

5 September 2013

ASX / TSX ANNOUNCEMENT

August Update - first brine production at the Olaroz Lithium Project

Orocobre Limited (ORE:ASX, ORL:TSX) (“Orocobre” or “the Company”) is pleased to announce the commissioning of the first production wells and the commencement of the filling of the first evaporation pond at the Olaroz lithium project.



Jose de Castro (Country Manager – Argentina) pictured with the first flow of brine into evaporation pond 4B.

The first pumping and filling of evaporation pond 4B occurred at the beginning of August to coincide with the local customary celebration of Pachamama (Mother Earth). This was four weeks earlier than scheduled. Additional bores have been commissioned and pumping has been increased to 30% of design rate and is scheduled to achieve the full rate by November.

The filling of evaporation pond 4B is significant for a number of reasons. Firstly, the commencement of the brine filling is ahead of schedule. Secondly, this effectively signals the beginning of the first step in the process of manufacture of lithium carbonate. Finally, it signals the end of a period where there were a high number of concurrent activities in progress and also where we reached the peak headcount on site.

The project continues to proceed on time and within budget. A total of US\$121m has been spent or committed via executed contracts in the construction project to date.

A summary of the recent and current activities on site is listed below with some images capturing the recent journey.

The following tasks are currently in progress and at varying stages of completion:

- Foundations and metal structure fabrication for process plant buildings, soda ash warehouse, finished product warehouse and maintenance facilities
- Construction of warehouse and maintenance workshop building
- Groundwork and concrete foundations of water treatment plant
- Waste water treatment plant 2nd stage
- Drilling of the remaining 6 brine wells
- Installation of deep well pumps
- Civil works in the brine collection area
- Evaporation pond construction (conclusion of pond P1, P2, P3)
- Erection of liming plant structure and equipment
- Water plant tank construction
- Gas pipeline construction
- Erection of final modules for the camp
- Camp infrastructure construction (erection and connection of bulk gas tanks)
- Overflow channel construction
- Construction of process buildings (main building, soda ash and end product storage)
- Liner installation of second evaporation pond
- Construction of reinforced earth gabions for transfer pumps foundation
- Construction of overhead power lines

Evaporation Pond Lining



Brine canal from the salar

More images, including aerial photographs are available on our web page under “Gallery”.

[Please click here for the most recent images](#)

The Company continues to follow the “Jujuy First” strategy 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 Company recently sponsored the Olaroz Chico student graduation trip to Salta and Jujuy cities. 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 unique community and shared value policy continue to be a key success factor, training local people under the supervision of high quality experienced professionals.

The Olaroz lithium project is being developed by Orocobre (66.5%) with 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. 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

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 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.

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.