

28 March 2017

## **ASX / TSX ANNOUNCEMENT**

### **Completion of sale of Exploration Assets to Advantage Lithium**

**Orocobre Limited** (the **Company** or **Orocobre**) (**ASX:ORE TSX:ORL**) is pleased to announce that further to its releases of November 23, 2016 the Company has completed the sale of a suite of exploration assets to Advantage Lithium Corp (**TSV:AAL**).

The completion of the sale follows the successful closing of a CAD20 million capital raising via subscription receipts undertaken by Advantage Lithium and the satisfaction of all other conditions in the transaction documentation. These funds have now been released, leaving Advantage Lithium well funded with approximately CAD23 million.

Following the completion of the transaction Orocobre Limited will hold 46,325,000 (35%) of the issued shares of Advantage Lithium and will also hold 2,550,000 warrants exercisable at CAD1. Orocobre Limited did not participate in the capital raising. Pursuant to the terms of the transaction agreements, Orocobre has retained a 42.5% interest and a 1% gross royalty in the Cauchari Project. Advantage Lithium has the right to increase its interest to a total of 75% by the expenditure of USD5 million and will commence a drilling programme at Cauchari in late April. Upon the closing of the sale, Richard Seville and Rick Anthon from Orocobre Limited were appointed to the board of Advantage Lithium.

Drilling on the Cauchari Project is due to start in the coming quarter following recent approval of the project's exploration Environmental Impact Study (EIS).

Managing Director Richard Seville stated, "We are very pleased to have completed this transaction and look forward to a successful partnership with a well funded partner in Advantage Lithium. It is a real positive that the Cauchari Joint Venture and other projects we have sold to Advantage Lithium will be rapidly advanced whilst we maintain our focus on achieving our Stage 1 production goals at the Olaroz Lithium Facility and subsequent growth opportunities."

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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 chemicals and minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company has built, in partnership with Toyota Tsusho Corporation and JEMSE, the first large-scale, greenfield brine based lithium project in approximately 20 years at the Salar de Olaroz with planned production of 17,500 tonnes per annum of low-cost lithium carbonate.

The Olaroz Lithium Facility has a low environmental footprint because of the following aspects of the process:

- The process is designed to have a high processing recovery of lithium. With its low unit costs, the process will result in low cut-off grades, which will maximise resource recovery.
- The process route is designed with a zero liquid discharge design. All waste products are stored in permanent impoundments (the lined evaporation ponds). At the end of the project life the ponds will be capped and returned to a similar profile following soil placement and planting of original vegetation types.
- Brine is extracted from wells with minimum impact on freshwater resources outside the salar. Because the lithium is in sedimentary aquifers with relatively low permeability, drawdowns are limited to the salar itself. This is different from halite hosted deposits such as Salar de Atacama, Salar de Hombre Muerto and Salar de Rincon where the halite bodies have very high near surface permeability and the drawdown cones can impact on water resources around the Salar affecting the local environment.
- Energy used to concentrate the lithium in the brine is solar energy. The carbon footprint is lower than other processes.
- The technology developed has a very low maximum fresh water consumption of <20 l/s, which is low by industry standards.
- Sales de Jujuy S.A. is also committed to the ten principles of the sustainable development framework as developed by The International Council on Mining and Metals. The company has an active and well-funded "Shared Value" program aimed at the long term development of the local people.

The Company continues to follow the community and shared value policy to successfully work with suppliers and the employment bureau to focus on the hiring of local people from the communities of Olaroz, Huancar, Puesto Sey, Pastos Chicos, Catua, Susques, Jama, El Toro, Coranzulí, San Juan and Abrapampa. The project implementation is through EPCM (Engineering, Procurement and Construction Management) with a high proportion of local involvement through construction and supply contracts and local employment. The community and shared value policy continues to be a key success factor, training local people under the supervision of high quality experienced professionals.

**The Company also wholly-owns Borax Argentina, an important regional borate producer.**

**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 may include, but is not limited to, the completion of commissioning, the commencement of commercial production and ramp up of the Olaroz Lithium Facility and the timing thereof, the cost of construction relative to the estimated capital cost of the Olaroz Lithium Facility, the meeting of banking covenants contained in project finance documentation, the design production rate for lithium carbonate at the Olaroz Lithium Facility, the expected brine cost and grade at the Olaroz Lithium Facility, the expected operating costs at the Olaroz Lithium Facility and the comparison of such expected costs to expected global operating costs, the estimation and conversion of exploration targets to resources at the Olaroz Lithium Facility, the viability, recoverability and processing of such resources, the potential for an expansion at the Olaroz Lithium Facility, the capital cost of an expansion at the Olaroz Lithium Facility; the future performance of the relocated borax plant and boric acid plant, including without limitation the plants estimated production rates, financial data, the estimates of mineral resources or mineralisation grade at Borax Argentina mines, the economic viability of such mineral resources or mineralisation, mine life and operating costs at Borax Argentina mines, the projected production rates associated with the borax plant and boric acid plant, the market price of borate products whether stated or implied, demand for borate products and other information and trends relating to the borate market, taxes including recoveries of IVA, royalty and duty rate and the ongoing working relationship between Orocobre and the Province of Jujuy, TTC and Mizuho Bank.

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices and market demand for product; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; risks associated with commissioning and ramp up of the Olaroz Lithium Facility to full capacity; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Lithium Facility; general risks associated with the further development of the Olaroz Lithium Facility; general risks associated with the operation of the borax plant or boric acid plant; a decrease in the price for borates resulting from, among other things, decreased demand or an increased supply of borates or substitutes, as well as those factors disclosed in the Company’s Annual Report for the year ended June 30, 2016 filed at [www.sedar.com](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, potash and borates; market demand for products and the ability of the Company to operate in a safe, efficient and effective manner. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.