

ASX / TSX ANNOUNCEMENT

6 June 2017

US\$7.85M received from sale of Salinas Grandes and release of SBLC's

Orocobre Limited (ORE:ASX, ORL:TSX) (**Orocobre** or the **Company**) wishes to provide an update on the receipt of funds from the sale of tenements at Salinas Grandes and the release of additional cash security deposits in Australia which back Sales de Jujuy S.A.'s ("SDJ") Argentine working capital facility.

Sale of tenements at Salinas Grandes – US\$4 million received

Further to the ASX release of 30 March 2017, LSC Lithium (TSXV:LSC) and Orocobre have now completed the previously announced sale of tenements and other rights held by the Company and associated companies at Salinas Grandes.

Terms of the sale of Salinas Grandes

Orocobre has now disposed of all tenements held at Salinas Grandes for the following consideration:

- a) US\$4,000,000 which has now been received;
- b) the transfer to the Company of three strategic tenements at Salar de Olaroz covering approximately 3,821 hectares;
- c) a further US\$1,000,000 payable on the first anniversary of closing, \$1,000,000 payable on the second anniversary of closing and US\$944,630 payable on the third anniversary of closing; and
- d) a 2% royalty on brine concentrate produced from the Salinas Grandes tenements. The Company has agreed to share this royalty with Advantage Lithium Corporation (AAL) on the basis of ORE:1.5% and AAL:0.5%. following the transfer by AAL of rights in respect of tenure also located at Salinas Grandes to LSC

Release of Standby Letters of Credit – further US\$3.85 million released to Orocobre

SDJ repaid US\$5.3M of its working capital facility this week resulting in a further release of US\$5.3M held as security for the Standby Letters of Credit which support the SDJ working capital facility. Orocobre's portion of this release is US\$3.85M.

Total release of cash from securities backing the Standby Letters of Credit since 1 January 2017 is US\$21.0M on a 100% basis, of which Orocobre's share is US\$15.2M.

The balance of security yet to be released to Orocobre for the Standby Letters of Credit now stands at US\$18.9M and this is expected to be received by December 2017.

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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. This fresh water is produced by reverse osmosis from non-potable brackish water.
- 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

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