

1 July 2013

ASX / TSX ANNOUNCEMENT

Orocobre Announces Borax Plant Relocation

Orocobre Limited (ORE:ASX, ORL:TSX) (“Orocobre” or “the Company”) wishes to advise of a significant advance at its 100% subsidiary Borax Argentina with the decision to relocate the borax chemical plant from its current location in Campo Quijano (close to the city of Salta) to the Tincalayu mine site. The Borax Argentina chemical plant produces borax decahydrate, borax pentahydrate and anhydrous borax.

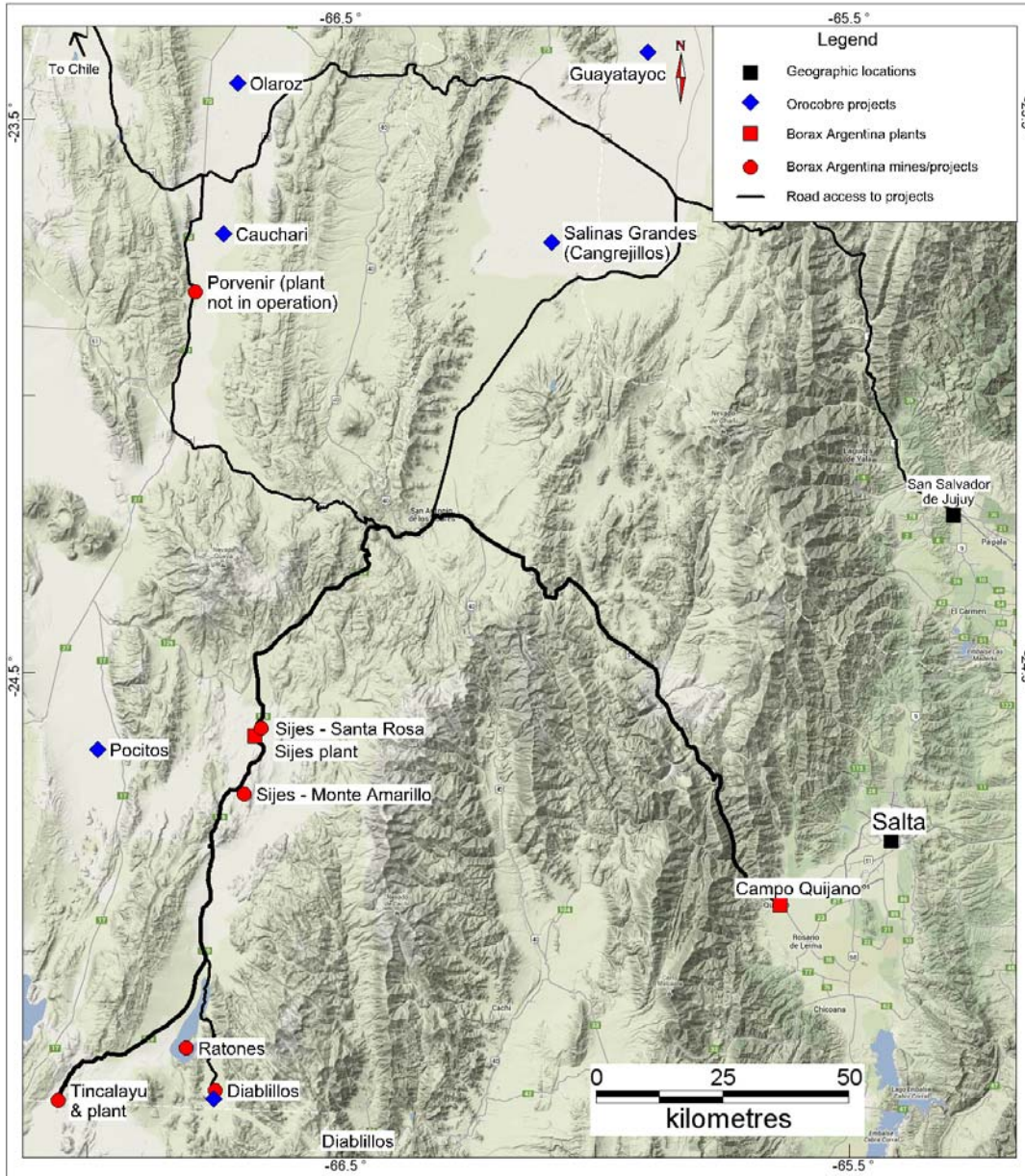


TINCALAYU 20 ABR 13

The relocation of the borax plant to the Tincalayu mine site will have significant benefits through both the reduction of operating unit costs and also increasing overall mineral recovery from the mine. Currently, run-of-mine ore at 17% B₂O₃ is concentrated at Tincalayu using dry magnetic separation to produce a 21% grade which is then transported the 350 kms from Tincalayu to Campo Quijano for production of borax chemicals. Recovery through the dry magnetic separation plant is only approximately 60%. In the future, when the borax plant is at the Tincalayu mine site, the borax plant will treat run-of-mine ore without the use of the magnetic separation plant. This will result in:

- no loss of mineral content prior to the borax plant as there will be no concentration stage
- removal of the operating costs of the dry magnetic separation concentration stage
- improvement in the freight cost profile by cartage of finished products with grades between 37% and 49% B₂O₃ as opposed to a 21% grade concentrate.

The total capital budget for the project is AR\$30m (US\$5.6m) which is being funded within Argentina as explained below.



FINANCE

The total capital budget of the relocation and plant modifications is AR\$30m (US\$5.6m*). Of this, the company has received project finance from HSBC for AR\$18m (US\$3.4m*). Borax Argentina will provide AR\$12m (US\$2.2m*) in the form of its existing equipment, materials and labour currently employed in the Borax operations. The loan will be repayable over 4 years and has an interest rate of 15.25% p.a.

The interest rate applicable to the loan is less than current market rates in Argentina due to a government directive as documented in the Central Bank publication "*Banco Central de la Republica Argentina Communication "A" 5380*" dated 21/12/2012, which established a scheme to ensure funds are available to be loaned to local businesses for expansion and improvement projects at reduced interest rates.

It is worthwhile to note that all customer sales contracts for the Borax Argentina business are denominated in US\$ and that the AR\$ has been devaluing against the US\$. Over 2012, the devaluation was 14.1% and over the first six months of 2012, devaluation has been 9.5% (19% pa).

The completion date for the project is forecast to be before the end of June 2014. Preparations have already commenced with some preliminary site work being done at the Tincalayu mine and the planning and commencement of an inventory build to allow for stock cover at critical points in the relocation program.

The Company considers this project an exciting development which will position the Borax Argentina business well for the future.



(* at current exchange rates)

Managing Director, Richard Seville, said. “We are very pleased with this project. This initiative has been driven by the management team of Borax Argentina and they deserve credit for making this “step change” so quickly after Orocobre purchased the company. The move will have significant benefits to the operation in terms of unit costs and mineral recovery. We see this as the first of a number of initiatives for the coming years.”

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About Orocobre Limited

Orocobre Limited is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE, TSX:ORL), and is building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company is building in partnership with Toyota Tsusho Corporation the first large-scale, “greenfield” brine based lithium project in 20 years at its flagship Salar de Olaroz resource, with projected production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate scheduled to commence in Q2 2014. The Company also wholly-owns Borax Argentina, an important regional borate producer. Orocobre has recently been included in the S&P/ASX 300 Index and was named 2012 Mining Company of the Year by Argentine mining magazine Panorama Minero and the Fundacion para el desarrollo de le Minería Argentina (“Fundamin” or Foundation for Development of Argentina Mining). For further information, please visit www.orocobre.com

Caution Regarding Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information contained in this release may include, but is not limited to, the relocation of the Borax Argentina refining plant and the timing thereof including forecast completion date, the provision of finance by HSBC for the relocation of the Borax Argentina refining plant, the cost of the relocation project, the impact on the cost per unit of production and the comparison of such expected costs to global operating costs.

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; the risk that the conditions precedent to draw down the project financing with HSBC will not be met; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and

processing of mineral resources; risks associated with weather patterns and impact on production rate; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones on the Borax Argentina refining plant relocation project; general risks associated with the feasibility and development of the Borax Argentina plant relocation; as well as those factors disclosed in the Company's Annual Information Form for the year ended June 30, 2012 filed at www.sedar.com.

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