

04 November 2013

## ASX / TSX ANNOUNCEMENT

### **Boric Acid Plant Pre-Feasibility Study Commences at Borax Argentina**

Orocobre Limited (ORE:ASX, ORL:TSX) (“Orocobre” or “the Company”) is pleased to advise of the commencement of a pre-feasibility study into the construction of a Boric Acid plant at Olacapato in Salta Province, Argentina.

#### **Study Scope**

The study will assess the feasibility of constructing a boric acid plant with a production capacity of 16-24,000 tonnes per annum boric acid.

Feedstock for the plant would come from a variety of locations where the Company has mineralisation currently described as historical estimates ([refer to ASX Announcement 21 Aug 2012](#)) including Porvenir, Ratonés and Diablillos located approximately 40kms, 100kms and 130kms respectively from Olacapato. Currently, the Company is in the process of upgrading the mineralisation at Porvenir into a JORC compliant resource as part of this study.

The plant flowsheet will be designed to allow treatment of lower grade ores than are currently being processed and with the aim of obtaining higher recoveries and reduced operating costs. Based on earlier internal company scoping studies, the estimated capital cost of the boric acid plant is in the range of US\$13-17million including 35% contingency.

The pre-feasibility study is scheduled to be completed early in the first quarter 2014. Assuming a positive outcome from the pre-feasibility study, the feasibility study would be completed and the required permits obtained in the following six months with a view to commence construction in the latter part of 2014.

#### **Background and Potential benefits**

Currently, Borax Argentina produces boric acid from a 9,000 tonnes per annum plant at Campo Quijano near Salta city, processing ulexite mineralisation mined from Porvenir which is located 300kms away. The plant is designed to treat a high grade feed of ulexite mineralisation which has been selectively mined and then upgraded by drying and hand sorting.

There are potential advantages to the construction of a new and larger facility at Olacapato. In particular, by being able to process lower grade “run-of-mine” ore the costly and time consuming process of drying and hand sorting would be eliminated and the mining and processing recovery of mineralisation increased. In addition, the long cartage by road transport would be eliminated and the increased production rate would provide economies of scale compared to current operations.

Boric acid is used in a wide variety of applications including glass, ceramics, fertilisers and wood preservatives. The market has a growth profile above world GDP growth. For standard and agricultural

grade boric acid, pricing has ranged approximately between US\$750/t to \$1,250/t CIF over the past 5 years.

The Borax Argentina business was acquired by the Company from Rio Tinto Minerals in August 2012. The company recently announced the relocation of the borax chemical plant from Campo Quijano near the city of Salta to the Tincalayu mine. The relocation is due for completion in June 2014.

Richard Seville (Managing Director and CEO) commented: “Borax Argentina SA has been in the Orocobre fold now for a little over a year now and we now have a very good definition and understanding of the business. A lot of work has been done by the local management team in Argentina establishing the building blocks for growth. The borax chemical plant relocation project is well underway and will be completed by June 2014. Now it is time to also direct focus to other products in the borate portfolio and how we position the business for growth. Construction on the Olaroz project is now well advanced and although Olaroz still remains our primary focus and priority, there is an opportunity to develop and improve the Borax Argentina business alongside Olaroz through prudent decisions to improve the cost base and provide a future platform for growth”.

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\$229.1million including contingency. The project is fully funded and proceeding on time and within budget. 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)*

### **Technical Information, Competent Persons' and Qualified Persons Statements**

*The information in this report that relates to mineralisation at Borax Argentina sites has been prepared by Mr Murray Brooker. Murray Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Murray has sufficient relevant experience to qualify as a competent person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined in NI 43-101. The information in this report that relates to mineral processing has been prepared by Mr Peter Ehren. Peter Ehren is a Member of the Australasian Institute of Mining and Metallurgy and Chartered Professional and is a consulting mineral processing engineer. Mr Ehren is also a "Qualified Person" as defined in NI43-101.*

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the references above and that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.*

*Additional information relating to the Company's projects is available on the Company's website.*

### **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](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.*