

ASX / TSX ANNOUNCEMENT

5 September 2018

Temporary Argentina tax changes

Orocobre Limited (**ASX: ORE, TSX: ORL**) (“**Orocobre**” or “**the Company**”) provides the following update on recent changes to export taxes in Argentina.

The Ministry of Economy in Argentina has formally announced the establishment of temporary foreign trade measures aimed at reducing the Argentine fiscal deficit.

A temporary special export duty will be immediately applied to all exports of Orocobre’s 66.5% subsidiary Sales de Jujuy SA (**SDJ**) and Borax Argentina SA (**Borax**) up to 31 December 2020 at a rate of AR\$ 3 for each US\$ 1.

Based on the current ARS: USD exchange rate an export duty of AR\$ 3 for each US\$ 1 equates to a duty of approximately 8% on export sales revenue from SDJ and Borax. The ongoing rate of this special export duty may vary depending on the currency exchange rate between AR\$ and US\$.

Since April 2018 the Argentine Peso has devalued by approximately 90% against the US\$, with devaluation now running ahead of Argentine inflation (see Annexure 1). Currently 45% of SDJ’s costs of production and 60% of Borax’s costs of production are ARS\$ denominated. Consequently, the Company anticipates that the increase in export duties will be counterbalanced to some extent by the recent rapid devaluation of the Argentine Peso and the positive affect that this will have on production costs for both SDJ and Borax.

Orocobre remains committed to its previously announced plans for the Olaroz Stage 2 expansion and the Naraha Lithium Project.

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About Orocobre Limited

Orocobre Limited (Orocobre) is a dynamic global lithium carbonate supplier and an established producer of boron. Orocobre is dual listed on the Australia and Toronto Stock Exchanges (ASX: ORE), (TSE: ORL). Orocobre’s operations include its Olaroz Lithium Facility in Northern Argentina, Borax Argentina, an established Argentine boron minerals and refined chemicals producer and a 33.5% interest in Advantage Lithium.

For further information, please visit www.orocobre.com

Annexure 1

ACCUMULATED INFLATION VS DEVALUATION

