

07 May 2013

**ASX / TSX ANNOUNCEMENT**

**Orocobre Finance Update**

Orocobre Limited (ORE:ASX, ORL:TSX) (“Orocobre” or “the Company”) provides an update of the equity finance contributions for its Olaroz Project and additional information on the recently released Quarterly Cashflow Report.

**Finance for Olaroz Lithium Project**

**Equity Contributions**

Both Orocobre and Toyota Tsusho Corporation (TTC) completed their equity contributions to the Singapore joint venture vehicle, Sales de Jujuy Pte Ltd on 1 February 2013. The equity contributions totaled a combined US\$75.8m, US\$26.92 m by Orocobre and US\$48.88m by TTC.

**Cash held by Singapore Joint Venture**

Currently, Sales de Jujuy Pte Ltd holds US\$30.27m pending receipt of cash calls from Sales De Jujuy SA (Argentina). Shares in SDJ Pte Ltd are held by Orocobre as to 72.68% and TTC as to 27.32%.

**Loan Financing**

Mizuho Bank has provided a US\$192m project loan facility to Sales de Jujuy SA. To date no funds have yet been drawn down on the finance.

**Loan Agreement with JEMSE**

Under the terms of Orocobre’s agreement with Jujuy Energia y Minera Sociedad del Estado (JEMSE), Orocobre is to provide a total of US\$7.04m in loans to JEMSE so it can meet its funding commitments for its 8.5% interest in the Olaroz project. To date Orocobre has advanced US\$4.24m to JEMSE.

The final US\$2.8m of this loan is expected to be provided by Orocobre to JEMSE in the current quarter. Funds advanced to JEMSE are treated as loans pursuant to the agreements entered into between the Company and JEMSE and will be repaid to Orocobre from dividends received by JEMSE from the Olaroz operations.

## **Cash Flow Report**

The Quarterly Cashflow Report for the Company released on 30 April 2013 detailed anticipated cash outflows in the April-June quarter of A\$9m. This figure has been reported on as a gross outflow basis. There is no provision within the Appendix 5B for cash inflows and any potential cash inflows have not been accounted for in this figure.

As detailed in the Quarterly Cashflow Report, the final fund transfer of A\$2.8m from Orocobre to Sales de Jujuy SA is expected to occur in the Apr-Jun 2013 quarter.

## **Olaroz Lithium Project**

The Olaroz lithium project is being developed by Orocobre (66.5%) with its partners Toyota Tsusho Corporation (“TTC”) (25%) and the Jujuy Province mining and energy company, JEMSE (8.5%) with a construction budget of US\$229m including contingency. The project is fully funded with up to US\$275m of funding available via US\$82.8m of equity funding from TTC and Orocobre and US\$192m of project finance from Mizuho Corporate Bank. First production is scheduled for the end of the second quarter, 2014.

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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 la Minería Argentina (“Fundamin” or Foundation for Development of Argentina Mining). For further information, please visit [www.orocobre.com](http://www.orocobre.com)

**Caution Regarding Forward-Looking Information**

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

*Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; the risk that the conditions precedent to draw down the project financing with Mizuho Corporate Bank 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; risks associated with construction and development of the Olaroz Project; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project; general risks associated with the feasibility and development of the Olaroz Project; 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](http://www.sedar.com).*

*The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the timely receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the prices of lithium and potash; 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.*