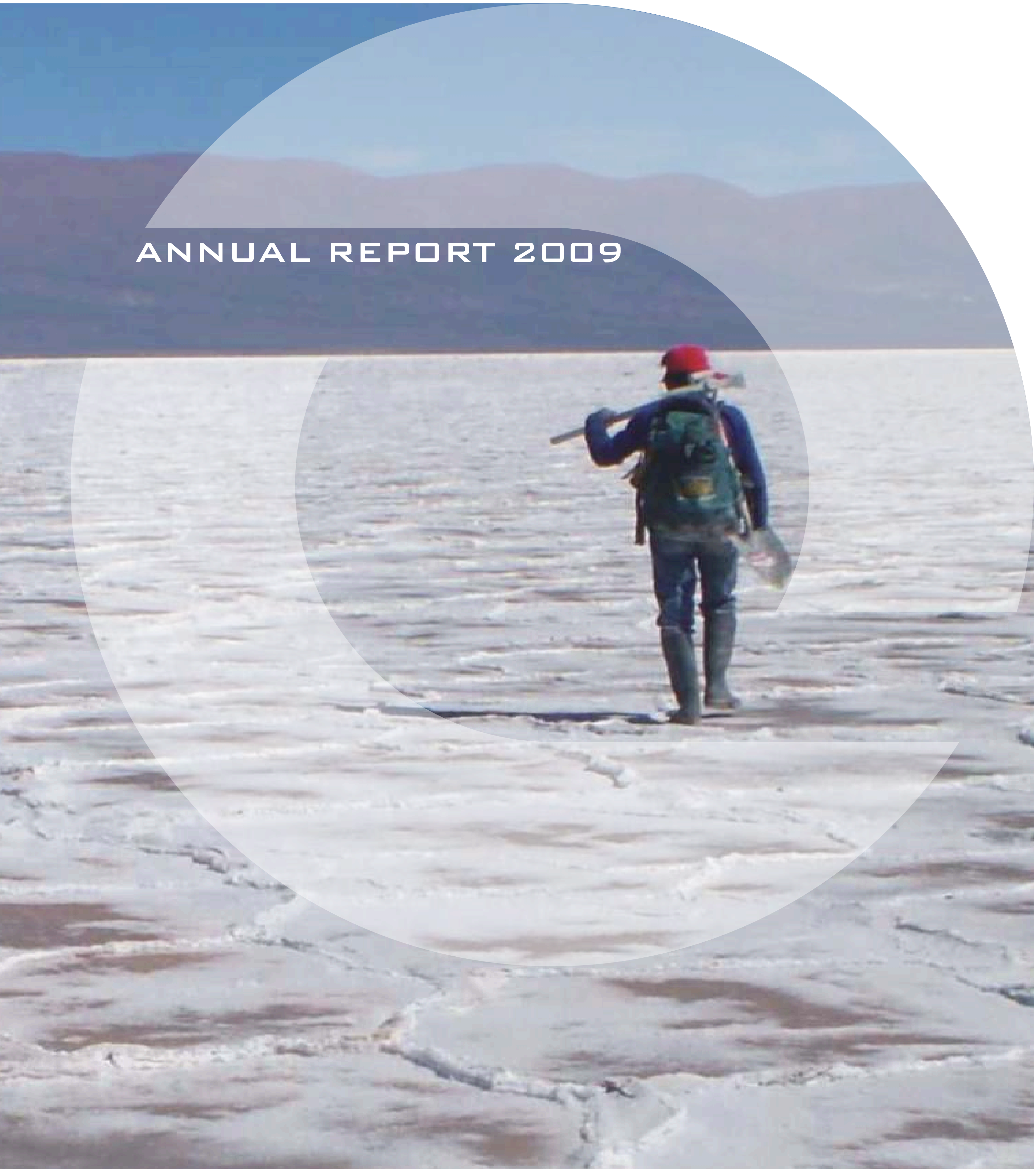
OROCOBRE
LIMITED

ANNUAL REPORT 2009



CORPORATE DIRECTORY

Directors

Non-Executive Chairman
James D. Calaway
Managing Director
Richard Seville
Directors
Neil Stuart
Paul Crawford
Dennis O'Neill
Jack Tan

Company Secretary

Paul Crawford

Company

OROCOBRE LIMITED
ABN 31 112 589 910

Registered Office
Level 1, 349 Coronation Drive
Milton QLD 4064

Principal Office
Level 1, 349 Coronation Drive
Milton QLD 4064

Postal Address
PO Box 1946
Milton QLD 4064

Telephone: 07 3731 3985
Facsimile: 07 3729 8988
Email: mail@orocobre.com.au

ASX Code: ***ORE***

Share Registry

REGISTRIES LIMITED
Level 7, 207 Kent Street
Sydney NSW 2000

Postal Address
GPO 3993
Sydney NSW 2001

Telephone: 1300 737 760
Facsimile: 1300 653 459
Email: callcentre@registries.com.au
Website: www.hemhart.com.au

Auditors

HAYES KNIGHT AUDIT (QLD) PTY LTD
Level 19, 127 Creek Street
Brisbane QLD 4000

Telephone: 07 3229 2022
Facsimile: 07 3221 3277
Email: email@hayesknightqld.com.au
Website: www.hayesknight.com.au

www.orocobre.com.au

Solicitors

Hemming + Hart Lawyers
2nd Floor, 307 Queen Street
Brisbane QLD 4000

Telephone: 07 3002 8700
Facsimile: 07 3221 3068
Email: mail@hemhart.com.au
Website: www.hemhart.com.au

HIGHLIGHTS OF THE YEAR

Salar de Olaroz Project - Lithium & Potash

- Maiden Inferred Resource of 350 million kilolitres at 800 g/kl lithium and 6,600 g/kl potassium to 55 metres. Equivalent to 1.5 million tonnes of lithium carbonate and 4.4 million tonnes of potash.
- Scoping study completed indicating the potential to develop a long life operation with production of 15,000 tpa lithium carbonate and 36,000 tpa potash.
- Excellent chemistry - attractive lithium and potassium grades, low magnesium:lithium ratios and attractive sulphate levels.
- Conventional processing routes applicable with low technical risk.
- Capital costs estimated to be in the range of US$80 million - US$100 million.
- Low cash operating costs and strong operating margins indicated. Operation would be competitive with current low cost brine producers.
- Company to undertake a Bankable Feasibility Study which is expected to cost approximately US$2 million and be completed in mid-2010.

South American Salar Minerals Pty Ltd

- The company signed an agreement with local Argentinean interests to set up a joint venture company, South American Salar Minerals Pty Ltd, targeting minerals from salt lakes. Orocobre has the right to earn 80% by funding A$1.7 million of expenditure.
- South American Salar Minerals holds highly prospective areas totalling approximately 100,000 hectares at years covering potash, boron, lithium and sodium salt projects on over 10 salars.

Corporate

- In May 2009, share placement made to United States based Lithium Investors LLC to subscribe for 6.8 million shares at an issue price of 38c per share raising A$2.6 million.
- 1:8 non-renounceable rights issue completed in June 2009 at 38c raising an additional A$2.8 million (before costs). Private placement and rights issue capital raisings totalled A$5.4 million. The rights issue was underwritten by Patersons Securities Limited which has also been appointed Corporate Advisor.
- Orocobre announced plans to spin-off its non-salar assets into a new Australian Stock Exchange listed company, resulting in:
  - Orocobre, being a Lithium and Potash focused company and retaining all the company's salar assets, and with a focus on rapid development of the Olaroz Lithium Potash Project; and
  - A copper-gold focused new company holding the company's highly prospective copper-gold projects. Orocobre shareholders will benefit from being shareholders in the new company via an in-specie share distribution.

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

I write this letter to you for the first time as Chairman of the Board of Directors of Orocobre Limited. As you know, I assumed this position only a few months ago, and therefore want first to acknowledge my predecessor, Neil Stuart, for the splendid job he has done over the years since the company's founding. Our company is better for his imagination and leadership, and we are fortunate to continue to have his wisdom as an active member of our Board of Directors.

I also want to express my thanks to our determined and capable Managing Director, Richard Seville, for his energy, and inclusive leadership style, that has brought our team and company into strategic and operational alignment. As I work with Richard on a daily basis, I continue to more fully appreciate the vital importance of quality management leadership. Richard leads by example, and demonstrates on a daily basis the capability to effectively manage our ever more complex business.

Our company has made considerable progress this past year. We acquired critical technical information in the field, and have completed our initial assessment of the Salar de Olaroz resource. We made the strategic decision to focus our future efforts and resources on the development of our salar resources in northern Argentina, and over the last three months have begun the process of spinning–out our prospective hard rock assets into a company that aims to be listed by the end of the year. This structural change will allow each company to have a keen focus on the development of its type of assets. And we have strengthened our balance sheet through two fully subscribed offerings. These financings allow the company to fund the completion of its bankable feasibility study on the Salar de Olaroz, and to pursue the continued rapid expansion of our broader salar interests within the Lithium, Boron and Potash rich region of northern Argentina.

As noted, during the past year we devoted most of the resources of the company towards the careful evaluation of our Salar de Olaroz asset. As our maiden resource assessment suggested, we continue to believe that the Salar de Olaroz is a very rare and exceptional Lithium resource. We believe the asset is special for a variety of reasons. First and foremost, the asset is important because the brine chemistry is outstanding on a comparative basis. Not only is the lithium content among the highest in the world, the other constituents of the brine are extremely favourable as well. Salar de Olaroz has ideal Sulphate levels and a low Magnesium-Lithium ratio that should allow us to be a low cost Lithium producer.

We are also fortunate that initial processing studies show that the exceptional brine chemistry will not only lead to low production costs, but will do so utilizing low risk processing sequences and equipment. As a result, we believe Olaroz will be able to be designed, built and put into operation over the next couple of years, and become the next significant low cost lithium operation of the world.

Of course, even with our outstanding resource, the company will need to secure significant additional capital in order to build the Olaroz facilities upon completion of the bankable feasibility study underway. We are currently seeking a strategic partner to provide the required resources at the project level. Over the last several months the company has begun a series of discussions with potential partners, and based upon early discussions, we are optimistic about the prospects of securing a strategic partner to develop the Salar de Olaroz resource.

And finally let me speak about the team. As mentioned above, we are fortunate to have a capable and dedicated leader. In fact Mr. Seville has recently relocated to Salta Argentina, the company's in country headquarters, to provide closer attention to the Company's interests and operations. He is supported by a terrific team of Argentine engineers, geologists and operations personnel. We have also augmented the local team with a group of highly experienced consultants who have played major leadership roles in the development and operations of the Salar de Atacama and other major Lithium assets. The combination of the core team and the dedicated efforts of these consultants have resulted in a fully capable team to execute the many tasks required to complete the design and development of the Salar de Olaroz asset.

As the new Chairman of Orocobre Limited, I will diligently work with the Board and the management team to effectuate our plans, and help prepare the organisation to move into the construction and operations phase of our efforts.

Sincerely yours,

James D. Calaway
Chairman of the Board of Directors

REVIEW OF PROJECTS

Introduction

Orocobre has interests in a portfolio of large target exploration properties in Argentina. These can be split into two groups. The first group is exploration targets for minerals associated with Salars (salt lakes) including lithium, potash and boron. The second group is hard rock copper and gold targets.
The locations of the main project areas are shown in figure 1.

With the uncertain financial times of the past year, the company has focused its attention on the former group, in particular, the lead Salar de Olaroz Lithium-Potash project where there was potential for significant advancement for modest expenditure.

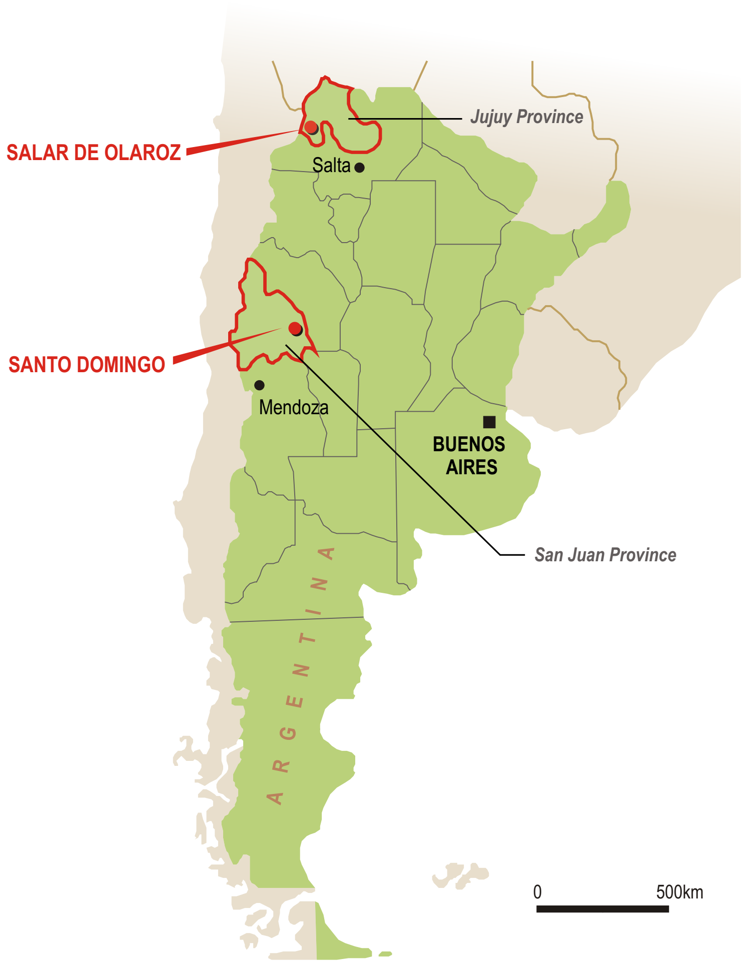


Figure 1: General location of Argentinian projects.

SALAR PROJECTS – “THE PUNA”- ARGENTINA

Salar de Olaroz Project - Lithium & Potash

Introduction and Background

The Salar de Olaroz Project is located in the Puna region of Jujuy, approximately 230 kilometres northwest of the capital city of Jujuy at an altitude of 3900 metres above sea level. The project is located on the main road from northern Argentina to the major port of Antofagasta, approximately 550 kilometres by road to the west. This will provide the export route for production. 40 kilometres to the north of the salar is a major gas pipeline. The operation is supported by the provincial capital of San Salvador de Jujuy and Salta, 270 kilometres and 400 kilometres by road to the east, respectively.

The project has tenements covering approximately 11,000 hectares.

The location of the project is shown in Figure 2. Figure 3 is a satellite image with an overlay of the tenement boundaries and location of major roads in the province.

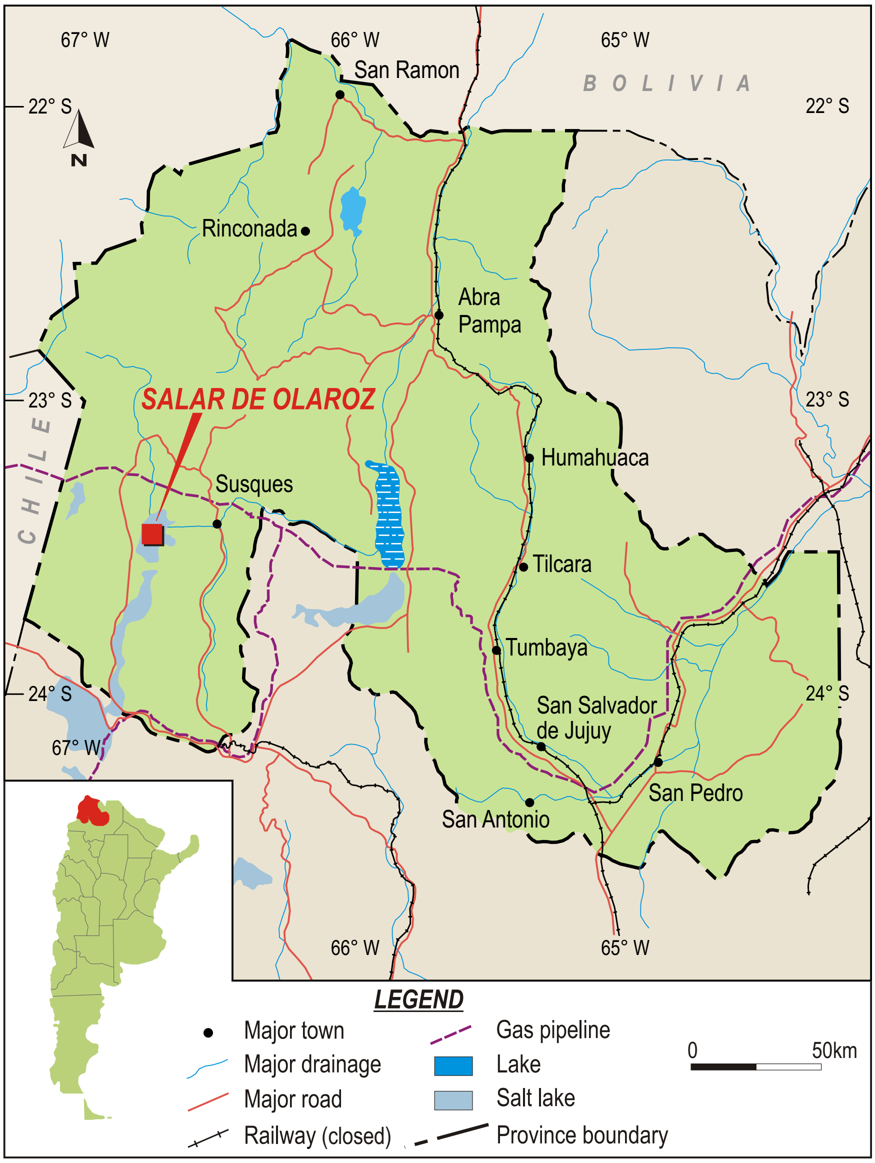


Figure 2: Salar Olaroz Project - General location, Jujuy Province.

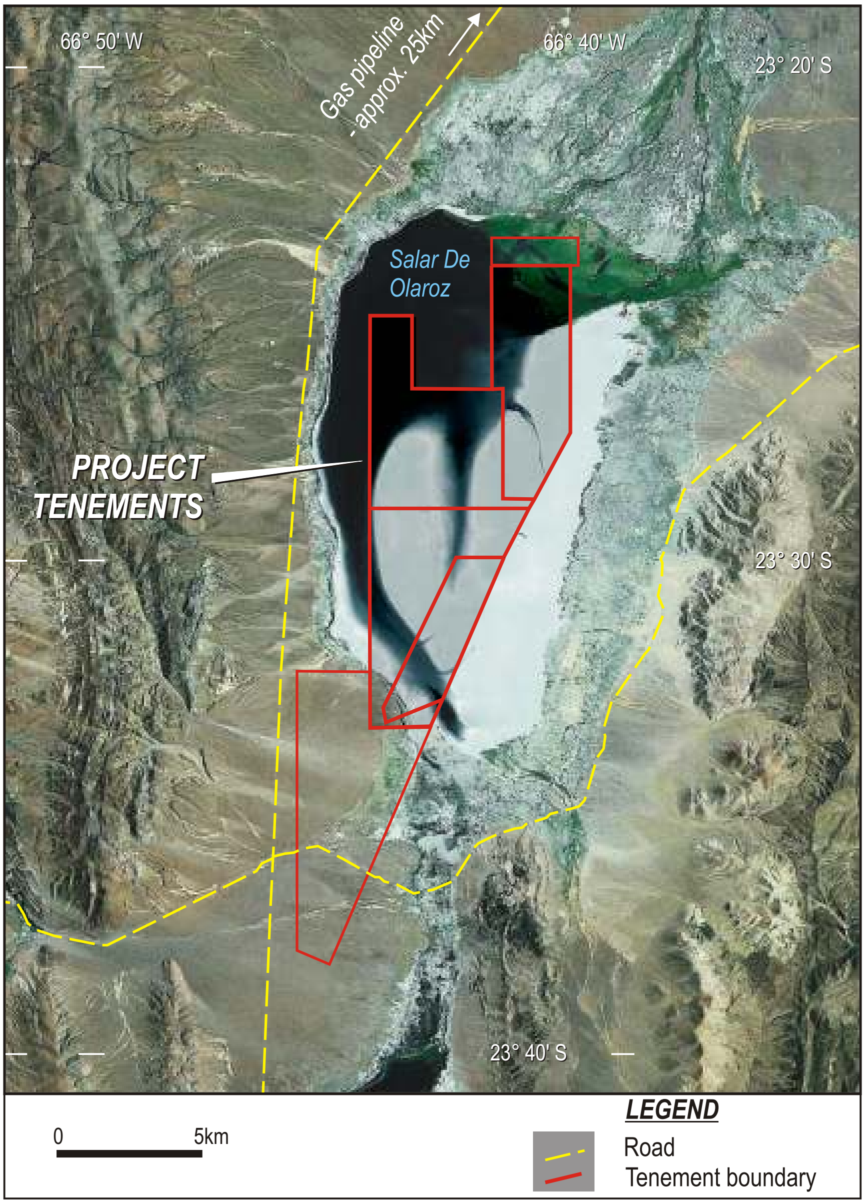


Figure 3: Salar Olaroz Project - Tenements and infrastructure.

Various government and non-government agencies worked on the assessment of the economic potential of the Andean salt lakes in the 1970's and 1980's for the production of lithium and potash. In the early 1990's production of lithium carbonate commenced at the Salar de Atacama in Chile. There are now three producers in Chile and Argentina, producing the majority of world's lithium production, significant amounts of potash and some other salts as by-products.

The lithium and potash occur in brines within the salt lakes. In a general sense, the brine lies in a sequence of sediments and evaporates. Within these are hyper-saline brines in dynamic crystallisation and dissolution within solid halite layers. The brines are rich in the alkali metals, chlorides and sometimes other elements of potential value.

Progress though the Year

Drilling programme

During the first part of the year, the company's first drilling programme was completed. Sixteen vertical HQ3 cored holes (1136 metres) were completed, nine of which were cased. In addition, six monitoring holes (360 metres) were drilled to allow drawdown tests to be undertaken at three locations.

Hydrogeological testwork was taken on all of the cased holes including constant flow rate drawdown tests.

Geology

Olaroz is not typical of the other salars in the region which have been drilled. These are characterised by thick halite sequences. The Olaroz sequence is dominated by poorly consolidated fluvial and lacustrine clastic sediments and contains less halite. These inter-bedded sands, silts, clays, and halite units occur beneath the current halite crust.

Maiden Resource

Based on the data developed during the field programme, independent resource specialists Geos Mining of Sydney, estimated an Inferred Mineral Resource of **350 million kilolitres of brine at 800 g/kl lithium and 6,600 g/kl potassium**.

This is equivalent to 1.5 million tonnes of lithium carbonate and 4.4 million tonnes of potash (potassium chloride). This is based on 5.32 tonnes of lithium carbonate being equivalent to 1 tonne of lithium and 1.91 tonnes of potash being equivalent to one tonne of potassium.

The following table below summarises the preferred, upper and lower resource estimates.

The resource estimate extends to an average depth of 55 metres. The area and drill holes is shown in Figure 4.

Estimate	**Brine Kilolitres** (millions)	**Lithium** (g/kl)	**Potassium (g/kl)**	**Lithium Carbonate equivalent** (million tonne)	**Potash (Kcl) Equivalent** (million tonne)	**Zone 1 Average Specific Yield**	**Zone 2 Average Specific Yield**
Preferred	350	800	6,600	1.49	4.40	11.5%	8.3%
Higher	415	800	6,600	1.76	5.22	13.3%	9.9%
Lower	255	800	6,600	1.09	3.23	9.0%	6.0%

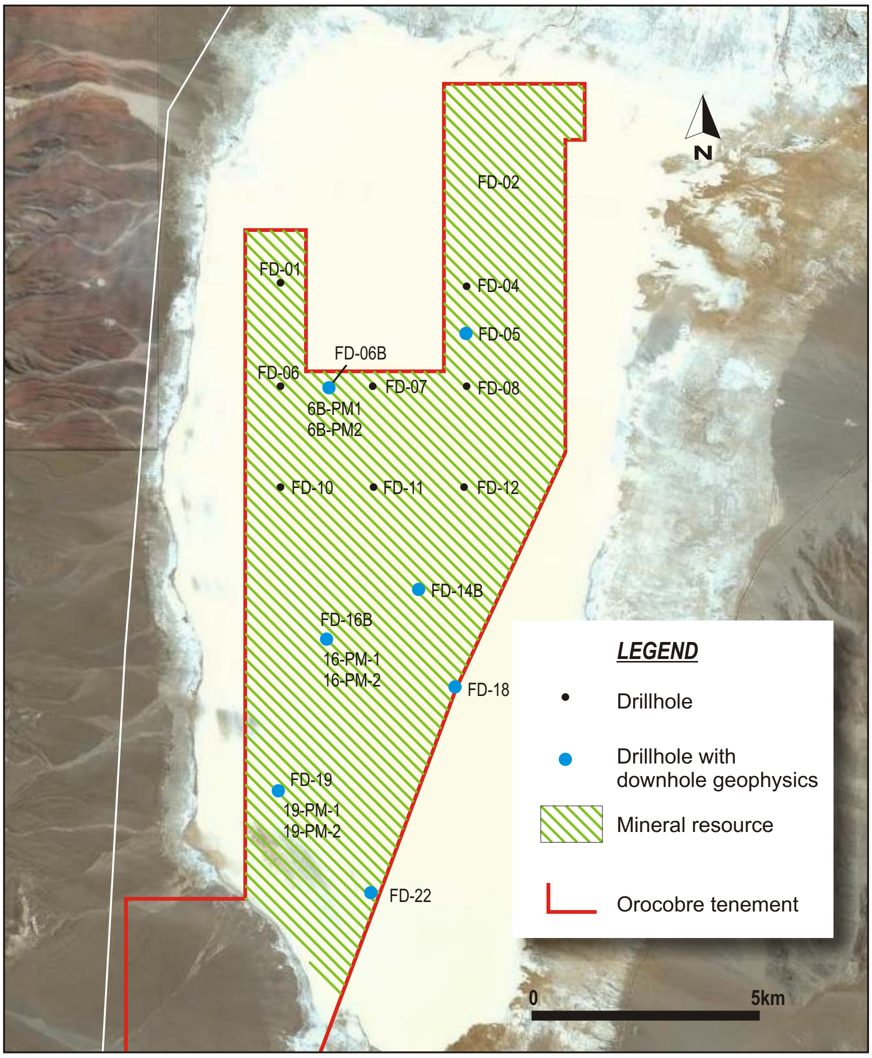


Figure 4: Salar Olaroz Project - Maiden Inferred Resource.

Exploration Potential

Typical halite-dominated salar sequences have highly predictable hydrogeological properties. Specific yield within the near-surface (0-15 metres) in recently deposited halite is in the range of 8-12%, but declines rapidly beneath this, due to overburden pressure and crystallisation, to values of around 3-5% at 40-50 metres depth. This results in halite-rich salar deposits having an overall specific yield of around 6-8% in the top 40-50 metres.

Olaroz is different as it is not dominated by halite. The specific yield of sand (and sandstones) do not decline nearly as rapidly with depth and thus the zone beneath the clay layer (used as a lower boundary in the current resource estimate) is an exciting exploration target. The zone has already been intersected by three drill holes that have intersected a number of potential sandy aquifer horizons.

Scoping Study

A scoping study was completed following the resource estimate. The main highlights of the scoping study are:

Potential Production Rate

Subject to the current inferred resource being upgraded to a measured and indicated resource of a similar size and grade, the current resource will support a development of a long life operation producing 15,000 tonnes per annum of lithium carbonate and 36,000 tonnes of potash. A boric acid by-product has also been considered. The resource is also of sufficient size to allow for the potential future expansion of capacity, and the exploration potential provides further upside over the long term.

Processing and Brine Chemistry

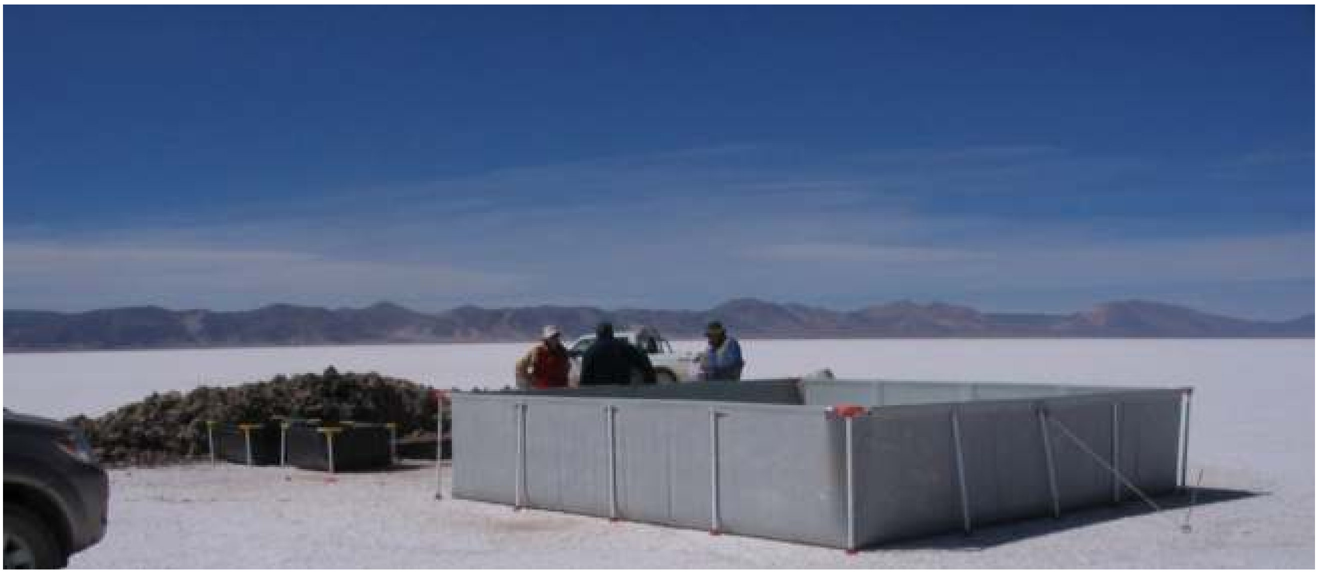
The project is at an altitude of approximately 3,900 metres above mean sea level. The average temperature is approximately 8 degrees centigrade. Precipitation is less than 100 millimetres per annum, and average wind velocity is approximately 25 kilometres per hour. These conditions and low cloud cover make it suitable for solar evaporation processes. The project is very close to the Hombre Muerto operation which uses solar evaporation at very high concentration levels and has been in production since 1996.

The brine chemistry is very attractive when compared to other salar projects:

- The average lithium grade of 800g per kilolitre is similar to the Hombre Muerto operation and approximately double the grade of the Silver Peak operation and Rincon salar;
- The Magnesium to Lithium ratio is low (which is desirable for processing) at around 2.8 compared to Atacama, Rincon and Uyuni at 6.4, 8.6 and 19 respectively. Only Silver Peak and Hombre Muerto are lower at 1.4; and
- The sulphate levels are such that soda ash may not be required for magnesium or calcium removal which is of considerable cost benefit.

The grade distribution throughout the deposit indicates the potential for the first 5 to 10 years of operations to benefit from grades significantly higher than the average deposit grade.

Batch test work was undertaken to investigate a number of processing routes. Assisted by detailed phase chemistry, it is concluded that the brines can be processed by a number of conventional processing routes. All of the potential process options involve solar evaporation, precipitation of waste products, with or without other reagents, followed by potash recovery via differential flotation and production of lithium carbonate with soda ash.
The indicated processing routes do not require the use of high risk, novel technology such as nano-filtration or new processes and as such has a lower level of technical processing risk.



Capital and Operating Costs

Capital costs for an operation producing 15,000 tpa lithium carbonate are estimated in the range of US$80 million-US$100 million including contingency. The study indicates an operation would have low operating costs and strong operating margins and be competitive with established brine producers.

Bankable Feasibility Study

The scoping study indicates that the Olaroz Project has the potential to be a highly attractive project with strong investment returns and low technical risks. With such positive conclusions, the Company has committed to undertaking a Bankable Feasibility Study into the development of an operation at Olaroz. The study is expected to cost approximately US$2 million and be completed in mid 2010.

South American Salars

During the year the company announced a major new initiative by the signing of a joint venture arrangement focusing on the exploration and exploitation of minerals found in salars in South America.

Orocobre has the right to earn 80% of the joint venture by spending A$1.7 million by 31 March 2012. It can also increase its percentage to 85% by sole funding an additional A$700,000. The joint venture is a corporate joint venture through South American Salar Minerals Pty Ltd.

The exploration areas at year end totalled approximately 100,000 hectares on over 10 salars located in Salta, Catamarca and Jujuy Provinces in northern Argentina. A number of these salars have been exploited in the past for borates and sodium sulphate.

The tenements include 28,000 hectares, about 30% of the salt crust, at the Salar de Cauchari which is prospective for potash, boron and lithium. The Salar had been exploited for borates for many decades by miners including a local subsidiary of Rio Tinto Ltd. The salar is directly to the south of the Salar de Olaroz lithium-potash project.

The projects expose the company to the growing world market for lithium and fertilisers together with a range of other industrial minerals such as potash, borates, sodium sulphate and sodium carbonate. The strategy will allow the company to build on its knowledge and expertise in salar geology being gained through its Olaroz Lithium - Potash project.

Social Responsibility

The Company is committed to the development of the communities where it operates. Outside the benefits of direct employment and training for many local people involved in the company's projects, the Company also is developing a broader Social Responsibility Programme.

Our objective is to foster activity which will endure past our presence in the area. By working with the representative bodies of the communities on programmes, we are developing a sense of understanding and shared interest.

To that purpose, we have started working with the local communities where we operate, and in particular to the community closest to the Salar de Olaroz, on programmes aimed at social, economic and institutional development. These programmes include education, health and productive projects, which might contribute in the creation of new possibilities for community inhabitants.

HARD ROCK PROJECTS – SAN JUAN PROVINCE - ARGENTINA

Santo Domingo Project - Copper/Gold/Molybdenum

Figure 5: Location of Santo Domingo Project in San Juan Province.

The Company has developed a significant land position in what appears to be developing as a belt of porphyry and epithermal mineralisation. The area is prospective for large copper, gold and molybdenum targets.

The project area comprises approximately 21,500 hectares and is located in the Sierra de Chucuma in San Juan Province (figure 5). This is a mountain range of modest altitudes, some 1,200 metres at the project area, and although the area is remote from habitation there is a sealed road only 20 kilometres to the east. The regional city of San Juan is located approximately one hours drive from where the access meets the sealed road.

Regionally the project is located in the Sierra de la Huerta and its northern extension (Sierra de Valle Fertil) which form part of the Sierras Pampeanes (Pampa Mountain chain). This geological belt is made up of Precambrian metamorphics and Palaeozoic intrusives and volcanics – rhyolitic porphyries, granites, tonalites, dacitic and andesitic porphyries. The area has supported historic mining operations for lead, silver and gold.

Exploration so far has included satellite imagery (ASTER) interpretation, stream sediment surveys, geological mapping and rock chip sampling. The work has lead to a number of new discoveries of large areas of alteration and mineralization of both porphyry and epithermal styles.

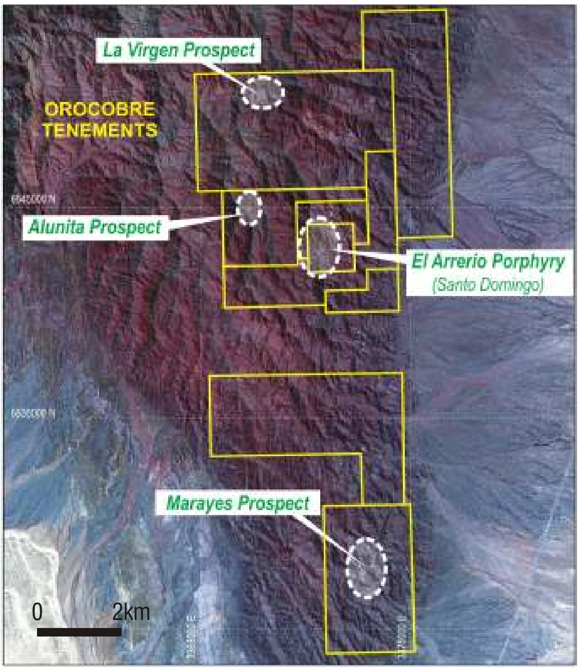


Figure 6: Tenement location and prospect targets.

El Arriero

Toutcrops are of silicified acid to intermediate extrusive volcanics. Potassic alteration is present in the centre associated with elevated copper and molybdenum values. On the western side of the anomaly, siliceous, pyritised and fractured rocks carry anomalous gold and copper values associated with vein and argillic alteration. Strong propylitic alteration in the west and north is also present. In the higher topographic exposures alunite, kaolinite, strong silicification and banded quartz have been interpreted as evidence for the upper levels of the system. To the north of the main mineralisation, two other target areas of similar size and several smaller areas have yielded anomalous results suggestive of a similar mineralising system.

The highest gold grade from the rock chip sampling came from a sample located in the northwest of the prospect area (4.64 g/t Au). Elevated copper values are widespread with generally elevated assays of Au and Mo (up to 900 ppm).

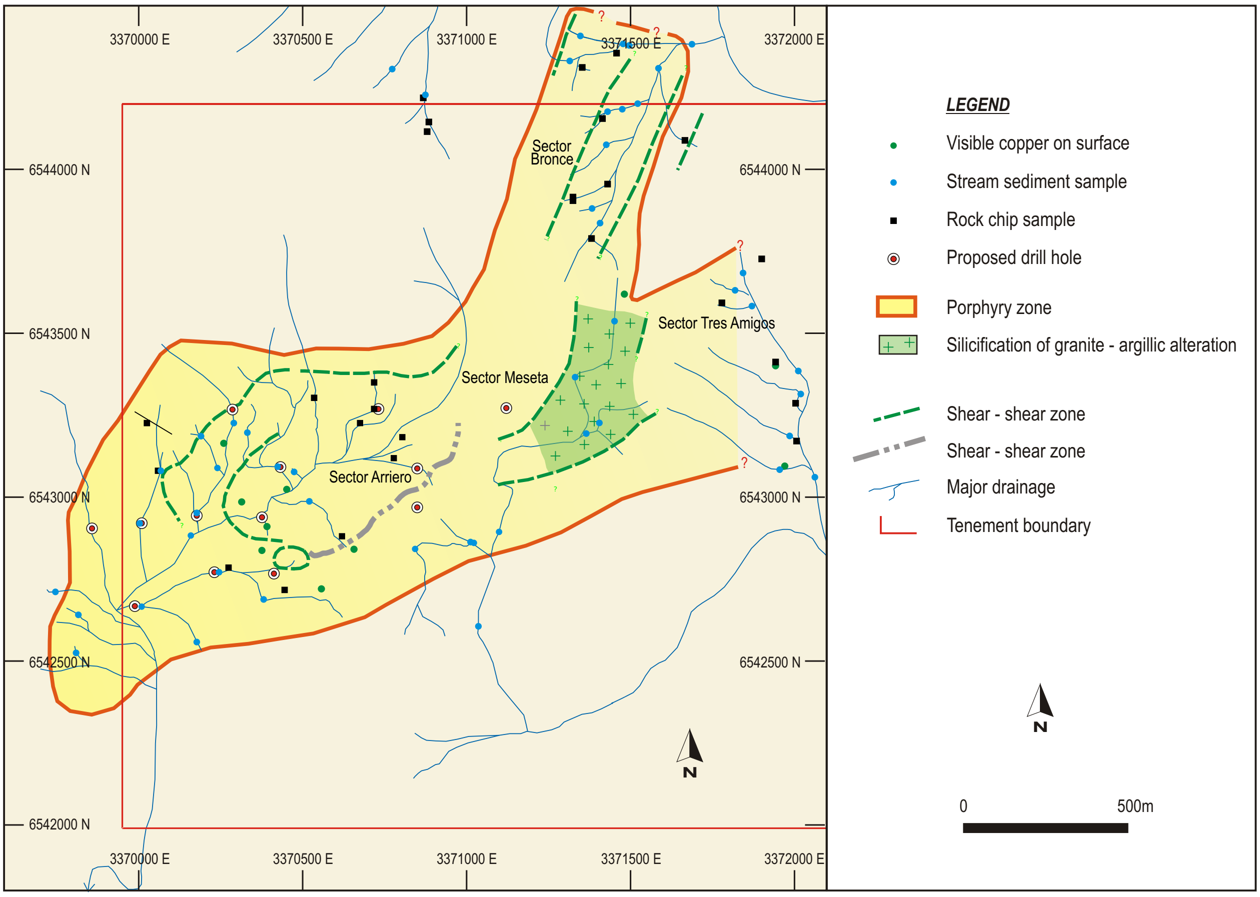


Figure 7: El Arriero Porphyry zone - geochemistry and geology.

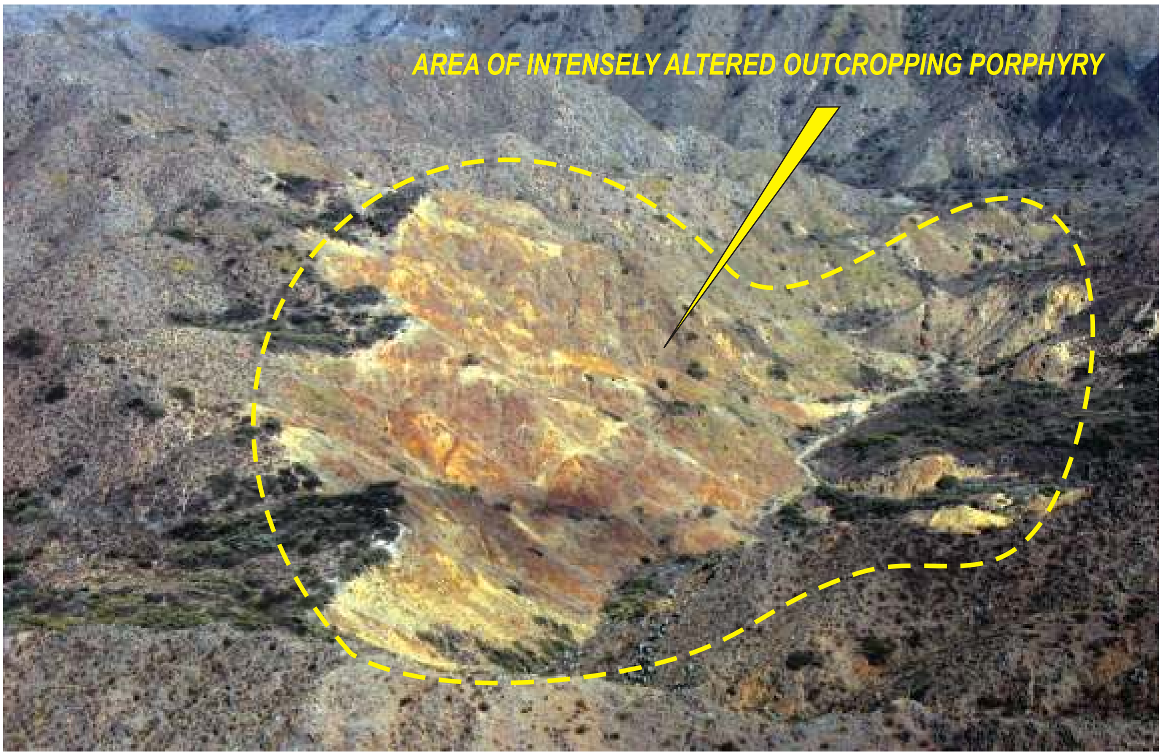


Figure 8: Helicopter view of main alteration zone El Arriero porphyry area.

Follow-up field surveys in the general vicinity of the El Arriero have extended observed areas of hydrothermal alteration and mineralisation (elevated copper and gold values and some visible copper mineralisation) to an area of some 2000 metres by 600-800 metres. Mapping has also shown zoned potassic-phyllic-argillic-propylitic-siliceous alteration areas.

The cateo which includes the El Arriero Porphyry target has been granted and an Environmental Impact Statement for exploration has also been approved.

Figure 9: Santo Domingo Project - Copper stained rocks in foreground and altered rocks in background.

Aluntina and La Virgen

Two new areas of alteration and mineralisation named “Alunita” and “La Virgen” were discovered during the past year. These are located approximately 2 kilometres and 6 kilometres respectively from the Santo Domingo porphyry. The mineralisation was discovered following up spectral anomalies from ASTER satellite images. New tenements have been applied for over other spectral anomalies.

At Alunita, an alteration zone covering approximately 25 hectares was discovered with elevated gold values in both rock chip and stream sediment samples. The rock types are altered rhyolitic intrusives, tuffs and breccias (milled and flow breccias). A concentric pattern of alteration has been observed (from outer argillic to phyillic to interior potassic). Intense and extensive silicic alteration occurs associated with high levels of sulphides. Due to the topography, it is also interpreted that this zone of alteration may extend under the overlying rocks.

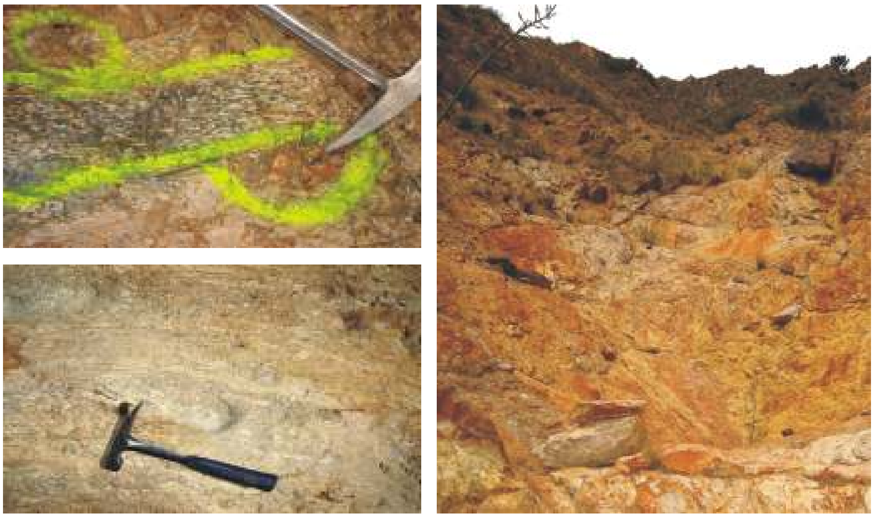


Figure 10: Outcropping rocks at Alunita - mill breccia (lower left) , flow breccia (upper left) and sulphide breccia (right).

Alunita is interpreted as collapsed volcanic pipe with a porphyry overprint. Seven of 16 stream sediment samples returned assays in excess of 0.2 g/t gold with the three highest values being 7.6 g/t, 1.1 g/t and 0.8 g/t gold. Follow up rock chip sampling showed elevated values of gold and silver associated with fine grained sulphides.

At La Virgen, satellite imagery spectral anomalies indicating alunite-kaolinite and iron oxide alteration are evident over a large area (1500 metres by >250 metres). The area also displays circular and arcuate structures, outcropping altered granitoids and pyritic, siliceous breccia with visible oxidized copper mineralization. Rock chip samples on the veins commonly returned elevated values for lead, zinc, mercury, copper and barium. The chemistry and alteration also suggest that this system may be the lower part of an epithermal system. Taking topography into account, this highlights the prospectivity to the higher elevation strike continuation to the east and this will be targeted with future exploration campaigns.

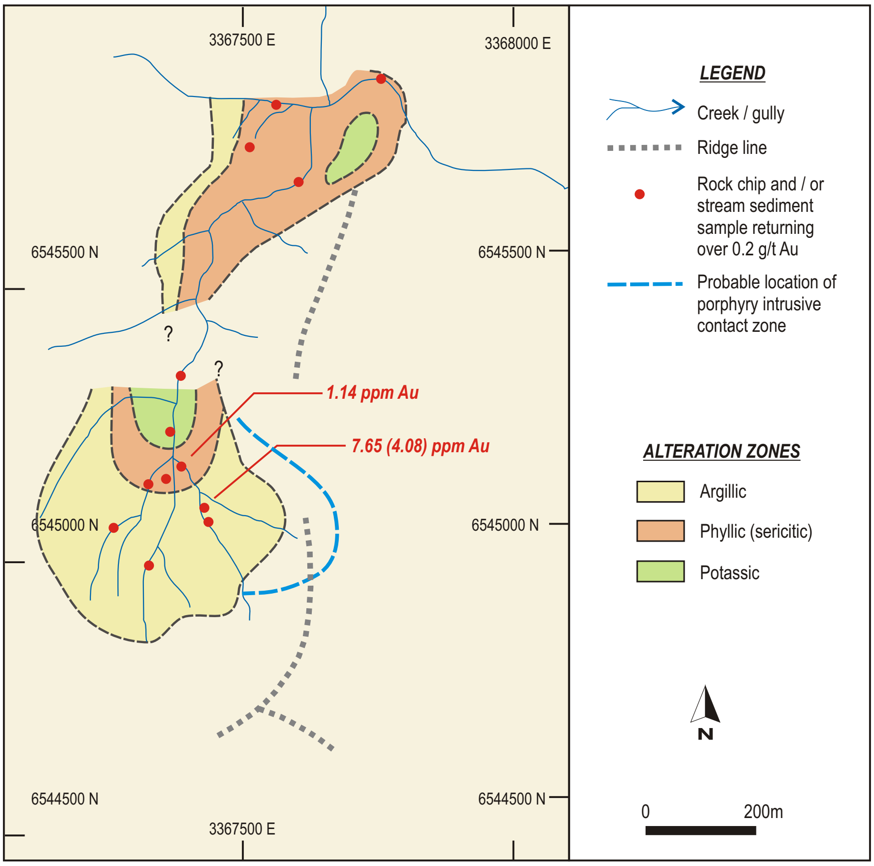


Figure 11: Aluntina - geochemistry and geology.

View from helicopter of part of alteration zone at Alunita prospect.

Corporate Restructure

The company believes that both its salar and hard rock groups of assets have significant potential but that the two classes of assets have different investment profiles, technical skill set requirements, and may appeal to different investors. In light of these differences, and the need for focused effort, the company believes that the best way to maximise shareholder value is to spin–out the hard rock assets into a stand-alone company, thus resulting in two strategically aligned companies:

- The existing company being a Lithium-Potash focused company, holding all the salar assets and with a focus on the rapid development of the Salar de Olaroz Lithium–Potash Project.
- A Copper-Gold focussed new company that will hold the company's highly prospective copper-gold projects. Existing Orocobre shareholders will benefit by being shareholders in the new company via an in specie distribution.

The company has commenced work on this spin-out, with the objective of having the new copper-gold focused company separately listed on the ASX before the end of the year.

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Messrs Richard Seville and Neil Stuart who are members of the Australian Institute of Mining and Metallurgy. Messrs Seville and Stuart are executives of Orocobre Ltd and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Messrs Seville and Stuart consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ACN 112 589 910

Annual Financial Report

for the year ended 30 June 2009

CORPORATE GOVERNANCE STATEMENT

Orocobre Limited ("Orocobre" or the "Company") is an exploration company that has acquired exploration rights over the last 4 years to a number of mineral exploration properties in Argentina and is undertaking exploration on these properties. As an operator in an international context, the Board believes that fostering high governance standards reflects the Company's commitment to corporate integrity and enhancing shareholder value.

This Corporate Governance Statement outlines the key principles and practices of the Company, which represents our system of governance. The Company's Board is committed to implementing best practice corporate governance procedures and has adopted *ASX's Corporate Governance Principles and Recommendations as released by the* ASX Corporate Governance Council on 2 August 2007 (the "Principles") as the basis for its corporate governance policies.

In viewing this Statement, shareholders are reminded that the Company is a junior exploration company operating in a volatile market, committed to maintaining a lean and efficient corporate structure. The Company advises that where its practices are not entirely consistent with the ASX Principles this is because the Board considers some of the recommendations not to be applicable to the Company's size and the nature of its current operations. However, the Board and Management of the Company are committed to the progressive implementation of the Principles, appropriate to each stage of the Company's development.

Summaries of compliance with the principles are provided below.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Lay Solid foundations for management and oversight

The Board's role is to govern the Company and to ensure that it represents effectively the interests of all shareholders. In governing the Company, the Directors must act in the best interests of the Company as a whole. The Executive Directors manage the day to day activities of the Company in accordance with the direction and delegations of the Board and the Board oversees the activities of the Executive Directors in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose these functions.

The Company has developed a Board Charter, which documents the respective roles and responsibilities of the Board and senior executives. In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. The Board is collectively responsible for ensuring the success of the Company by:

- supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed;
- ensuring the Company is properly managed by:
  - appointment and removal of the Managing Director, the Chief Financial Officer and the Company Secretary;
  - input into and final approval of management's development of corporate strategy, goals and performance objectives;
  - reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
  - monitoring senior management's performance and implementation of strategy, and ensuring

appropriate resources are available;
- acting with honesty, integrity and fairness;

- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and disposals (including farm-in, farm-out and joint venture agreements);
- approving budgets;
- approving and monitoring financial and other reporting;
- overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- liaising with the Company's external auditors;
- adopting a formal code of conduct to be followed by the all Directors, employees and contractors; and
- monitoring, and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities.

Newly appointed Directors will be provided with formal appointment letters setting out the key terms and conditions regarding their appointment. Similarly, senior executives (the Managing Director and Executive Chairman) are provided with formal job descriptions and letters of appointment clearly stating their term of office, duties, rights and responsibilities, and entitlements on termination.

The Board Charter is available in the corporate governance section of the Orocobre website.

1.2 Companies should disclose the process for evaluating the performance of senior executives.

Senior executives' performance is reviewed against a range of quantitative and qualitative measures and the Board considers the past performance of Orocobre as well as the executive. Any remuneration reviews also take into account length of service, particular experience of the individual concerned, overall performance of Orocobre and the individual and market practice with respect to comparable positions.

The Board reviews the Managing Director's performance and the Managing Director reviews other executives' performance. The results of the Managing Director's performance reviews of senior executives are reported to the Board for information. The performance of senior executives is reviewed on a formal basis annually. This review has taken place in December 2008.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Structure the board to add value

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge it responsibilities and duties. The Board of Orocobre currently comprises of five Directors, two of which are Executive Directors, Mr Neil Stuart, and Mr Richard Seville, who is the Managing Director and Chief Executive Officer. The remaining three Directors: Mr James Callaway, who is the Non-executive Chairman of the Board, Mr Dennis O'Neill and Mr Jack Tan are Non-Executive Directors. Mr Paul Crawford also occupied the office Non-executive Director throughout the year but has resigned from this position subsequent to June 2009. Further details of the Directors such as their qualifications and experience along with their term of office are set out in the Directors' Report.

Within the cost limits appropriate to a company of Orocobre's size, the Board has been structured to provide optimum experience and oversight of the Company's operations. All Directors should bring specific skills and experience that add value to the Company. The Board considers that, between them, the existing Directors bring the range of skills, knowledge and experience necessary to govern the Company effectively. The Board regularly reviews its composition, skill base and effectiveness of the Board.

2.1 A majority of the board should be independent directors.

Orocobre is not compliant with this Recommendation. As at the date of this report, the Board comprises two Executive Directors and three Non-executive Directors, two of whom are independent. The Non-executive Chairman of the Board, Mr James Callaway, is not independent as he is associated with a substantial shareholder in the Company. The other two Non-executive Directors, Messrs O'Neill and Tan meet the criteria for independence proposed by the Principles.

While determining the independent status of Directors, the Board has considered whether the Director:

a) holds less than five percent of the voting shares of the Company (in conjunction with their associates); or is an officer of the Company, or otherwise associated directly with a shareholder of more than five percent of the voting shares of the Company;
b) has within the last three years, been employed in an executive capacity by the Company or another group member;
c) has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided. In this context, the relationship with the professional adviser or consultant shall be deemed to be material if payments from the Company exceed 10% of the Company's annual expenditure to all professionals and consultants or exceed 10% of the recipient's annual revenue for advisory or consultancy services;
d) is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer. In this context, the relationship with the supplier or customer shall be deemed to be material if annual payments to or from that supplier or customer exceed 10% of the annual consolidated gross revenue of either the Company or that supplier or customer; and
e) has a material contractual relationship with the Company or other group member other than as a Director of the Company.

The size, nature of activities and stage of development of the Company does not justify expanding or restructuring the Board at this time.

2.2 The chair should be an independent director.

Orocobre is not compliant with this Recommendation. However, the Board chooses the most suitable candidate to lead the Board. At this time in the Company's development, the most suitable person to be appointed Chairman is Mr Callaway.

2.3 The roles of chairperson and chief executive officer should not be exercised by the same person.

Orocobre is compliant with this Recommendation. The Chairman does not perform executive functions and is not considered the chief executive officer, however, the Chairman does provide consulting services to the Company.

The Company's Managing Director, Mr Seville is the chief executive officer. In conjunction with the Executive Director Mr Neil Stuart, the Managing Director is responsible for running the affairs of the Company under delegated authority from the Board, including the implementation of the policies and strategy set by the Board. There is a clear division of responsibilities between the Chair and the Chief Executive Officer

2.4 The board should establish a nomination committee.

Orocobre is not compliant with this Recommendation. The role of the nomination committee has been assumed by the full Board. The size and nature of the Company's activities do not justify the establishment of a nomination committee at this time. The nomination committee will be established as and when the need for such a committee arises.

The Board has a policy and procedure for nominating and appointing new Directors. Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, independence, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting. Directors are required to retire and be subject to re-election by shareholders at least every three years.

This procedure can also be found in the Board Charter on the Company's website.

2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

The Company has conducted a formal performance review process of the Board. The overall Board review was undertaken in conjunction with the performance evaluation process of senior executives as described above.

Induction and Education

New Directors will undergo an induction process in which they will be given a full briefing on the Company. Where possible, this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors includes:

- details of the role and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements;
- access to a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company ;
- a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

Access to information and Independent Professional Advice

Each Director has the right of access to all Company information and to the Company's executives. Further, the Board collectively and each Director, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at the Company's expense, up to specified limits, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

3.1 Companies should establish a code of conduct and disclose the code or a summary of the code.

The Board requires high standards of conduct and responsibility from Directors and officers. As part of its commitment to recognising the legitimate interest of stakeholders, the Company has developed a Code of Conduct to guide compliance with legal and other obligations to stakeholders, which include employees, clients, customers, government authorities, creditors and the community. Directors are required to adhere to industry standards in conduct and dealings and promote a culture of honesty, fairness and ethical behaviour into its internal compliance policy and procedures as well as dealing with stakeholders.

The Company is committed to implementing this Code of Conduct. A copy of the Code is given to all contractors and relevant personnel, including Directors and each individual is accountable for such compliance.

Any breach of applicable laws, accepted ethical commercial practices or other aspects of the Code of Conduct will result in disciplinary action. Depending on the severity of the breach, such disciplinary action may include reprimand, formal warning, demotion or termination of employment/engagement (as the case may be).

Similar disciplinary action may be taken against any manager who directly approves of such action or has knowledge of the action and does not take appropriate remedial action.

Breach of applicable laws or regulations may also result in prosecution by the appropriate authorities. The Company will not pay, directly or indirectly, any penalties imposed on any personnel as a result of a breach of law or regulation.

Personnel are expected to report any instances of suspected non-compliance and these will be investigated fairly. Individuals who report suspected non-compliance in good faith will be appropriately protected.

The Code of Conduct is available on the Company's website.

3.2 Company security trading policy

The Company has a Securities Trading Policy, which is appropriate for a company whose shares are admitted to trading on the ASX. According to this policy, an employee, officer or Director, whilst in possession of unpublished market price sensitive information, is subject to three restrictions:

- they must not deal in securities affected by information;
- they must not cause or procure anyone else to deal in those securities; and
- they must not communicate the information to any person if they know or ought to know that the other person will use the information, directly or indirectly, for dealings in securities.

Directors, senior executives and employees are required to advise the Chairman and company secretary of their intentions prior to undertaking any transaction in the Company securities. If a Director, senior executive or employee is considered to possess unpublished market price sensitive information, they will be precluded from making a security transaction until after the time of public release of that information.

The Securities Trading Policy is available on the Company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 The board should establish an audit committee.

Orocobre is not compliant with this Recommendation. The role of the Audit Committee has been assumed by the full Board. The size and nature of the Company's activities does not justify the establishment of a committee at this time. The Audit Committee will be established as and when the need for such a committee arises and when established, will be structured in accordance with the Principles.

4. 2 The structure of the audit committee.

In the absence of an Audit Committee, the Company does not comply with this Recommendation.

4.3 The audit committee has a formal charter.

In the absence of an Audit Committee, the Company does not comply with this Recommendation.

4.4 Reporting on Principle 4

External auditor

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Any appointment made by the Board must be ratified by shareholders at the next annual general meeting of the Company. Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

The Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board. The Board reviews the performance of the external auditor on an annual basis.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Policy for compliance with continuous disclosure

The Board has adopted a policy and rules to ensure the Company complies with its obligations under the ASX Listing Rule 3.1 – Continuous Disclosure. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's shares; and
2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's shares.

Such matters are advised to the ASX immediately they are identified as being material. Upon confirmation of receipt from the ASX, the Company posts all information disclosed in accordance with this policy on its website in an area accessible by the public.

5.2 Reporting on Principle 5

A summary of the Company's Continuous Disclosure Policy is available on the Company's website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Communications policy

The Board respects the rights of its Shareholders and to facilitate the effective exercise of those rights, it has adopted a policy on communication with Shareholders and implemented a set of processes to ensure timely and effective communication with Shareholders and the wider investment community. The Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the Company's website, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company and ask questions regarding the conduct of audit and about the functioning of the Company generally; and
- making it possible for shareholders to receive communication by electronic means.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

6.2 Reporting on Principle 6

The Company's Shareholder Communications Policy is available on the Company's website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Policies on risk oversight and management

The Company has developed a framework for risk management and internal compliance and control systems that cover organisational, financial, environmental, sustainability, compliance, strategic, ethical conduct, technological, financial reporting market related and operational aspects of the Company's affairs.

The objective of this Risk Management Framework is to:

- ensure the identification of material business risks across each of the key risk areas;
- encourage appropriate tolerance of risks across the Company;
- establish procedures to analyse risks within agreed parameters across the Company;
- establish procedures to monitor and manage material business risk; and
- ensure a risk framework is in place which can react should the risk profile of the business change.

Key components of the Risk Management Framework are:

- identifying and assessing all material business risks;
- managing, monitoring and wherever possible, mitigating, identified material business risks;
- reporting periodically and;
- assessing the effectiveness of the risk management framework.

Management meets regularly to discuss material business risks and the management of those risks. Management reports to the Board on risk management on a regular basis, including advising of any material changes in the Company's risk profile.

The Company's Risk Management Policy is available on the Company's website.

7.2 Report on risk management and internal control system

The Board is responsible for setting the risk philosophy and risk appetite for the Company and approving the overall risk management and internal control system.

Given the size and scale of operations and stage of development of the Company, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of separate Risk Management Committee. Presently, the full Board carries out the functions of a Risk Management Committee.

The Board reviews the management of material business risks and the adequacy of the risk management and internal control framework on a regular basis. Management has reported to the Board on the effectiveness of the management of material business risks.

7.3 Attestation by Chief executive officer (or equivalent) and chief financial officer (or equivalent)

The Managing Director and Company Secretary, who undertake the role of CEO and CFO respectively, have given written confirmation to the board that:

- the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control ; and
- the Company's risk management and internal control system is operating effectively in all material respects in relation to financial reporting risks.

7.4 Reporting on Principle 7

A summary of the Company's Risk Management Policy, internal compliance and control system is available on the Company's website.

PRINCIPLE 8: Remunerate fairly and responsibly

8.1 Establishment of a remuneration committee.

Orocobre is not compliant with this Recommendation. The responsibilities of the Remuneration Committee such as remuneration, recruitment, retention and termination policies and procedures, senior executives' remuneration and incentives, superannuation arrangement and remuneration framework for Directors, has been assumed by the full Board. The size and nature of the Company's activities has not justified the establishment a committee at this time.

The Company is committed to remunerating its Executive Directors, Non-executive Directors and future executives in a manner that is market-competitive, consistent with best practice and supporting the interests of shareholders.

Details of the Company's remuneration policy are provided in the accompanying Directors' Report and Financial Statements.

8.2 Structure of Non-executive and Executive Director Remuneration

The Company clearly distinguishes the form of remuneration for Non-executive Directors and executives. Non-executive Director fees are not linked to company performance however, components of executive remuneration is clearly linked to the achievement of company goals.

Board policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. Non-executive Directors' are remunerated by way of fees, in the form of cash, non-cash benefits, or superannuation contributions. The maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at the Annual General Meeting and are not linked to the performance of the Company. At present, this maximum aggregate amount is $200,000. No other form of retirement benefit is paid.

The remuneration policy and setting the terms and conditions for Executive Directors was developed and approved by Non-executive Directors. Executive Directors receive payments under consultancy agreements with the Company. No other form of retirement benefit is paid.

The Company has prohibited the entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration.

Further details are available in the Remuneration Report of the Directors' Report.

8.3 Reporting on Principle 8

Details of the Company's remuneration policy are outlined in the Remuneration Report section of the Directors' Report, along with the names of the Directors, their qualifications and experience and the term of office held by each Director.

DIRECTORS' REPORT

Your Directors present their report of the company for the financial ending 30 June, 2009.

Directors

The Directors of the company at any time during or since the end of the financial year are listed below. During the year there were 13 meetings of the full board of directors. The meetings attended by each Director were:

DIRECTORS	ELIGIBLE TO ATTEND	ATTENDED
J. D. Calaway (appointed 20 May 2009)	2	2
N. F. Stuart	13	13
D. C. O'Neill	13	13
P.A. Crawford (resigned 31 July 2009)	13	13
J. Tan	13	13
R. P. Seville	13	13

Directors have been in office since the start of the financial year to the date of this report unless indicated otherwise.

Company Secretary

Paul Crawford held the position of Company Secretary at the end of the financial period. Mr Crawford is a CPA and holds accounting, company secretarial and business law qualifications. He has been Company Secretary of the Company since its incorporation.

Principal Activities

The principal activity of the Orocobre group during the course of the year was mineral exploration in Argentina. During the year, activity focused on asset assessment and acquisition, formulation of a corporate development strategy and funding. There was no change in the principal activity during the year.

Review of Operations & Operating Result

The group's operating loss for the year, after applicable income tax and minority equity interests was $1,485,987 (2008: $434,550). Group exploration and evaluation expenditure for the year totalled $3,282,514 (2008: $689,248).

Orocobre has interests in a portfolio of large target exploration properties in Argentina. These can be split into two groups. The first group is exploration targets for minerals associated with Salars (salt lakes) including lithium, potash and boron. The second group is hard rock copper and gold targets.

During the past year the company has focused its primary attention and resources on the further evaluation and development of the Salar de Olaroz Lithium-Potash project, where the company's work indicates considerable economic potential.

Salar de Olaroz Project

The Salar de Olaroz Project is located in the Puna region of Jujuy, approximately 230 kilometres northwest of the capital city of Jujuy at an altitude of 3900 metres above sea level. During the year, the company drilled 16 vertical cored holes (1136 metres) and 6 monitoring holes (360 metres) to allow drawdown tests to be undertaken. Brine samples were taken.

Based on the data developed during the field programme, independent resource specialists Geos Mining of Sydney, Australia reported an inferred mineral resource of 350 million kl of brine at 800g/kl lithium and 6,600 g/kl potassium. This is equivalent to 1.5 million tonnes of lithium carbonate and 4.4 million tonnes of potash (potassium chloride) based on 5.32 tonnes of lithium carbonate being equivalent to 1 tonne of lithium and 1.91 tonnes of potash being equivalent to one tonne of potassium.

After completing the resource estimate, a Scoping Study was undertaken on the project with a particular emphasis on scoping the requirements of further work to be undertaken during a Bankable Feasibility Study.

Subject to the current resource being upgraded to measured and indicated resources of a similar size and grade, the current resource will support a development of an long life operation producing 15,000 tonnes per annum of lithium carbonate and 36,000 tonnes of potash. A boric acid bi-product has also been considered. The resource is also of sufficient size to allow for potential significant expansion and the exploration potential provides further upside over the long term.

The scoping study indicates that the Olaroz Project has the potential to be a highly attractive project with strong investment returns and low technical risks. With such positive conclusions, the Company has committed to undertaking a Bankable Feasibility Study commercial operations at Olaroz. The study is expected to cost approximately US$2 million and be completed in mid 2010.

South American Salar Minerals Pty Ltd Joint Venture

During the year, the company announced a major new initiative by the signing of a joint venture arrangement focussing on the exploration and exploitation of minerals found in salars (salt lakes) in South America beyond the company's internal development of Oloraz.

Under the terms of the joint venture, Orocobre has the right to earn 80% of the joint venture by spending A$1.7 million by 31 March 2012. This initiative expands the company's position as an emerging global participant in a range of industrial minerals such as potash, borates, and lithium. The joint venture is aggressively building an inventory of salar projects that will leverage the salar analysis and development knowledge and expertise being gained by the company through the Olaroz Lithium - Potash Project.

Santo Domingo Project

The Company has developed a significant land position in what appears to be developing as a belt of porphyry and epithermal mineralisation. The area is prospective for large target copper, gold and molybdenum and precious metals.

Exploration so far has included satellite image (ASTER) interpretation, stream sediment surveys, geological mapping and rock chip sampling. The work has lead to a number of new discoveries of large areas of alteration and mineralization of both porphyry and epithermal styles. This project will become a core asset of the new company described below.

Corporate Strategic Restructuring

The company believes that both its salar and hard rock groups of assets have significant potential but that the two classes of assets have different investment profiles, technical skill set requirements, and may appeal to different investors. In light of these differences, and the need for focused effort, the company believes that the best way to maximise shareholder value is to spin–out the hard rock assets into a stand-alone company, thus resulting in two strategically aligned companies:

- The existing company being a Lithium-Potash focused company, holding all the salar assets and with a focus on the rapid development of the Salar de Olaroz Lithium–Potash Project.
- A Copper-Gold focussed new company that will hold the company's highly prospective copper-gold projects. Existing Orocobre shareholders will benefit by being shareholders in the new company via an in specie distribution.

The company has commenced work on this spin-out, with the objective of having the new copper-gold focused company separately listed on the ASX before the end of the year.

Financial Position

The net assets of the Orocobre group increased to $10,249,103 (2008: $6,143,951) during the year to 30 June 2009, including cash balances of $6,924,207. This increase has resulted largely from the proceeds from share issues, including a placement to a strategic investor and a rights entitlement to shareholders. The value of exploration and evaluation assets carried on the balance sheet at 30 June 2009, potentially subject to de-merger is $846,000..

The directors believe that the group is currently in a strong and stable financial position to support its expanding activities.

Information on Directors

The company's Directors have significant public company management experience, together with a strong background in mineral exploration and management, project development, financial markets, accounting and finance. Their experience covers many resource sectors in Australia and internationally. The names and qualifications of current directors are summarised as follows:

James D. Calaway **BA and MA**

Non-Executive Chairman

Mr Calaway was appointed a director in May 2009. Mr Calaway is a respected business and civic leader in Houston, Texas. He has considerable experience and success in building young companies into successful commercial enterprises. Mr. Calaway and his family have played major roles in the development of both public and private companies in the United States, including companies engaged in oil and gas exploration and production, and commercial wind-farm development. Mr. Calaway currently serves as Chairman of the Board of DataCert Inc, the global leader in legal operations management, Chairman of the Board of Open Spirit Corporation, the premier middleware software company in the geological and geophysical software industry, and serves as a Director on several other U.S. corporate boards. Mr. Calaway is a graduate of the University of Texas and University of Oxford.

Richard P. Seville **B Sc, MEngSc, MAusIMM, ARSM**

Managing Director

Mr Seville was appointed a director in April 2007. Mr Seville is a mining geologist and geotechnical engineer with 25 years experience covering exploration, mine development and mine operations. He has also had significant corporate experience, having had many years in the role of Operations Director and/or CEO in ASX/AIM listed mining companies. His roles have also encompassed capital raising and investor relations. Mr Seville is a graduate of the Royal School of Mines, Imperial College and James Cook University North Queensland.

Directorships in other listed companies:

Leyshon Resources Ltd

Neil F. Stuart **MSc. F Aus.IMM, MMICA, MAIG**

Executive Director

Mr Stuart is a founding shareholder and has been a director since incorporation. He has over 40 years experience in the minerals industry and is a Fellow of The Australasian Institute of Mining and Metallurgy and a Member of The Australian Institute of Geoscientists. He has considerable experience in many commodities including gold, base metals, coal and uranium and he has been heavily involved in project delineation and acquisition in Australia, Mexico and Argentina. He has held executive director roles with a number of ASX listed companies in the past. Mr. Stuart is a graduate of the University of Melbourne and James Cook University of North Queensland

Directorships in other listed companies:

Bowen Energy Limited; Axiom Mining limited

Dennis C O'Neill B Sc – Geology

Director – Non-executive

Mr O'Neill is a founding shareholder and has been a board member since incorporation. Mr. O'Neill is a member of The Australasian Institute of Mining and Metallurgy and has held positions with a number of Australian and multinational exploration companies, managing exploration programs in a diverse range of environments and locations, including North America, South-East Asia, North Africa and Australasia. He has significant corporate experience, in a number of operational management and CEO roles in ASX/AIM listed companies. Mr. O'Neill is a graduate of the University of Western Australia

Directorships held in other listed companies

DiamonEx Limited, Haddington Resources Limited

Jack Tan BBA, M. App.Fin., FIN, MAICD

Director – Non-executive

Mr Tan was appointed a director in October 2006. . He has had more than 20 years experience in the finance and stockbroking industry, including substantial capital raisings and IPOs. He is a director of his own investment company and Vice Chairman of Australia-Vietnam Business Council.. Mr. Tan is a graduate of the University of Singapore and Macquarie University.

Directorships held in other listed companies

e-pay Asia Limited and Vietnam Emerging Capital Limited

Paul A. Crawford B.Bus (Acctg), Grad Dip Bus Law, M.FM, CPA, Grad Dip Company Secretarial Practice

Director – Non-executive (resigned 31 July 2009)

Mr Crawford is a founding shareholder and has been a board member since incorporation. Mr Crawford is an accountant with 30 years of commercial experience, including various technical and management roles within the minerals, coal and petroleum industries. He has also had significant corporate experience in the management and governance of ASX listed resource and mining companies. His roles have encompassed capital raising and investor relations. He is Principal of his own corporate consultancy firm, established in 2001. Mr. Crawford is a graduate of the University of Technology, Brisbane, Central Queensland University and the University of Southern Queensland.

Directorships held in other listed companies

DiamonEx Limited, ActivEX Limited

The relevant interest of each director held directly or indirectly in shares and options issued by the Company at the date of this report is as follows:-

Directors	Shares	Options
J. Calaway	7,650,000	-
N. F. Stuart	3,852,996	2,000,000
R. P. Seville	2,821,500	2,000,000
P.A. Crawford (1)	2,531,252	1,000,000
D. C. O'Neill	1,440,001	1,000,000
J. Tan	2,250,000	1,000,000

(1) As at date of resignation.

Remuneration Report (audited)

This report details the nature and amount of remuneration for each director and other key executive personnel.

The Company's remuneration policy seeks to align director and executive objectives with those of shareholders and business, while at the same time, recognising the early development stage of the Company and the criticality of funds being utilised to achieve development objectives. The Board believes that the current policy has been appropriate and effective in achieving a balance of objectives.

The remuneration structure for executives, including the executive director and managing director, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the group.

The Company's policy for determining the nature and amount of remuneration of board members and key executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors was developed and approved by non-executive directors. Executive directors receive consultancy payments provided for under their respective consultancy agreements and equity based performance remuneration. No form of retirement benefit is paid.

Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Individuals may elect to salary sacrifice part of their fees as increased payments towards superannuation. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is not linked to the performance of the Company. However, to align directors' interests with shareholder interests, directors are encouraged to hold equity interests in the Company. The maximum aggregate amount of fees that can be paid to non-executive directors approved by shareholders is currently $200,000. One-third, by number, of non-executive directors retire by rotation at the company's annual general meeting.

The Company's remuneration policy provides for long-term incentives to be offered through an employee share option plan. Further details on options issued are set out in note 20 in the financial statements. No key management personnel are entitled to receive securities which are not incentive based as part of their remuneration.

The Company currently does not have any other performance based incentive component built into director and executive remuneration.

The Board of Directors is responsible for determining and reviewing the Company's remuneration policy, remuneration levels and performance of both executive and non-executive directors. Independent external advice will be sought when required. The remuneration of each director and key officer of the Company during the year was as follows:

2009	Short term benefits			Post Employment Superannuation		
Key Management Personnel	Fees	Non-Cash Benefits	Equity Settled Options		Total	Performance Related (i) %
James D. Calaway	5,616	-	-	-	5,616	0.00%
Neil F. Stuart	122,765	-	38,877	-	161,642	24.05%
Richard P. Seville	257,322	-	38,877	-	296,199	13.13%
Paul A. Crawford	-	-	19,439	21,800	41,239	47.14%
Dennis C. O'Neill	20,000	-	19,439	1,800	41,239	47.14%
Jack Tan	20,000	-	19,439	1,800	41,239	47.14%
	425,703	-	136,071	25,400	587,174	23.17%

2008	Short term benefits			Post Employment Superannuation		
Key Management Personnel	Fees	Non-Cash Benefits	Equity Settled Options		Total	Performance Related (i) %
James D. Calaway	-	-	-	-	-	-
Neil F. Stuart	115,578	-	33,446	-	149,024	22.44%
Richard P. Seville	216,028	-	33,446	-	249,474	13.41%
Paul A. Crawford	-	-	16,723	12,567	29,290	57.09%
Dennis C. O'Neill	11,516	-	16,723	1,050	29,289	57.10%
Jack Tan	11,516	-	16,723	1,050	29,289	57.10%
	354,638	-	117,061	14,667	486,366	24.07%

(i) Represents the percentage of total remuneration represented by options.

Options granted as remuneration (audited)

No options were granted as remuneration in the current year. Remuneration options granted in prior years are summarised below.

All options vested immediately and expire within 3.33 years of granting. All options were granted for nil consideration.

					Terms & Conditions of Grant		
Key Management Personnel	Vested Number	Granted Number	Grant Date	Value per Option at Grant Date	Exercise price	First Exercise Date	Last Exercise Date
J D Calaway	-	-	-	-	-	-	-
N F Stuart	2,000,000	2,000,000	30.08.2007	6.54 cents	25 cents	31.12.2009	31.12.2010
R P Seville	2,000,000	2,000,000	30.08.2007	6.54 cents	25 cents	31.12.2009	31.12.2010
PA Crawford	1,000,000	1,000,000	30.08.2007	6.54 cents	25 cents	31.12.2009	31.12.2010
D C O'Neill	1,000,000	1,000,000	30.08.2007	6.54 cents	25 cents	31.12.2009	31.12.2010
J Tan	1,000,000	1,000,000	30.08.2007	6.54 cents	25 cents	31.12.2009	31.12.2010

Amounts shown as equity settled options reflect the current year's amortised expense of options granted. The grant of the options to the Directors is intended to act as a strong incentive to align the interests of the Directors' with the Company's strategic plan focusing on seeking improved performance, the growth of the Company and better returns for shareholders.

No options have been exercised during the current year. No options lapsed or were forfeited during the year.

Consultancy Agreements of Executive Directors (audited)

The Company's executive directors entered into Consultancy Agreements for an initial period of 12 months from the Company's listing on the Australian Securities Exchange. These Agreements expired in December 2008. The executive directors are retained on a month to month basis under the general terms of the original agreements. New agreements will be negotiated with the executive directors shortly.

The Agreements provide for the executive directors to work for the Company for a minimum of 10 days per month. They will be remunerated at a minimum of $133,332 per annum. Days worked in addition to 10 days per month will be paid on a prorata basis.

The Agreements also provide for the protection of the Company's confidential information and intellectual property rights and restrains them from carrying on whether directly or indirectly any business in competition with the Company during the consultancy period and for 6 months after the end of the consultancy period.

After expiry of the consultancy period, the Company or consultant may terminate the agreement by giving 3 months notice.

Company performance, shareholder wealth and director and executive remuneration (audited)

As outlined above, the Company's remuneration policy seeks to align directors' and executives' objectives with shareholders and business, whilst recognising the developmental stage of the Company. The following table shows some key performance data of the group for the last 4 years, together with the share price at the end of the respective financial years.

	2006	2007	2008	2009
Exploration expenditure ($)	Nil	192,621	689,248	3,282,514
Net assets ($)	30,093	603,718	6,143,951	10,249,103
Share Price at Year-end ($)	n/a	n/a	0.48	0.59
Dividends Paid ($)	Nil	Nil	Nil	Nil

Dividends

No dividend has been proposed or paid since the start of the year.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the company have occurred during the financial year:

a. On 20 August 2008, the company granted 1,025,000 options to staff and principle consultants utilised by the company in Argentina as part of an incentive and retention regime. The options are exercisable at 37.5 cents, during the period 1 August 2009 to 31 July 2011.
b. On 18 May 2009, the company issued 6,800,000 shares at $0.38 each as a placement to Lithium Investors LLC, a company associated with Mr James Calaway, a director of the Company.
c. On 30 June 2009 the company issued 7,393,898 shares at $0.38 each pursuant to a prospectus in relation to a 1 for 8 non-renouncable rights issue.
d. South American Salar Minerals Pty Ltd was incorporated and acquired in November 2008. It undertakes exploration activity in Argentina on salar (salt lakes) based minerals beyond the Oloraz asset. At 30 June 2009 the parent entity holds 38.24% of the entity, carried at cost.
e. During the year, the company withdrew from option agreements in relation to the Marayes and La Pampa projects.

There have been no further significant changes in the state of affairs of the company during the year.

Options

At the date of this report, the unissued ordinary shares of the Company under options are as follows:-

Grant Date	Expiry Date	Exercise Price	No. Under Option
30 August 2007	31 December 2010	$0.25	7,000,000
26 November 2007	31 December 2010	$0.25	1,000,000
20 August 2008	31 July 2011	$0.375	775,000

No person entitled to exercise these options had or has any right by virtue of the options to participate in any share issue of any other body corporate. During the year, 250,000 ordinary shares in the company were issued on the exercise of employee options granted on 20 August 2008.These options were exercised at $0.375. No amounts are unpaid on the shares. No other options have been exercised to the date of this report.

The company holds options to acquire further shares in its subsidiary South American Salar Minerals Pty Ltd for $1,433,429. Other than this, there have been no other unissued shares or interests under option of any controlled entity within the group at the reporting date.

Subsequent Events, Future Developments, Prospects and Business Strategies

Since the end of the financial year, the company has commenced work on the group restructuring plan announced in May 2009. The restructure in being undertake with the objective of achieving maximum value of group assets for shareholders. Work has commenced on establishing a new company that will hold the copper-gold projects, with a view undertaking a public offer capital raising and separately listing on the ASX in December 2009. Existing shareholders will benefit by being shareholders in the new company a planned return of capital via an in-specie distribution.

The Directors will continue to carry out an active exploration program on its Argentine tenements as detailed in the Company's various public announcements. Directors will also continue to review external opportunities which may arise with a view to acquisition, farm-in or corporate investment.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Orocobre group, the results of those operations, or the state of affairs of the group in future financial years.

Environmental Issues

The group is not subject to any significant environmental regulation under the law of the Commonwealth or a State or Territory of Australia. The group is subject to environmental regulation in relation to its exploration activities in Argentina.

The Directors monitor the Group's compliance with environmental obligations. The Directors are not aware of any compliance breach arising during the year and up to the date of this report.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Orocobre Limited support and where practicable or appropriate have adhered to the ASX Principles of Corporate Governance. The Company's corporate governance statement is contained within this annual report.

Indemnifying Directors and Auditors

The Company has entered into a Deed with each of the Directors whereby the Company has agreed to provide certain indemnities to each Director to the extent permitted by the Corporations Act and to use its best endeavours to obtain and maintain directors and officers indemnity insurance, subject to such insurance being available at reasonable commercial terms.

The economic entity has paid premiums to insure each of the directors of the company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was $27,547.

The Company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums in respect of any person who is or has been an auditor of the Company or a related body corporate during the year and up to the date of this report.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Non-audit Services

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board of directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year the Company paid the auditor $11,350 for due diligence services relating to the non-renounceable rights issue of the Company.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2009 has been received and is attached to the Directors' report.

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

James O. Calaway

James D Calaway
Chairman

Richard P Seville
Managing Director

Signed: 26 August 2009
Brisbane, Queensland

Hayes Knight Audit
chartered accountants

Hayes Knight Audit (Qld) Pty Ltd
ABN 49 115 261 722
Level 19, 127 Creek Street,
Brisbane, Qld. 4000
GPO Box 1189,
Brisbane, Qld. 4001.

T +61 7 3229 2022 F +61 7 3229 3277
E email@hayesknightqld.com.au
www.hayesknight.com.au

Registered Audit Company 299289

Lead Auditor's Independence Declaration
Under Section 307C of the *Corporations Act 2001*

To the Directors of Orocobre Limited

As lead auditor for the audit of Orocobre Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

N D Bamford
Director

Date: 26 August 2009

OROCOBRE LIMITED
ABN 31 112 589 910

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance of the company and the economic entity for the year ended on that date.

2. The Chief Executive Officer and Chief Finance Officer have each declared that:

   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

James D Calaway
Chairman

Richard P Seville
Managing Director

Dated this: 26th day of August 2009

OROCOBRE LIMITED

ABN 31 112 589 910

INCOME STATEMENT

for the year ended 30 June 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue	2	229,928	219,054	229,928	219,054
Less expenses:	3				
Corporate & administrative expenses		(931,984)	(367,146)	(566,666)	(303,933)
Employee benefit expenses		(144,879)	(254,115)	(144,879)	(254,115)
Occupancy costs		(50,035)	(18,062)	(25,000)	(15,000)
Exploration & evaluation expenditure written-off		(407,074)	(14,281)	(219,795)	(12,969)
Foreign currency gain/(loss)		(197,258)	-	(197,258)	-
Loss before income tax expense		(1,501,302)	(434,550)	(923,670)	(366,963)
Income tax expense	4	-	-	-	-
Loss for the year		(1,501,302)	(434,550)	(923,670)	(366,963)
Loss attributable to minority equity interest		15,315	-	-	-
Loss attributable to members of the company		(1,485,987)	(434,550)	(923,670)	(366,963)
Basic earnings per share (cents per share)	19	(2.80)	(1.04)		
Diluted earnings per share (cents per share)	19	(2.80)	(1.04)		
Dividends per share (cents per share)		-	-		

The accompanying notes form part of these financial statements.

OROCOBRE LIMITED

ABN 31 112 589 910

BALANCE SHEET

As at 30 June 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CURRENT ASSETS					
Cash and cash equivalents	7	6,924,207	5,241,828	6,844,938	5,180,420
Trade and other receivables	8	47,765	110,975	41,091	77,051
Other	9	47,305	6,977	2,043	6,977
Total Current Assets		7,019,277	5,359,780	6,888,072	5,264,448
NON-CURRENT ASSETS					
Other receivables	8	-	-	2,610,914	603,478
Financial assets	10	-	-	283,334	20,762
Property, plant and equipment	11	77,268	38,105	3,835	-
Exploration and evaluation asset	12	3,419,127	853,077	1,303,219	467,256
Total Non-Current Assets		3,496,395	891,182	4,201,302	1,091,496
TOTAL ASSETS		10,515,672	6,250,962	11,089,374	6,355,944
CURRENT LIABILITIES					
Trade and other payables	13	266,569	107,011	219,706	80,219
Total Current Liabilities		266,569	107,011	219,706	80,219
TOTAL LIABILITIES		266,569	107,011	219,706	80,219
NET ASSETS		10,249,103	6,143,951	10,869,668	6,275,725
EQUITY					
Issued Capital	14	12,055,613	6,695,577	12,055,613	6,695,577
Reserves	15	(20,909)	156,674	340,037	182,460
Accumulated losses		(2,194,287)	(708,300)	(1,525,982)	(602,312)
Parent interest		9,840,417	6,143,951	10,869,668	6,275,725
Minority interest		408,686	-	-	-
TOTAL EQUITY		10,249,103	6,143,951	10,869,668	6,275,725

The accompanying notes form part of these financial statements.

OROCOBRE LIMITED

ABN 31 112 589 910

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2009

	Note	Share Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Minority Equity Interests	Total
		$	$	$	$	$	$
Economic Entity							
Balance at 1 July 2007		877,155	(273,750)	-	313	-	603,718
Shares issued during the period	14	6,325,000	-	-	-	-	6,325,000
Transaction costs		(506,578)	-	-	-	-	(506,578)
Options expensed during the period	14		-	182,460	-	-	182,460
Loss attributable to members of the company		-	(434,550)	-	-	-	(434,550)
Translation of foreign controlled entities	15	-	-	-	(26,099)	-	(26,099)
Balance at 30 June 2008		6,695,577	(708,300)	182,460	(25,786)	-	6,143,951
Shares issued during the period	14	5,547,779	-	-	-	-	5,547,779
Transaction costs		(211,493)	-	-	-	-	(211,493)
Minority interest in controlled entity		-	-	-	-	424,001	424,001
Options expensed during the period	14	-	-	181,327	-	-	181,327
Options exercised during the period	14	23,750	-	(23,750)	-	-	-
Loss attributable to members of the company		-	(1,485,987)	-	-	-	(1,485,987)
Loss attributable to minority interests		-	-	-	-	(15,315)	(15,315)
Translation of foreign controlled entities	15	-	-	-	(335,160)	-	(335,160)
Balance at 30 June 2009		12,055,613	(2,194,287)	340,037	(360,946)	408,686	10,249,103
Parent Entity							
Balance at 1 July 2007		877,155	(235,349)	-	-	-	641,806
Shares issued during the period	14	6,325,000	-	-	-	-	6,325,000
Transaction costs		(506,578)					(506,578)
Options expensed during the period	14	-	-	182,460	-	-	182,460
Loss attributable to members of the company		-	(366,963)	-	-	-	(366,963)
Balance at 30 June 2008		6,695,577	(602,312)	182,460	-	-	6,275,725
Shares issued during the period	14	5,547,779	-	-	-	-	5,547,779
Transaction costs		(211,493)					(211,493)
Options expensed during the period	14	-	-	181,327	-	-	181,327
Options exercised during the period	14	23,750	-	(23,750)	-	-	-
Loss attributable to members of the company		-	(923,670)	-	-	-	(923,670)
Balance at 30 June 2009		12,055,613	(1,525,982)	340,037	-	-	10,869,668

The accompanying notes form part of these financial statements.

OROCOBRE LIMITED

ABN 31 112 589 910

CASH FLOW STATEMENT

for the year ended 30 June 2009

	Note	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(1,101,330)	(629,461)	(650,552)	(552,163)
Interest received		229,928	219,054	229,928	219,054
Net cash provided by (used in) operating activities	16	(871,402)	(410,407)	(420,624)	(333,109)
CASH FLOWS FROM INVESTING ACTIVITIES					
Capitalised exploration expenditure	12	(2,644,247)	(689,248)	(915,845)	(370,666)
Purchase of property, plant and equipment	11	(69,732)	(38,503)	(4,941)	-
Investment in controlled entity	10	-	-	(262,572)	-
Advance to controlled entity		-	-	(2,007,436)	(457,553)
Net cash provided by (used in) investing activities		(2,713,979)	(727,751)	(3,190,794)	(828,219)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	14	5,487,429	6,325,000	5,487,430	6,325,000
Costs associated with share issue	14	(211,493)	(441,178)	(211,494)	(441,178)
Net cash provided by (used in) financing activities		5,275,936	5,883,822	5,275,936	5,883,822
Net increase in cash held		1,690,555	4,745,664	1,664,518	4,722,494
Cash at beginning of year		5,241,828	498,491	5,180,420	457,926
Effect of exchange rates on cash holdings in foreign currencies		(8,176)	(2,327)	-	-
Cash at end of year	7	6,924,207	5,241,828	6,844,938	5,180,420

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* , Australian Accounting Standards, including Australian Accounting Interpretations and other authoritive pronouncements of the Australian Accounting Standards Board.

The financial report covers the economic entity of Orocobre Limited and controlled entities, and Orocobre Limited as an individual parent entity. Orocobre Limited is a public company, incorporated and domiciled in Australia. The financial report has been prepared on an accruals basis and is based on historical cost modified by the revaluation of selected non-current assets, financial assets and liabilities for which the fair value basis of accounting has been applied.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Principles of Consolidation

A controlled entity is any entity Orocobre Limited has the power to govern the financial and operating policies of so as to obtain benefits from its activities. In assessing the powers to govern, the existence of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 10 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the Equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Property, Plant and Equipment

Each class of property, plant and equipment is brought to account at cost or fair value less, where applicable, any accumulated depreciation or amortisation, and impairment losses.

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for plant and equipment are in the range between 20% and 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is recognised as exploration and evaluation assets, measured on the cost basis and classified as an intangible asset. The expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that rights of tenure are current and either they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas of interest.

Restoration Costs

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration and mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

The economic entity currently has no obligation for any restoration costs in relation to discontinued operations, nor is it currently liable for any future restoration costs in relation to current areas of interest. Consequently, no provision for restoration has been deemed necessary.

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

(d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Impairment of Assets

At each reporting date, the economic entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than 3 months.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Issued Capital

Ordinary shares are classified as equity. Transaction costs (net of tax) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

Equity Settled Payments

The group operates equity-settled share-based payments to directors and other parties for services provided. The fair value of the equity is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a binomial lattice pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Revenue and Other Income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis except for the GST component of investing and financing activities which are disclosed as operating cash flow.

Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Foreign Currency Transactions and Balances

Functional and presentation currency:
The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The economic entity's financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Transaction and balances:
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies:
The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the economic entity.

The economic entity makes estimates and judgements in applying the accounting policies. Critical judgements in respect of accounting policies relate to exploration and evaluation assets, whereby exploration and evaluation expenditure is capitalised in certain circumstances, primarily where activities in the area of interest have not yet reached a stage which permits reasonable assessment of economically recoverable reserves. Otherwise expenditure is expensed.

Comparative Figures and Financial Period

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards.

The following standards and amendments to standards have been identified as those which may impact on the group in the period of initial application:

AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. This change is not expected to materially affect the group.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

The financial report was authorised for issue on 26 August 2009 by the Board of Directors.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
NOTE 2: REVENUE AND OTHER INCOME				
Operating activities:				
Interest received from other persons	229,928	219,054	229,928	219,054
NOTE 3: PROFIT/(LOSS) FOR THE YEAR				
Included in expenses are the following items:				
Exploration expenditure expensed during year	176,317	14,281	101,963	12,969
Capitalised exploration & evaluation expenditure written-off	230,757	-	117,832	-
Depreciation & amortisation	20,248	-	1,106	-
Foreign currency translation losses on cash assets	197,258	-	197,258	-

NOTE 4: INCOME TAX EXPENSE

The prima facie tax on the operating loss is reconciled to income tax expense as follows:

Prima facie tax payable/(benefit) on loss from ordinary activities before income tax at 30% (2008: 30%).	(450,391)	(130,365)	(277,101)	(110,089)
Adjust for tax effect of:				
Non-deductible amounts	54,537	36,219	54,537	36,219
Tax losses and temporary differences not brought to account	395,854	94,146	222,564	73,870
Income tax expense/(benefit) attributable to entity	-	-	-	-
Weighted average effective tax rate	0.00%	0.00%	0.00%	0.00%

The economic entity has unconfirmed carry forward losses of approximately $5,700,000 (2008: $1,420,000).

Deferred tax assets and liabilities not brought to account, the net benefit of which will only be realised if the conditions for deductibility set out in Note 1 occur.

Temporary differences (comprising exploration expenditure, provisions and other items)	(997,959)	(127,066)	(261,729)	(31,492)
Tax losses	1,724,550	426,963	823,566	311,112
Net unbooked deferred tax asset	726,591	299,897	561,837	279,620

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY

(a) The names of consolidated and parent entity key management personnel at any time during the financial year are:

James D. Calaway	Director - Non-Executive Chairman
Neil F. Stuart	Director - Executive
Richard P. Seville	Director - Executive
Paul A. Crawford	Director - Non-Executive
Dennis C. O'Neill	Director - Non-Executive
Jack Tan	Director - Non-Executive

Other than the directors the economic entity has no key management personnel.

(b) Key Management Personnel Compensation

Short-term employee benefits	425,703	354,639	425,703	356,739
Post-employment benefits	25,400	14,667	25,400	12,567
Other long-term benefits	-	-	-	-
Share-based payments	136,071	117,060	136,071	117,060
	587,174	486,366	587,174	486,366

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY (continued)

Detailed disclosures on compensation for key management personnel are set out in the Remuneration Report included in the Directors' Report.

(c) Number of shares held by key management personnel (i)

2009	No. Opening Balance	No. Compen-sation	No. Purchased / (Sold)	No. Balance 30 June 2009
James D. Calaway	-	-	7,650,000	7,650,000
Neil F. Stuart	3,424,885	-	428,111	3,852,996
Richard P. Seville	2,500,000	-	321,500	2,821,500
Paul A. Crawford	2,250,001	-	281,251	2,531,252
Dennis C. O'Neill	1,500,001	-	(60,000)	1,440,001
Jack Tan	2,000,000	-	250,000	2,250,000
Total	11,674,887	-	8,870,862	20,545,749

2008	Opening Balance	Compen-sation	Purchased / (Sold)	Balance 30 June 2008
James D. Calaway	-	-	-	-
Neil F. Stuart	2,974,885	-	450,000	3,424,885
Richard P. Seville	1,500,000	-	1,000,000	2,500,000
Paul A. Crawford	2,246,668	-	3,333	2,250,001
Dennis C. O'Neill	1,500,001	-	-	1,500,001
Jack Tan	2,000,000	-	-	2,000,000
Total	10,221,554	-	1,453,333	11,674,887

(i) Represents shares held directly or indirectly.

(d) Number of options held by Key Management Personnel (i)

2009	Opening Balance	Compen-sation	Purchased / (Sold)	Balance 30 June 2009
James D. Calaway	-	-	-	-
Neil F. Stuart	2,000,000	-	-	2,000,000
Richard P. Seville	2,000,000	-	-	2,000,000
Paul A. Crawford	1,000,000	-	-	1,000,000
Dennis C. O'Neill	1,000,000	-	-	1,000,000
Jack Tan	1,000,000	-	-	1,000,000
Total	7,000,000	-	-	7,000,000

2008	Opening Balance	Compen-sation	Purchased / (Sold)	Balance 30 June 2008
James D. Calaway	-	-	-	-
Neil F. Stuart	-	2,000,000	-	2,000,000
Richard P. Seville	-	2,000,000	-	2,000,000
Paul A. Crawford	-	1,000,000	-	1,000,000
Dennis C. O'Neill	-	1,000,000	-	1,000,000
Jack Tan	-	1,000,000	-	1,000,000
Total	-	7,000,000	-	7,000,000

(i) Represents options held directly or indirectly. All options have vested and are all exercisable.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION & EQUITY (continued)

(e) Compensation Options

Details of options provided as compensation for key management personnel are set out in the Remuneration Report included in the Directors' Report.

(f) Shares Issued on Exercise of Compensation Options

No shares were issued on the exercise of any compensation options during the reporting period.

NOTE 6: AUDITORS' REMUNERATION

Remuneration of the auditor of the entity for:				
- auditing or reviewing the financial report	18,200	20,025	18,200	20,025
- other services (due diligence)	11,350	6,850	11,350	6,850
	29,550	26,875	29,550	26,875

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	4,834,207	241,828	4,754,938	180,420
Short term deposits	2,090,000	5,000,000	2,090,000	5,000,000
	6,924,207	5,241,828	6,844,938	5,180,420

The effective interest rate on short term deposits was 3.8% (2008: 7.7%). Deposits have an average maturity of 85 days.

NOTE 8: TRADE AND OTHER RECEIVABLES

Current:				
Other receivables	47,765	110,975	41,091	77,051
	47,765	110,975	41,091	77,051
Non-current:				
Receivable from wholly owned controlled entity	-	-	2,610,914	603,478

Advances to controlled entity are unsecured, interest free and repayable on demand. The receivable is classified as non-current as the parent entity is unlikely to demand repayment in the next 12 months. This receivable is shown at cost as, in substance, it forms part of the parent entity's investment in the controlled entity, as the money has been provided to the subsidiary as an additional source of long term capital.

There are no balances within other receivables that are impaired and past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

Credit Risk — Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

NOTE 9: OTHER ASSETS

Current:				
Prepayments	47,305	6,977	2,043	6,977

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $

NOTE 10: FINANCIAL ASSETS

	2009 $	2008 $	2009 $	2008 $
Non-current - Available for sale financial assets				
Shares in Unlisted Controlled Entities	-	-	283,334	20,762

Shares in Controlled Entities

Orocobre SA, incorporated in Argentina. The parent entity holds 100% (2008: 100%) of the ordinary shares of the entity, carried at cost. The company was incorporated in November 2006 and undertakes exploration activity in Argentina.

South American Salar Minerals Pty Ltd, incorporated in Australia. The parent entity holds 38.24% (2008: nil) of the ordinary shares of the entity, carried at cost. The company was incorporated and acquired in November 2008 and undertakes exploration activity in Argentina. The company is treated as a subsidiary as the parent entity has the power to control the financial and operating policies so as to obtain benefits from its activities. The parent entity also holds options over a further 41.76% of South American Salar Minerals Pty Ltd, exercisable at any time up to March 2012 for A$1,433,439.

South American Salar Minerals SA, incorporated in Argentina. South American Salar Minerals Pty Ltd holds 100% (2008: nil) of the ordinary shares of the entity, carried at cost. The company was incorporated and acquired in December 2008 and undertakes exploration activity in Argentina.

NOTE 11: PLANT AND EQUIPMENT

	2009 $	2008 $	2009 $	2008 $
Plant and equipment				
At cost	97,391	38,105	4,941	-
Accumulated depreciation	(20,123)	-	(1,106)	-
Total plant and equipment	77,268	38,105	3,835	-
Reconciliation of the carrying amounts for property, plant and equipment is set out below:				
Balance at the beginning of year	38,105	-	-	-
Additions	69,732	38,503	4,941	-
Disposals	-	-	-	-
Depreciation expense	(20,248)	-	(1,106)	-
Foreign currency translation movement	(10,321)	(398)	-	-
Carrying amount at the end of year	77,268	38,105	3,835	-

NOTE 12: EXPLORATION AND EVALUATION ASSET

	2009 $	2008 $	2009 $	2008 $
Exploration and evaluation expenditure carried forward in respect of areas of interest are:				
Exploration and evaluation phase - at cost	3,419,127	853,077	1,303,219	467,256
Movement in exploration and evaluation asset:				
Opening balance - at cost	853,077	184,639	467,256	96,590
Capitalised exploration expenditure	3,282,514	689,248	1,055,758	370,666
Exploration expenditure written-off - prior years	(230,757)	-	(117,832)	-
Exploration expenditure written-off - current year	(176,317)	-	(101,963)	-
Foreign currency translation movement	(309,390)	(20,810)	-	-
Carrying amount at the end of year	3,419,127	853,077	1,303,219	467,256

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects or alternatively through the sale of the areas of interest.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

NOTE 13: TRADE AND OTHER PAYABLES

Current:				
Sundry payables and accrued expenses	153,191	73,404	106,328	46,612
Payable to director related entities	113,378	33,607	113,378	33,607
Total trade & other payables (unsecured)	266,569	107,011	219,706	80,219

NOTE 14: ISSUED CAPITAL

66,795,085 (2008: 52,119,187) Fully paid ordinary shares	12,055,613	6,695,577	12,055,613	6,695,577
Ordinary shares	**No.**	**No.**	**No.**	**No.**
Balance at the beginning of the reporting period	52,119,187	25,869,187	52,119,187	25,869,187
Shares issued during the year:				
Previous financial year	-	26,250,000	-	26,250,000
20 August 2008	46,000	-	46,000	-
20 August 2008	21,000	-	21,000	-
27 January 2009	165,000	-	165,000	-
18 May 2009	6,800,000	-	6,800,000	-
3 June 2009	250,000	-	250,000	-
30 June 2009	7,393,898	-	7,393,898	-
Balance at reporting date	66,795,085	52,119,187	66,795,085	52,119,187

On 20 August 2008, the company issued 46,000 shares at $0.35 each & 21,000 issued at $0.30 each as consideration for services acquired and exploration costs incurred.

On 27 January 2009, the company issued 165,000 shares at $0.23 each as part consideration for the option payment due on the Salar Olaroz project.

On 18 May 2009, the company issued 6,800,000 shares at $0.38 each as a placement to Lithium Investors LLC, a company associated with Mr James Calaway, a director of the Company.

On 3 June 2009, the company issued 250,000 shares at $0.375 each on exercise of employee options.

On 30 June 2009 the company issued 7,393,898 shares at $0.38 each pursuant to a prospectus in relation to a 1 for 8 non-renouncable rights issue.

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options		**No. of Options**	**No. of Options**	**No. of Options**	**No. of Options**
Unlisted Share Options		8,000,000	8,000,000	8,000,000	8,000,000
Balance at the beginning of the reporting period		8,000,000	-	8,000,000	-
Options issued during the previous financial year:	(a)	-	8,000,000	-	8,000,000
Options issued during the year:	(b)	1,025,000	-	1,025,000	-
Exercise of options during the year	(b)	(250,000)	-	(250,000)	-
Balance at reporting date		8,775,000	8,000,000	8,775,000	8,000,000

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

NOTE 14: ISSUED CAPITAL (continued)

(a) Issued for nil consideration, exercisable at $0.25 each, expiring 31 December 2010. Options are subject to restriction agreements, under which the options and potential shares cannot be sold or dealt with until 4 December 2009.

(b) Issued pursuant to the Company's Employee & Officer Share Option Plan for nil consideration, exercisable at $0.375 each, expiring 31 July 2011. 250,000 options were exercised and converted to ordinary shares of the parent entity on 3 June 2009.

Details of options granted during the year are as follows:

Number of options granted	1,025,000
Date of grant and vesting of options	20/08/08
Option expiry date	31/07/11
The fair value of share options, using a binomial option valuation model and assumptions for the year ended 30 June 2009:	
Fair value at grant date	9.5 cents
Share price	25.5 cents
Exercise price	37.5 cents
Expected volatility (based on comparative organisations)	66.69%
Option life	2.95 years
Expected dividends	nil
Risk-free interest rate	5.75%

The amount expensed during the period in relation to all options is $181,327 (2008: $182,460). This amount has been credited to the Option Reserve. See note 20 for other details on these compensation options.

Capital Management

Exploration companies such as Orocobre are funded exclusively by share capital. There is no debt. The group's capital comprises its share capital supported by financial assets.

Management controls the capital of the group to ensure that it can fund its operations and continue as a going concern. Capital management policy is to fund its exploration activities by way of equity. No dividend will be paid while the group is in exploration stage. There are no externally imposed capital requirements. There have been no changes to the capital management policy since the prior year.

NOTE 15: RESERVES

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Options reserve

The options reserve records amounts recognised as expenses on valuation of share options granted to directors and others for services provided. When options are exercised, the relevant valuation applicable to those options is transferred from the Option Reserve to Share Capital.

NOTE 16: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Loss after Income Tax:

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Loss from ordinary activities after income tax	(1,501,302)	(434,550)	(923,670)	(366,963)
Non-cash flows in loss from ordinary activities:				
Options expense	181,327	117,060	181,327	117,060
Share based payments	22,400	-	22,400	-
Depreciation	20,248	-	1,106	-
Write-off of exploration & evaluation expenditure	230,757	-	117,832	-
Changes in operating assets and liabilities:				
(Increase)/Decrease in receivables	59,705	(96,832)	35,960	(61,913)
(Decrease)/Increase in payables	165,965	(4,676)	139,487	(29,880)
(Increase)/Decrease in prepayments	(50,502)	8,591	4,934	8,587
Cash flows from operations	(871,402)	(410,407)	(420,624)	(333,109)

Non-cash Financing and Investing Activities

Share Issues:

During the year, 165,000 shares were issued, representing $37,950 in part settlement of option payments due under the Salar Olaroz acquisition agreement.

During the year, 67,000 shares were issued, representing $22,400 for services provided to the group or to be provided by a number of consultants in Argentina.

Mineral Tenement Acquisition:

During the year the consolidated group acquired an interest in a mineral tenement in Argentina for $424,000 (2008: nil) through the issue of shares in South American Salar Minerals Pty Ltd. This acquisition is not reflected in the cash flow statement.

NOTE 17 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

Transactions with Key Management Personnel

Key Management Personnel compensation and equity interests are detailed in Note 5.

During the year, the parent entity engaged Cambridge Business & Corporate Services, an entity controlled by Mr Crawford, a director of the parent entity, to provide accounting, company secretarial, and other services to the parent entity. Professional fees for the provision of these services for the year totalled $62,200 (2008: $ 46,000). At balance date an amount of $9,900 (2008: $16,600) was owing.

During the year, the parent entity engaged Australian Geoscientists Pty Ltd, an entity controlled by Mr Stuart, a director of the parent entity, to provide geological consulting services to the parent entity. At balance date an amount of $7,666 was owing (2008: nil). These services are shown as remuneration in note 5.

During the year, the parent entity engaged Richard Seville & Associates Pty Ltd, an entity controlled by Mr Seville, a director of the parent entity, to provide technical services to the parent entity. At balance date an amount of $70,230 (2008: $17,007) was owing. These services are shown as remuneration in note 5.

During the year, the parent entity engaged Lithium Investors LLC, an entity associated with Mr Calaway, a director of the parent entity, to provide technical services to the parent entity. Professional fees for the provision of these services for the year totalled $35,460 (2008: nil). At balance date an amount of $25,581 (2008: nil) was owing.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

NOTE 17 RELATED PARTY TRANSACTIONS (continued)

Other related parties

During the year, the company was party to a tenancy agreement with DiamonEx Limited, a company of which Messrs Paul Crawford and Dennis O'Neill, directors of the company, are also directors. A total of $25,000 (2008: $15,000) was paid under this agreement .

The parent entity's shareholding in the controlled entities is detailed in note 10. Finance provided to the controlled entities is detailed in note 8.

NOTE 18: COMMITMENTS

Exploration Commitments

The economic entity must meet minimum expenditure commitments in relation to option agreements over exploration tenements and to maintain those tenements in good standing.

The following commitments exist at balance date but have not been brought to account. If the relevant mineral tenement is relinquished the expenditure commitment also ceases.

	Economic Entity 2009 $	Economic Entity 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Not later than 1 year	273,452	416,450	273,452	416,450
Later than 1 year but not later than 5 years	1,955,472	1,327,434	1,955,472	1,327,434
Total commitment	2,228,924	1,743,884	2,228,924	1,743,884

Other Commitments

The parent entity has entered into a corporate advisory agreement with Patersons Securities Limited. At balance date commitments of $60,000 exist in relation to this agreement, payable not later than one year.

NOTE 19: EARNINGS PER SHARE

	2009	2008
Net loss used in the calculation of basic and dilutive EPS	1,485,987	434,550
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	53,066,031	41,804,979
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	53,066,031	41,804,979

Options to acquire ordinary shares in the parent entity are the only securities considered as potential ordinary shares in determination of diluted EPS. Options issued in the current year are not presently dilutive and have been excluded from the calculation of diluted EPS.

NOTE 20: SHARE BASED PAYMENTS

(a) Options

The parent entity had 8,000,000 share options on issue at the start of the year, being options issued during the 2008 financial year. 1,000,000 options were granted for IPO services rendered with an exercise price $0.25 expiring December 2010. 7,000,000 options were granted to directors of the company, on shareholder approval, with an exercise price $0.25 expiring December 2010.

During the year 1,025,000 share options were granted pursuant to the company's Employee & Officer Share Option Plan for nil consideration. Options are exercisable at $0.375 each and expire on 31 July 2011.

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$

NOTE 20: SHARE BASED PAYMENTS (continued)

All options granted are over ordinary shares, which confer a right of one ordinary share per option. The options hold no voting or dividend rights.

	2009		2008	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	No	$	No	$
Outstanding at the beginning of the year	8,000,000	0.250	-	-
Granted	1,025,000	0.375	8,000,000	0.25
Forfeited	-	-	-	-
Exercised	(250,000)	0.375	-	-
Expired	-	-	-	-
Outstanding at year-end	8,775,000	0.261	8,000,000	0.25
Exercisable at year-end	8,775,000	0.261	8,000,000	0.25

At the date of exercise, the weighted average share price was $0.685. The options outstanding at 30 June 2008 had a weighted average exercise price of $0.261 and a weighted average remaining contractual life of 1.5 years. Refer note 14 regarding assessment of fair value of options granted.

Included under employee benefits expense in the income statement is $181,327 (2007: $117,060) and relates to equity-settled share-based payment transactions of directors and eligible participants of the company's Employee & Officer Share Option Plan.

(b) Shares

232,000 shares were issued during the year as share based payments for services acquired and exploration costs incurred (see note 14). The weighted average value of these shares, determined by reference to market price was $0.26.

An amount of $37,950 (2008: nil) has been included in capitalised exploration expenditure and an amount of $22,400 (2008: nil) has been included in the loss for the year, in relation to the above share based payments.

NOTE 21: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The group's financial instruments comprise deposits with banks, accounts receivable and payable, and for the parent entity, loans to subsidiaries.

The main purpose of these financial instruments is to provide finance for group operations.

Treasury Risk Management

A finance committee consisting of key management of the group meet on a regular basis to analyse exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the Board.

Financial Risks

The main risks the economic entity is exposed to through its financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. These risks are managed through monitoring of forecast cashflows, interest rates, economic conditions and ensuring adequate funds are available.

NOTE 21: FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

The group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates arises in relation to the group's bank balances.

This risk is managed through the use of variable rate term deposits.

Liquidity Risk

Liquidity risk is the risk that the group will not be able meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity to meet liabilities when due, without incurring unacceptable losses or risking damage to the group's reputation.

The group's activities are funded from equity sources.

Financial instrument composition and maturity analysis:

	Economic Entity		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Financial assets:				
Within 6 months				
- cash & cash equivalents (a)	6,924,207	5,241,828	6,844,938	5,180,420
- receivables (b)	47,765	110,975	41,091	77,051
	6,971,972	5,352,803	6,886,029	5,257,471
Over 5 years				
- receivables (b)	-	-	2,610,914	603,478
Total	6,971,972	5,352,803	9,496,943	5,860,949
Financial liabilities:				
Within 6 months				
- payables	266,569	107,011	219,706	80,219

(a) Floating interest rates, with weighted average effective interest rate 3.8% (2008: 7.2%).

(b) Non-interest bearing.

Foreign Currency Risk

The group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the group's measurement currency and the provision of funding to offshore controlled entities.

Credit Risk

Credit risk is managed and reviewed regularly by the finance committee. It arises from exposures to certain financial instruments and deposits with financial institutions. The finance committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties. Only banks and financial institutions with an ‘A’ rating are utilised.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

In respect of the company, credit risk also incorporates the exposure to the amount receivable from its subsidiaries.

The group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the group.

NOTE 21: FINANCIAL INSTRUMENTS (continued)

(b) Net Fair Values

No financial assets or liabilities are readily traded on organised markets in a standardised form.

Financial assets where the carrying amount exceeds net fair values have not been written down, as the group intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and notes to the financial statements. Fair values are materially in line with carrying values.

(c) Sensitivity Analysis

The group has performed sensitivity analysis relating to its exposure to interest rate risk. At year end, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant would be +/- $69,242 (2008: $52,418).

In respect of the company, the effect on profit and equity as a result of a 1% change in the interest rate, with all other variables remaining constant would be +/- $68,449 (2008: $52,804).

The group has performed sensitivity analysis relating to its exposure to foreign exchange risk. At year end, the effect on profit and equity as a result of a 10% change in the Argentine Peso, with all other variables remaining constant would be +/-$10,997 (2008: $8,930).

This exposure arises from Argentine Peso bank accounts and receivables, offset by payables. Net exposure is ARS336,909 (2008: ARS259,297). The company's exposure is minimal.

The group and company have performed sensitivity analysis relating to its exposure to foreign exchange risk. At year end, the effect on profit and equity as a result of a 10% change in the United States Dollar, with all other variables remaining constant would be +/-$231,943 (2008: nil).

This exposure arises from a United States Dollar bank account. Net exposure is US$1,866,053 (2008: nil).

NOTE 22: SEGMENT REPORTING

The group operates internationally, in the mineral exploration industry. The exploration focus is on Argentina.

Primary Reporting: Geographical Segments

	Australia		Argentina		Economic Entity	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
REVENUE	**$**	**$**	**$**	**$**	**$**	**$**
Interest	229,928	219,054	-	-	229,928	219,054
Total revenue	229,928	219,054	-	-	229,928	219,054
RESULT						
Segment result	(703,875)	(353,994)	(797,427)	(80,556)	(1,501,302)	(434,550)
Loss before income tax expense					(1,501,302)	(434,550)
Income tax expense					-	-
Loss after income tax expense					(1,501,302)	(434,550)
ASSETS						
Segment assets	6,871,145	5,264,448	3,644,527	986,514	10,515,672	6,250,962
LIABILITIES						
Segment liabilities	219,706	80,219	46,863	26,792	266,569	107,011

NOTE 22: SEGMENT REPORTING (continued)

OTHER

Acquisitions of non-current Segment assets	4,941	-	2,600,272	706,543	2,605,213	706,543
Depreciation & amortisation of Segment assets	1,106	-	19,142	-	20,248	-
Other non-cash Segment expenses	203,728	182,460	230,757	-	434,485	182,460

Secondary Reporting: Business Segments

	Segment Revenues from External Customers		Carrying Amount of Segment Assets		Acquisition of Non-Current Segment Assets	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Business Segments	**$**	**$**	**$**	**$**	**$**	**$**
Mineral Exploration	229,928	219,054	10,515,672	6,250,962	2,605,213	706,543

Segment accounting policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

There are no intersegment transfers.

NOTE 23: SUBSEQUENT EVENTS

On 11 May 2009, the parent entity announced its intention to undertake a restructuring of the group, with the objective of achieving maximum value of group assets for shareholders. Work has commenced with the incorporation of Element Minerals Limted, which will hold the company's demerged assets. with a view to undertaking a public offer capital raising and separate listing on the ASX before the end of the calendar year. Existing shareholders will benefit by being shareholders in the new company through a planned return of capital via an in-specie distribution.

The value of exploration assets carried on the balance sheet at 30 June 2009, potentially subject to de-merger is $846,000.

NOTE 24: COMPANY DETAILS

The registered office and principal place of business is:

Level 1
349 Coronation Drive
Milton Queensland 4061
Australia

HayesKnight Audit
chartered accountants

Hayes Knight Audit (Qld) Pty Ltd
ABN 49 115 261 722
Level 19, 127 Creek Street,
Brisbane, Qld. 4000
GPO Box 1189,
Brisbane, Qld. 4001.

T +61 7 3229 2022 F +61 7 3229 3277
E email@hayesknightqld.com.au
www.hayesknight.com.au

Registered Audit Company 299289

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OROCOBRE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Orocobre Limited (the company) and Orocobre Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Orocobre Limited as attached to the directors' report, has not changed as at the date of this auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OROCOBRE LIMITED (continued)

Auditor's Opinion

In our opinion:

a. the financial report of Orocobre Limited and Orocobre Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Orocobre Limited for the year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001.*

Hayes Knight Audit (Qld) Pty Ltd

Hayes Knight Audit (Qld) Pty Ltd

Nigel Bamford

ND Bamford
Director

Level 19, 127 Creek Street,
Brisbane, QLD, 4000
Date: 26 August 2009

OROCOBRE LIMITED

ABN 31 112 589 910

ASX INFORMATION

Following is additional information required by the Australian Securities Exchange Limited and not disclosed elsewhere in this report.

1. Shareholding:

The following information is provided as at 15 September 2009.

Distribution of Shareholders Number

Category Number (Size of Holding)	Number of Holders
1 - 1,000	57
1,001 - 5,000	166
5,001 - 10,000	115
10,001 - 100,000	253
100,001 - and over	90
	681

The number of shareholdings held in less than marketable parcels is 10.

Twenty Largest Holders - Ordinary Shares

		Number of Shares Held	% of Total Issued Capital
1	Lithium Investors Llc	7,650,000	11.453
2	ANZ Nominees Limited <Cash Income A/C>	4,935,388	7.389
3	HSBC Custody Nominees (Australia) Limited-Gsco Eca	4,034,368	6.040
4	Dennis Grenville Hinton & Mrs Roslyn Susanna Hinton	2,643,750	3.958
5	Fairground Pty Ltd	2,643,750	3.958
6	Kuratyn Pty Ltd <Crawford Family A/C>	2,060,000	3.084
7	Richard Seville & Associates Pty Ltd <The Seville Super Fund A/C>	1,681,500	2.517
8	Mr Robert Bruce Woodland & Mrs Erika Woodland <R Woodland Exhibit S/F A/C>	1,632,375	2.444
9	EM Enterprises Qld Pty Ltd<Sherwood Super Fund A/C.	1,440,000	2.156
10	Mr John Gordon Park & Mrs Shirley Patricia Park <Park Super Fund A/C>	1,316,250	1.971
11	Solar Mate Pty Ltd <SFN Family A/C>	1,237,500	1.853
12	UBS Nominees Pty Ltd	1,200,000	1.797
13	Richard Seville & Associates Pty Ltd <The Seville Super Fund A/C>	1,140,000	1.707
14	Coin Equities Pty Ltd	1,125,000	1.684
15	Swee Kean Heang	1,125,000	1.684
16	Mr Richard Geoffrey Austin & Mrs Pamela Margaret Austin <Austin Super Fund A/C>	953,529	1.428
17	Mr John Gordon Park	783,750	1.173
18	Mr John Michael Moore <The Mike Moore S/F A/C>	757,500	1.134
19	R R Lawson & Co Pty Ltd <Lawson Super Fund A/C>	742,000	1.111
20	Mr Neil Francis Stuart	702,996	1.052
		39,804,656	59.592

OROCOBRE LIMITED

ABN 31 112 589 910

ASX INFORMATION

Unlisted Equity Securities:

The following unlisted securities were on issue as 15 September 2009.

Security	Number	No. of Holders
Options exercisable at 25 cents on or before 31 December 2010	8,000,000	6
Options exercisable at 37.5 cents on or before 31 July 2011	775,000	6

Following are substantial shareholders listed in the company's register on 15 September 2009.

Shareholder	Number of Shares Held	Percentage of Issued Capital
Lithium Investors Llc	7,650,000	11.453

Voting Rights:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands.

There are no voting rights attaching to the Options, but voting rights as detailed above will attach to the ordinary shares issued when the Options are exercised.

2. Registers of securities are held at the following address:

Registries Limited
Level 2
28 Margaret Street
Sydney NSW 2000 Australia

3. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited, other than those classified as restricted securities and detailed below.

4. Restricted Securities

The company has issued the following restricted securities:

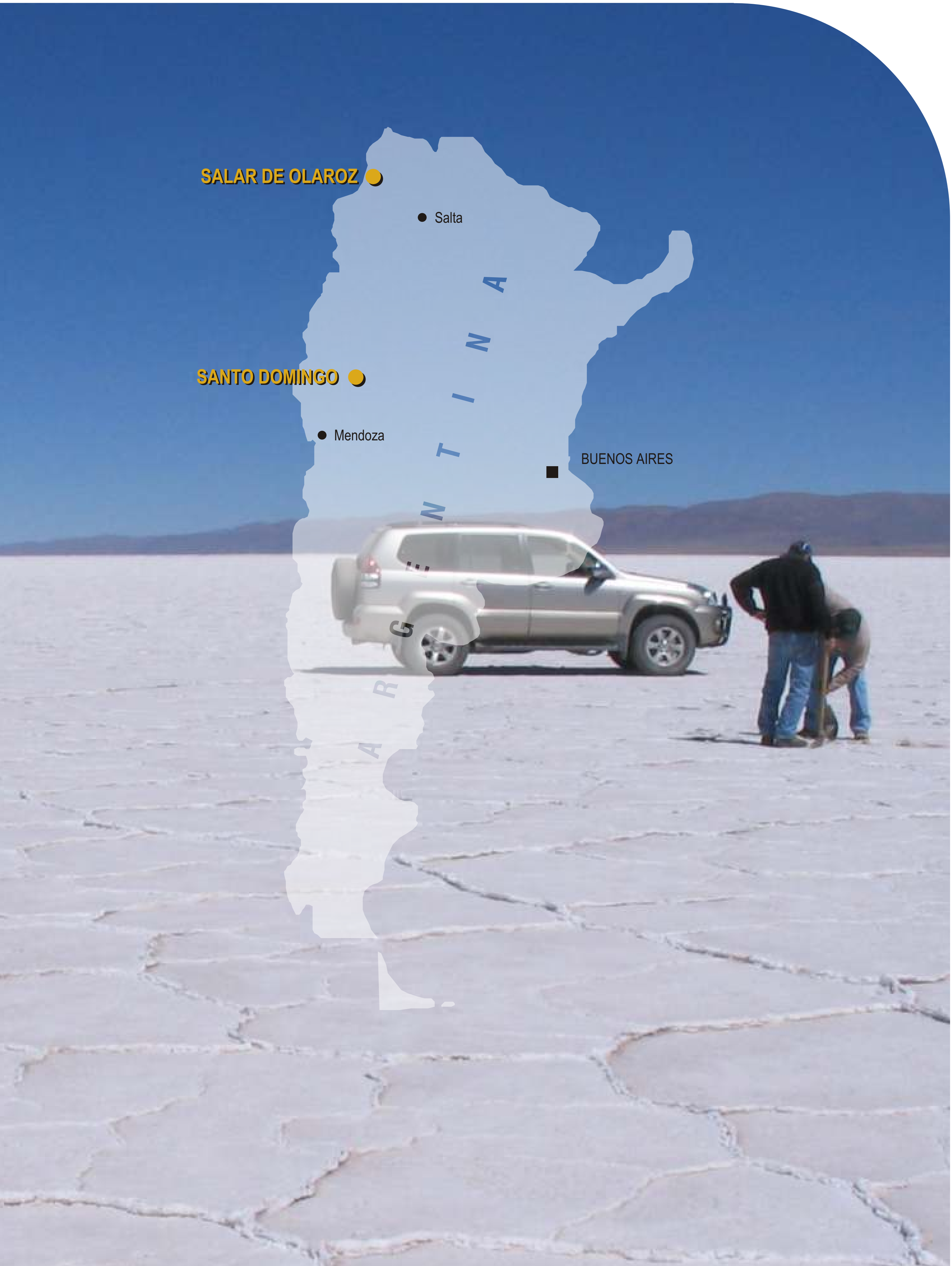
Security	Number of Restricted Securities	Date of Cessation of Restriction
Ordinary Shares	9,648,379	4 December 2009
Unlisted Options	8,000,000	4 December 2009

5. Use of Cash and Convertible assets

During the period from admission to the official list of the Australian Stock Exchange to 30 June 2009, the company has used cash and assets readily convertible to cash in a manner consistent with its business activities. The company is involved in mineral exploration in Argentina.

6. Schedule of Tenements

Tenement Name	Tenement Number	Area Hectares	Orocobre Interest	Loaction of Tenements
Salar Olaroz	943-R-2008	564	Nil - earning	Argentina
	944-R-2008	432	Nil - earning	Argentina
	945-R-2008	564	Nil - earning	Argentina
	946-R-2008	400	Nil - earning	Argentina
	947-R-2008	2,988	Nil - earning	Argentina
	963 R 2008	1,195	Nil - earning	Argentina
	964 R 2008	800	Nil - earning	Argentina
	1134 R 2009	396	Nil - earning	Argentina
	1135 R 2009	1,171	Nil - earning	Argentina
	1136 R 2009	1,199	Nil - earning	Argentina
	1137 R 2009	1,200	Nil - earning	Argentina
Santo Domingo	1124-265-G-08	2,616	Nil - earning	Argentina
	070-G-07	500	Nil - earning	Argentina
	1124-368-G-06	2,158	Nil - earning	Argentina
	549-G-07	2,483	Nil - earning	Argentina
	494-G-07	900	Nil - earning	Argentina
	495-G-07	1,338	Nil - earning	Argentina
	496-G-07	900	Nil - earning	Argentina
	497-G-07	900	Nil - earning	Argentina
	498-G-07	901	Nil - earning	Argentina
	499-G-07	900	Nil - earning	Argentina
	500-G-07	900	Nil - earning	Argentina
	472-G-08	2,889	Nil - earning	Argentina
	407-G-08	3,750	Nil - earning	Argentina
	408-G-08	1,484	Nil - earning	Argentina
	409-G-08	5,220	Nil - earning	Argentina
	1124-385-G-06	4,995	Nil - earning	Argentina
	1124-367-G-06	1,941	Nil - earning	Argentina
	414-765-R-04	497	Nil - earning	Argentina
	414-1213-R-05	511	Nil - earning	Argentina
	1124-0144-G-06	1,458	Nil - earning	Argentina
	414-1336-R-05	500	Nil - earning	Argentina
	1124-336-G-08	1,290	Nil - earning	Argentina
	1124-131-O-09	4,954	Nil - earning	Argentina
	1124-132-O-09	9,203	Nil - earning	Argentina
	493-G-07	497	Nil - earning	Argentina
	1124-133-2009	1,458	Nil - earning	Argentina
	1124-94-2009	511	Nil - earning	Argentina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Salta
SANTO DOMINGO
Mendoza
BUENOS AIRES
ARGENTINA

OROCOBRE
LIMITED