

Quarterly Report of Operations For The Period Ended 31 March, 2010

Highlights:

- **Considerable progress on Salar de Olaroz Definitive Feasibility Study working with Partner, Toyota Tsusho Corporation**
- **Salinas Grandes Discovery Announced with plans for evaluation in coming quarters**
- **C\$ 20 million capital raising complete with associated TSX listing process underway**
- **Strategic plan to exclusively focus on minerals from salars (salt lakes) completed with the in-species distribution of shares of Elementos Limited to Orocobre shareholders**
- **Two outstanding international Directors added to Board of the Company**

Olaroz Definitive Feasibility Study with Toyota Tsusho

During the first quarter of 2010 Orocobre Limited (“**Orocobre**” or the “**Company**”) began collaboratively working with Toyota Tsusho Corporation (“**Toyota**”) on the further development of its Definitive Feasibility Study for the Olaroz project. During the quarter the Orocobre team concentrated on the technical and governmental aspects of the project, while our partner focused on a sales and marketing assessment for our planned production and the furtherance of the project financing plans.

Geology

Considerable effort is underway at Olaroz to further evaluate the overall geological and hydrogeological understanding of the salar. We have drilled two 200m deep wells utilizing rotary drilling around the periphery of the resource. These wells were designed to provide boundary conditions for the hydro-geological model and brine extraction models. In addition they have provided valuable geological information in these areas and further insight into the nature of the

deeper horizons. Two more boundary condition holes are planned together with some more centrally located wells as part of the ongoing resource evaluation drilling.

In addition, after some delays due to challenges in the importation of specialized drilling equipment from Chile, the resource evaluation drilling programme commenced utilizing an advanced sonic drilling rig. Indications from the initial holes are that the use of this drilling equipment and other specialized methods developed by the Company and its consultants will produce the high recoveries of undisturbed core required and isolated brine samples for the proper assessment of this kind of deposit both in terms of material properties and brine chemistry. Down hole geophysical logs are also being run. When coupled with the extensive work already undertaken, this data is expected to allow the Company to move the Olaroz resource from inferred to measured category for use in the Definitive Feasibility Study.

Processing

During the quarter, the Company continued to advance its evaporation and reagent addition work at Olaroz. In particular, liming test work has been completed and stocks of magnesium free concentrated brine have been created for on-going test work. Work is now focused on boron removal and lithium carbonate precipitation stages of the processing sequence.

Environmental Impact Report

As the Olaroz project moves from the exploration to the development stage, the Company is required to submit to governmental entities a comprehensive Environmental Impact Report. By the end of the quarter, preparation of this report was well advanced. The Company continues to work with governmental and local communities in the area.

Salinas Grandes Discovery

During the quarter the Company completed the critical leasing of its Salinas Grandes discovery, and announce to the market results of its exploration efforts to date. The Company is very pleased with the lease position it has assembled (approximately 12,500 hectares of salt crust in the high grade brine area of the Salar), and the fact that the Company believes the brines are, as a result of the 116 surface pit samples, the highest quality ever reported in Argentina, and may be comparable to the brines at Atacama when the low relative Magnesium:Lithium ratio is taken into account. Orocobre will commence a comprehensive drilling and testing program during the second and third quarter of this year, and anticipates releasing its first resource assessment in the third quarter.

Canadian Financing and Listing

During the quarter the Company undertook a C\$20 million capital raising in Canada led by Cormark Securities Inc. and CIBC World Markets Inc. The financing was undertaken through a two staged process. The first stage of the process was to secure the capital through the issuance of subscription receipts ("**Subscription Receipts**") of the Company on a private placement basis to institutional and sophisticated investors. The Company is pleased to report that it was able to successfully raise the full C\$20 million sought. 10,000,000 Subscription Receipts, which are convertible on a one-for-one basis into ordinary shares of the Company, were issued at a price of

C\$2.00 (A\$2.15) each, such price being a discount of 5% to the Australian market price of Orocobre's ordinary shares at the time.

In the second stage of the process, which is currently underway, the Company will use commercially reasonable efforts to qualify the ordinary shares issuable upon the conversion of the Subscription Receipts by a prospectus in each of the provinces of Canada in which purchasers of the Subscription Receipts reside and to list the Company's ordinary shares on the Toronto Stock Exchange (the "**TSX Listing**"). Approval of the TSX Listing will be subject to the Company meeting all applicable TSX listing criteria.

The proceeds from the issuance of the Subscription Receipts will continue to be held in escrow pending the completion of the prospectus qualification and the TSX Listing. Orocobre anticipates filing the preliminary Canadian prospectus in early May, with plans, subject to regulatory approval, to be publicly listed on the TSX by mid-June of this year.

Completion of the Elementos Limited Spin-out

During the quarter the Company also completed the spin-out and distribution of in-species shares to shareholders. This distribution of shares represents the culmination of the Company's strategic plan to focus exclusively on the development of its salar resources, while creating a separate vehicle to explore and develop the hard rock assets for the benefit of its shareholders. With the final approval of the in species distribution by our shareholders, each shareholder of record at the time of distribution now has their proportionate share of Elementos Limited shares. Orocobre retains 1,000,000 shares of Elementos Limited.

Building the Board of Directors

The Company continues to focus on the development of its Board of Directors, and the continued improvement of its governance and oversight function. To this end, the Company has recently retained the services of two new directors, Mr. John Gibson and Mr. Courtney Pratt. Both gentlemen have been CEOs of large-scale public companies, and bring considerable experience and knowledge to the Company vital to the transition from an exploration and development stage company into a large operational enterprise. The calibre of these additions to our board reflects the growing significance of Orocobre.

For and on behalf of the Board

Paul Crawford
Company Secretary

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