FULL YEAR RESULTS 2018
28 AUGUST 2018
This investor presentation (Presentation) has been prepared by Orocobre Limited (the Company or Orocobre). It contains general information about the Company as at the date of this Presentation.

The information in this Presentation should not be considered to be comprehensive or to comprise all of the material which a shareholder or potential investor in the Company may require in order to determine whether to deal in shares. The information in this Presentation is of a general nature only and does not purport to be complete.

This Presentation does not take into account the financial situation, investment objectives, tax situation or particular needs of any person and nothing contained in this Presentation constitutes investment, legal, tax or other advice, nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. Readers or recipients of this Presentation should, before making any decisions in relation to their investment or potential investment in the Company, consider the appropriateness of the information having regard to their own objectives and financial situation and seek their own professional investment, legal and taxation advice appropriate to their particular circumstances.

This Presentation is for information purposes only and does not constitute or form part of any offer, invitation, solicitation or recommendation to acquire, purchase, subscribe for, sell or otherwise dispose of, or issue, any entitlements, shares or any other financial product. Further, this Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice), nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Certain statements in this Presentation are forward-looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume”, “should”, “could”, “predict”, “propose”, “forecast”, “outlook” and words of similar import. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking information may include, but is not limited to, the successful ramp-up of the Olaroz Project, and the timing thereof; the design production rate for lithium carbonate at the Olaroz Project; impacts of weather and climatic conditions, the expected brine grade at the Olaroz Project; the Olaroz Project’s future financial and operating performance, including production, rates of return, operating costs, capital costs and cash flows; the comparison of such expected costs to expected global operating costs; the ongoing working relationship between Orocobre and the Provinces of Jujuy and Salta in Argentina; the on-going working relationship between Orocobre and the Olaroz Project’s financiers, being Mizuho Bank and JOGMEC and the satisfaction of lending covenants; the future financial and operating performance of the Company, its affiliates and related bodies corporate, including Borax Argentina S.A. (Borax Argentina); the estimation and realisation of mineral resources at the Company’s projects; the viability, recoverability and processing of such resources; timing of future exploration of the Company’s projects; timing and receipt of approvals, consents and permits under applicable legislation; trends in Argentina relating to the role of government in the economy (and particularly its role and participation in mining projects); adequacy of financial resources, forecasts relating to the lithium, boron and potash markets; potential operating synergies between the Cauchari Project and the Olaroz Project; the potential processing of brines from the Cauchari Project and the incremental capital cost of such processing, expansion, growth and optimisation of Borax Argentina’s operations; the integration of Borax Argentina’s operations with those of Orocobre and any synergies relating thereto and other matters related to the development of the Company’s projects and the timing of the foregoing matters.
Forward-looking statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performances or achievements expressed or implied by such forward-looking statements, including but not limited to, the risk of further changes in government regulations, policies or legislation; 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 development of the Olaroz Project; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project or the Company’s other projects; risks associated with investment in publicly listed companies, such as the Company; risks associated with general economic conditions; the risk that the historical estimates for Borax Argentina’s properties that were prepared by Rio Tinto, Borax Argentina and/or their respective consultants (including the size and grade of the resources) are incorrect in any material respect; the inability to efficiently integrate the operations of Borax Argentina with those of Orocobre; as well as those factors disclosed in the Company’s Annual Report for the financial year ended 30 June 2017 and Sustainability Report 2017 available on the ASX website and at www.sedar.com.

No representation, warranty or assurance (express or implied) is given or made by the Company that the forward-looking statements contained in this Presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct.

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this Presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statements are based. Nothing in this Presentation shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date of this Presentation.

US investors should note that while the Company’s reserve and resource estimates comply with the JORC Code, they may not comply with Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission (SEC). In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. You should not assume that quantities reported as “resources” will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

To the maximum extent permitted by law, the Company, the lead manager and their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees, agents and advisers expressly disclaim all liability (including without limitation, liability for negligence) for any direct or indirect loss or damage which may be suffered by any person in relation to, and take no responsibility for, any information in this Presentation or any error or omission therefrom, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information contained in this Presentation.

By attending an investor presentation or briefing, or by accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out in this disclaimer.
A STRONG OPERATING RESULT

Record prices and margins, strong cashflow

Sales de Jujuy Joint Venture (Olaroz)

- Record full year revenue up 24% to US$148.9 million on sales of 11,837 tonnes
- Record Olaroz sales price of **US$12,578 / tonne** FOB\(^1\), price received FY19 year to date of approximately US$14,000 / tonne
- Cost of sales of US$4,194 / tonne\(^2\) and record gross cash margin of **US$8,384 / tonne**
- **EBITDAIX\(^3\) of US$94.6 million**, up 33% on previous corresponding period
- Olaroz was again strongly cashflow positive internally funding US$40 million of early works on Stage 2 expansion

Orocobre

- Record underlying net profit of US$25.7 million, statutory Group net profit of US$1.9 million after Borax impairment of US$8 million and other items of US$15.8 million
- Orocobre group cash balance at 30 June 2018 of US$316.7 million, and net cash of US$229 million

---

1. Orocobre reports price as “FOB” (Free On Board) which excludes additional insurance and freight charges included in “CIF” (Cost, Insurance and Freight or delivered to destination port) pricing. The key difference between an FOB and CIF agreement is the point at which responsibility and liability transfer from seller to buyer. With a FOB shipment, this typically occurs when the goods pass the ship’s rail at the export port. With a CIF agreement, the seller pays costs and assumes liability until the goods reach the port of destination chosen by the buyer. The Company’s pricing is also net of Toyota Tsusho commissions. The intention in reporting FOB prices is to provide clarity on the sales revenue that flows back to SDJ, the joint venture company in Argentina.
2. Excludes royalties and head office costs
3. See Notes page
OLAROZ JOINT VENTURE STRUCTURE

- TTC owns 15% of ORE issued capital
- SDJ Joint Venture is equity accounted due to the control structure in the Group’s financial report
- Proportionally consolidated results have been prepared to indicate contribution of underlying operations
- The JEMSE and Toyota Tsusho interests in Sales de Jujuy Pte. Ltd are recognised as a Non-Controlling Interests (NCI)
OLAROZ STRONGLY PROFITABLE IN FY18

Proportionally Consolidated P & L

<table>
<thead>
<tr>
<th>Proportionally Consolidated P&amp;L</th>
<th>ORE Group Statutory Results</th>
<th>SDJ PTE (100%)</th>
<th>Eliminate NCI of PTE</th>
<th>Add back Consolidated equity accounting of PTE profit</th>
<th>Group incl PTE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17.4</td>
<td>148.9</td>
<td>(49.9)</td>
<td>-</td>
<td>116.4</td>
</tr>
</tbody>
</table>

EBITDAIX*                     | (9.4)                       | 94.6           | (31.2)              | -                                                 | 54.0          |
Depreciation & amortisation    | (1.8)                       | (8.8)          | 2.4                 | -                                                 | (8.2)         |
EBITIX**                      | (11.2)                      | 85.8           | (28.8)              | -                                                 | 45.8          |
Interest                      | 4.3                         | (13.0)         | 4.3                 | -                                                 | (4.4)         |
EBTIX***                      | (6.9)                       | 72.8           | (24.5)              | -                                                 | 41.4          |
Foreign currency losses        | (3.0)                       | (10.1)         | 3.4                 | -                                                 | (9.7)         |
Impairment                    | (8.0)                       | -              | -                   | -                                                 | (8.0)         |
Share of profit of joint ventures, net of tax | 19.8                     | -              | -                   | (19.8)                                            | -             |
Total profit/(loss) for the year before tax | 1.9                        | 62.7           | (21.1)              | (19.8)                                            | 23.7          |
Income tax expense             | -                           | (31.9)         | 10.1                | -                                                 | (21.8)        |
Total profit/(loss) for the year after tax | 1.9                        | 30.8           | (11.0)              | (19.8)                                            | 1.9           |

*EBITDAIX, **EBITIX, and ***EBTIX are non audited, non IFRS measures, refer to slide in the appendix

- Olaroz sales of 11,837 tonnes of lithium carbonate at average of US$12,578/t
- Olaroz cash operating costs of US$4,194/tonne (excluding royalties and head office costs)
- Gross cash margins of US$8,384/tonne (67%)
- ORE Group EBITDAIX includes profit on the sale of exploration assets of US$2.1M
- ORE’s corporate costs US$8.8m inclusive of transaction costs, share based payments and additional employee costs
- Depreciation costs of US$741/tonne
- Financing costs of US$13M include interest from project funding and working capital and accrued interest of shareholder loans.
- Foreign exchange loss increase resulted from the effect of the USD strengthening against the AUD and ARS mainly related to the VAT balances which are peso based.
- Borax took an impairment of US$8M.
- Share of net loss from Advantage Lithium Corp (associate) of US$1.5M
- Income tax expense of US$31.9M due to changes in Argentine tax legislation related to future withholding tax on dividends and the impact of devaluation on ARS denominated carried forward losses partially offset by benefit from tax rates reduction in Argentina.
UNDERLYING ATTRIBUTABLE PROFIT (ORE SHARE)

- Statutory net profit: 1.9
- Foreign exchange loss: 6.7
- Share of Advantage loss: 1.5
- Transaction costs: 1.0
- Tax on future dividends: 9.4
- Tax effect of devaluation: 2.3
- Impairment of assets: 8.0
- Reduction on tax rate: -2.7
- Sale of expl. asset: -2.4
- Underlying net profit: 25.7
### A STRONGER BALANCE SHEET

#### Proportionally Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>ORE Group Statutory Results</th>
<th>SDJ PTE (100%)</th>
<th>Eliminate ORE Group PTE related items</th>
<th>Eliminate NCI of PTE (33.5%)</th>
<th>Consolidated Group incl PTE</th>
<th>Consolidated Group incl PTE % Variance movement for period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$ million</strong></td>
<td>FY18</td>
<td>FY18</td>
<td>FY18</td>
<td>FY18</td>
<td>FY17</td>
<td>FY18 vs FY17</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>316.7</td>
<td>19.5</td>
<td>(6.5)</td>
<td>329.7</td>
<td>54.3</td>
<td>507%</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>52.2</td>
<td>11.1</td>
<td>(44.7)</td>
<td>(3.7)</td>
<td>14.9</td>
<td>14.6</td>
</tr>
<tr>
<td>Inventory</td>
<td>6.5</td>
<td>31.5</td>
<td>(10.5)</td>
<td>27.5</td>
<td>21.3</td>
<td>29%</td>
</tr>
<tr>
<td>VAT receivable</td>
<td>0.2</td>
<td>10.8</td>
<td>(3.6)</td>
<td>7.4</td>
<td>12.8</td>
<td>-42%</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>7.2</td>
<td>(2.4)</td>
<td>4.8</td>
<td>12.4</td>
<td>-61%</td>
</tr>
<tr>
<td>Total current assets</td>
<td>375.6</td>
<td>80.1</td>
<td>(44.7)</td>
<td>(26.7)</td>
<td>384.3</td>
<td>115.4 233%</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>0.1</td>
<td>339.7</td>
<td>(99.0)</td>
<td>240.8</td>
<td>246.9</td>
<td>-2%</td>
</tr>
<tr>
<td>Development assets</td>
<td>7.4</td>
<td>-</td>
<td>-</td>
<td>7.4</td>
<td>1.5</td>
<td>393%</td>
</tr>
<tr>
<td>Investment in joint ventures</td>
<td>84.8</td>
<td>-</td>
<td>(84.8)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Investment in associates</td>
<td>20.0</td>
<td>-</td>
<td>-</td>
<td>20.0</td>
<td>21.5</td>
<td>-7%</td>
</tr>
<tr>
<td>Inventory</td>
<td>0.7</td>
<td>34.6</td>
<td>(11.6)</td>
<td>23.7</td>
<td>13.5</td>
<td>76%</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>33.1</td>
<td>1.0</td>
<td>(23.5)</td>
<td>(0.4)</td>
<td>10.2</td>
<td>9.7</td>
</tr>
<tr>
<td>Other</td>
<td>1.1</td>
<td>34.6</td>
<td>(10.5)</td>
<td>25.2</td>
<td>12.9</td>
<td>95%</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>147.2</td>
<td>409.9</td>
<td>(108.3)</td>
<td>(121.5)</td>
<td>327.3</td>
<td>306.0 7%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>522.8</td>
<td>490.0</td>
<td>(153.0)</td>
<td>(148.2)</td>
<td>711.6</td>
<td>421.4 69%</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>7.5</td>
<td>27.2</td>
<td>(7.1)</td>
<td>(6.7)</td>
<td>20.9</td>
<td>16.1 30%</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>0.7</td>
<td>109.2</td>
<td>(37.6)</td>
<td>(24.0)</td>
<td>48.3</td>
<td>43.7 11%</td>
</tr>
<tr>
<td>Other</td>
<td>0.6</td>
<td>1.3</td>
<td>(0.4)</td>
<td>1.5</td>
<td>6.9</td>
<td>-78%</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>8.8</td>
<td>137.7</td>
<td>(44.7)</td>
<td>(31.1)</td>
<td>70.7</td>
<td>66.7 6%</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>0.6</td>
<td>1.5</td>
<td>(0.9)</td>
<td>(0.2)</td>
<td>1.0</td>
<td>3.1 -71%</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>-</td>
<td>133.9</td>
<td>(22.6)</td>
<td>(37.2)</td>
<td>74.9</td>
<td>92.2 -20%</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>-</td>
<td>60.6</td>
<td>(18.4)</td>
<td>-</td>
<td>42.2</td>
<td>17.8 137%</td>
</tr>
<tr>
<td>Other</td>
<td>11.3</td>
<td>15.3</td>
<td>(5.1)</td>
<td>21.5</td>
<td>23.3</td>
<td>-8%</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>11.9</td>
<td>211.3</td>
<td>(23.5)</td>
<td>(50.9)</td>
<td>138.8</td>
<td>136.7 2%</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>20.7</td>
<td>349.0</td>
<td>(68.2)</td>
<td>(92.0)</td>
<td>209.5</td>
<td>203.4 3%</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>502.1</td>
<td>141.0</td>
<td>(84.8)</td>
<td>(56.2)</td>
<td>502.1</td>
<td>218.0 130%</td>
</tr>
</tbody>
</table>

- **Increase in cash and cash equivalents of US$275.4M mainly due to strategic placement and rights issue.**
- **Decrease in VAT receivable due to Peso devaluation and VAT recoupment.**
- **Increase in development of assets due to investment in Cauchari, Hydroxide plant and exploration properties.**
- **Increase in inventory at Olaroz largely due to build up of stock level of brine inventory, finished goods, reagents and spare parts.**
- **Increase in other non-current assets due to restricted cash at SDJ (DSRA) partially guaranteeing project loan.**
- **Reduction of borrowings due to the net pay down of working capital facilities and project loan.**
- **Increase in deferred tax liabilities due to the net accounting impact from changes to Argentina tax law of US$9M and the net impact of devaluation on peso carry forward losses of US$3.5M.** Whilst the Income Tax rate in Argentina will progressively reduce from 35% to 25% by 2020 resulting in a tax benefit of US$3.5M, a dividend withholding tax to foreign shareholders of 7% was introduced in 2018 gradually increasing to 13% by 2020 which resulted in a permanent difference of US$13M in the FY18 tax expense. Excluding these items and other accounting related permanent differences the effective tax rate for the period was 35% at SDJ.
## POSITIVE OPERATIONAL CASHFLOWS

### Proportionally Consolidated Cashflow

<table>
<thead>
<tr>
<th>Proportionally Consolidated Cash Flow Statement</th>
<th>ORE Group Statutory/SDJ PTE (100%) Results</th>
<th>Eliminate ORE Group PTE related items</th>
<th>Eliminate NCI of PTE</th>
<th>Consolidated Group incl PTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year ended 30 June 2018</td>
<td></td>
<td>US$ million</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Cash flows from operating activities**

- Receipts from customers: 14.3
- Payments to suppliers and employees: (28.9)
- Interest received / paid: 0.6
- VAT recouped: -
- Other cash receipts: -

Net cash used in operating activities: (14.0)

**Cash flows from investing activities**

- Payments for development expenditure: (6.5)
- Proceeds from sale of assets: 3.3
- Purchase of plant and equipment: (1.6)
- Investment in joint ventures: (8.3)

Net cash used in investing activities: (13.1)

**Cash flows from financing activities**

- Release of standby letters of credit: 9.8
- Proceeds from issue of shares net of transaction costs: 284.2
- Proceeds from borrowings: 0.8
- Repayment of borrowings net of Proceeds: (1.0)
- Loan to joint venture partners: (1.0)
- Loan to joint ventures: (0.5)

Net cash provided by financing activities: 292.3

**Net increase in cash and cash equivalents**

- Cash and cash equivalents, net of overdrafts, at the beginning of year: 51.6
- Effect of exchange rates on cash holdings in foreign currencies: (0.1)

Net cash and cash equivalents, net of overdrafts, at the end of year: 316.7

---

**Strong cash inflows generated by Olaroz as higher average prices were achieved**

**VAT recouped at SDJ of US$18M during the period translating to Orocobre’s share of US$12M.**

**Development expenditure of assets due to investment in Cauchari, Hydroxide plant and exploration properties.**

**Proceeds from sale of exploration assets**

**Cash outflow is due to project loan guarantee at Olaroz, partially offset by release of SBLC from working capital facility.**

**Proceeds from strategic placement and rights issue partially offset by transaction costs**

**Net repayment of borrowing at 100% in SDJ includes debt principal and interest payments of US$28.6M of project loan.**
OLAROZ REPAYING DEBT & RELEASING CASH

- Increases in production and revenues during the fiscal year resulted in strong operating cash inflows from EBITDAIX.
- Capital increase is a JV equity contribution for the establishment of the debt service reserve account (DSRA) for Mizuho/JOGMEC project financing.
- VAT net reimbursement of US$3.1M.
- Financing costs and project finance principal and interest payments net from cashflow.
- Capex includes expansion costs of US$5.3M.
- Restricted cash relates to the debt service reserve account.
- Brine inventory includes higher well pump rates building up volume for Stage 2 and heavy secondary liming of high magnesium pond 4B in the first half.

* Excludes depreciation
STRONG CASHFLOW REDUCING PROJECT DEBT

- ~US$70M principal of the Project Debt (~37% reduction) repaid by 10 September 2018 and US$17.1M paid into DSRA
- Project Debt balance reducing to ~US$122M during September 2018 (US$105M net of DSRA)
- Project Debt repayments scheduled every six months to September 2024
- Project Debt incurs a low average interest rate of ~4.25%
- Orocobre proportional net cash of US$229.1M at 30 June 2018 (net debt US$62.5M at 30 June 2017)
• The Argentine peso (ARS) has devalued approximately 620% from December 2010 through June 2018. The Argentine peso devaluation has shown a significant increase from April 2018 of approximately 43%.
• Over recent years devaluation being less than inflation has increased cost pressure on both Olaroz and Borax. The recent devaluation has brought the Peso back in line with long term inflation decreasing cost pressures.
• Devaluation also reduces the amount of ARS based balances such as VAT, carry forward tax losses, prepayments and account payables which have an impact in FX.
• US$ versus ARS cash costs are approximately 55/45 at Sales de Jujuy and 40/60 to Borax Argentina.
STAGE 2 EARLY WORKS WELL UNDERWAY

- Stage 2 early works include new ponds, roads, vegetation clearing, drilling, camp infrastructure and engineering
- US$40 million has been committed from operating cashflow prior to FID (total capex remains US$285 million)
- FID expected shortly

| Capacity | • 25,000 tonnes primary grade lithium carbonate  
• Total Olaroz capacity of 42,500 tonnes of lithium carbonate  
• Product mix to be 17,500 tonnes purified lithium carbonate and 25,000 tonnes primary lithium carbonate, of which 9,500 tonnes will be converted to 10,000 tonnes lithium hydroxide |
| Commissioning | • 1H CY2020 |
| Run-rate operating cost | • Less than Stage 1 operating costs as no purification circuit |
| Capital costs | • Total development capital – US$285 million (excluding VAT of c. US$42 million) but including crystallisers for both stages |
| Construction | • Early works commenced, remainder subject to Orocobre and JV Board approvals and commencing following confirmation of project financing, approvals and EPCM arrangements  
• Construction expected to be completed during 2H CY2019 |
| Approvals | • Pond and related infrastructure construction approval obtained  
• Processing plant construction approval received |
POND CAPACITY GROWING AHEAD OF PRODUCTION

- Total new pond areas of approximately 9 km², increasing pond system to >13 km²
- Two new ponds have been filled
- A further four ponds are currently under construction

Ponds account for 50% of capital (US$m, 100% Olaroz)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (US$m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells and Ponds</td>
<td>140</td>
</tr>
<tr>
<td>Processing</td>
<td>67</td>
</tr>
<tr>
<td>Other (including crystallisers)</td>
<td>53</td>
</tr>
<tr>
<td>Contingency</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total (ex VAT)</strong></td>
<td><strong>285</strong></td>
</tr>
</tbody>
</table>
Orocobre & TTC continue to progress the Lithium Hydroxide Plant which will further enhance Orocobre’s strong margins

Lithium Hydroxide market

- Long-term battery grade hydroxide prices (2017-2030) are forecast to maintain a US$2,500 per tonne premium to battery grade carbonate
- Nickel based cathodes (NMC and NCA formats) are forecast to account for ~80% of the total cathodes market by 2025 up from ~33% in 2017
- Naraha will gain first-mover advantage in Japan with no current or announced hydroxide capacity in the country to date
- A shortfall of approximately 80ktpa LCE in hydroxide capacity is currently forecast for 2025
- The size of the nickel-based cathode market is forecast to grow from ~80Gwh in 2017 to 816Gwh by 2025

Update

- The LiOH Plant will process Li$_2$CO$_3$ from Olaroz and deliver value-added LiOH to customers agreed between Orocobre and Toyota Tsusho
- Estimated capital cost of US$60-70 million (pre subsidies and financing) for a 10,000 tpa LiOH plant which will deliver premium product at premium pricing
  - Provides product diversification suitable for different battery technologies
  - Ownership to match current Olaroz ownership proportions (excluding JEMSE)
  - Potential for significant margin growth on primary Li$_2$CO$_3$ converted to LiOH
- Operating costs estimated to be approximately US$1,500/tonne, down from initial estimate of US$2,500/tonne
- Subsidies of US$27 million have been secured from the Japanese government
- Orocobre and Toyota Tsusho are targeting commissioning during H1 CY2020
Advantage Lithium (AAL)
Orocobre hold ~33.5% of AAL issued shares

Cauchari Project (25% ORE, 75% AAL)

• Advantage has released a preliminary study into the technical and economic viability of the project in accordance with Canadian standards*

• +6-fold increase of the **inferred resource to 3.02 Mt LCE** at Cauchari at 450 mg/l Lithium

• The updated resource covers a significantly larger area and extends to greater depths in the NW and SE Sectors

• Significant potential for additional resource expansion at depth

• The brine has excellent chemistry for processing and the Mg/Li ratio averages 2.5, very similar to Orocobre’s Olaroz project

• Phase 3 drilling is underway to upgrade this inferred resource and underlying brine to measured and indicated resources for the definitive feasibility study (DFS) scheduled for completion in Q2 2019

* As Inferred resources were the basis of the subject study there is a low level of geological confidence and no certainty that production targets stated in the study will be realised
BORAX ARGENTINA

- Sales for the full year of US$17.4 million (2017 US$17.2 million)
- EBITDA breakeven excluding asset sale (2017: US$1.7 million net loss)
- Production performance improving with lower unit costs and benefiting from recent Peso devaluation
- Impairment of US$8 million reduces carrying value of plant and equipment to nil
- Trading conditions are improving – last four months sales are up 12% yoy
- Significant value exists in the assets and Tincalayu expansion studies are under review regarding a production increase from 30ktpa to 100-120 ktpa borax decahydrate equivalent
LONG TERM FUNDAMENTALS OUTWEIGH SHORT TERM VOLATILITY

**Short-term Factors**
1. Frequent shifts in Chinese EV policy
2. Seasonal Chinese production
3. Chinese spot price volatility
4. Inventory levels

**Long-term Factors**
1. Government Mandates, Quotas & Subsidies
2. Car Manufacturer commitments to grow EV sales, models and share of fleet
3. Battery Capacity Announcements
4. Growing investment in EV charging infrastructure
5. Improving battery technology e.g. lowering cost of battery, increasing range of EV's, increase size of battery
6. Improving Total Cost of Ownership for Drivers
7. Wider range of EV models appealing to consumer tastes
8. Volatility of oil/diesel price vs. long-term improvements in charging technology, speed and availability
9. Broader Environmental Policy e.g. CO2 Emission
10. Accelerating growth in Energy Storage Systems
11. Government initiatives to shift public transport to electrified modes
12. Historical ramp-up profile of supply projects
13. High degree of technical expertise required to achieve sustainable, consistent lithium operations & high quality
CHINESE SPOT vs CONTRACT PRICES

Lithium Carbonate Import Prices of Key Markets CIF (USD/t) & Chinese Lithium Carbonate 'spot' price Delivered Ex-VAT (USD/T)

April 2016: Reports emerge of Chinese car manufacturers fraudulently claiming EV subsidies resulting in the removal of financial incentives.

April 2017 – December 2017: Chinese Govt introduces revised EV subsidy but remains under review.

Feb-June 2018: Transition period allowing for 'retooling'. A reduced subsidy of 14,000 yuan (versus 15,000 yuan) provided for EVs <150km which would have qualified for 2017 scheme.

While import prices include a mix of different grades, these markets import the largest volume of battery grade material from Ex-China suppliers.

Jan 2018: New EV subsidies announced supporting a change in battery technology toward higher range & energy density. Minimum range required for subsidy increased from 100km to 150km.

Jan 2018: New EV subsidies announced supporting a change in battery technology toward higher range & energy density. Minimum range required for subsidy increased from 100km to 150km.

While import prices include a mix of different grades, these markets import the largest volume of battery grade material from Ex-China suppliers.

Sources:
1. China spot price – Asian Metals
2. Import prices - GTIS
SPODUMENE CONCENTRATE IMPORTS CONTINUE DESPITE THE CONVERSION BOTTLENECK

Key Factors contributing to continued inventory build in China:
1. Misalignment between conversion capacity and ramp up of hard rock projects; and
2. Conversion plants requiring additional time to adjust operations and qualify the converted product from new hard rock supply with different grade to historical imports

![Graph showing Chinese Hard Rock Imports 2017 - 2018](source: Chinese Customs Data, Australian Port Data)

![Graph showing Grade of CY 2016 Hard Rock imports vs Grade of Jan-May 2018 Hard Rock imports](source: Chinese Customs Data, Australian Port Data)

**Conversion capacity cannot keep pace with imports of Australian and Canadian hard rock.**

Like brine, hard rock projects require time to reach desired quality of converters.

**Source:** Chinese Customs Data, Australian Port Data
## CHINESE SPOT vs CONTRACT PRICES

<table>
<thead>
<tr>
<th>Chinese Spot Price</th>
<th>Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term of contract</strong></td>
<td>Single purchase, ~30t lots</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>Smaller &amp;/or lower quality Chinese producers, high cost &amp; contaminants e.g. Chinese brine, lepidolite, domestic mineral, Converted new Australian concentrate &amp; DSO</td>
</tr>
<tr>
<td><strong>Primary Customers</strong></td>
<td>Traders, compounders, small converters, small cathode &amp; anode customers, small ceramic &amp; glass</td>
</tr>
<tr>
<td><strong>Est Share ~2016-2018</strong></td>
<td>5-10% of market</td>
</tr>
<tr>
<td><strong>Seasonality &amp; Key Drivers</strong></td>
<td>Short-term fundamentals. Due to the small size of the Chinese spot market, price is volatile &amp; highly sensitive to short-term changes including inventory levels, weather, environmental policy, China EV policy, plant maintenance.</td>
</tr>
</tbody>
</table>

**Albemarle, Luke Kissim, Q2’18 results:** ‘because of our long-term contract strategy, Chinese spot pricing has no impact on our pricing and you shouldn't see a correlation. I think this quarter, really, you begin to see that as the Chinese spot pricing is down and our pricing is up year-over-year. So we think that's a validation and we will continue to see that.’

**FMC, Paul W. Graves, Q2’18 results:** ‘I'll keep making the point until I maybe go blue in the face that the Chinese spot market for carbonate is not a really very useful market. Even if it is a market to look at, it carries very little informational content for the overall state of the market or what customers are looking for with their own contracting strategies. So while I recognize that people pick up on that data, it’s leading everybody down the wrong path as to what the true fundamentals of the market are.'
CHINESE EV SUBSIDIES NOW HIGHER FOR LONGER RANGE VEHICLES OF THE FUTURE

Comparing EV Policy 2017 vs 2018

- **2017 Average Weighted Range for Global fleet of BEV = 245km**
- **2018 Subsidy supports nickel based cathodes due to superior energy density and range**
- **Greater incentives provided for EV’s over 300km range**

**Key Changes in subsidies**
- Minimum range increased from 100 to 150km

**Subsidy for per vehicle (Yuan) =**

Subsidy standard regarding range per charge × Battery energy density adjustment factor ×
vehicle energy consumption adjustment factor. Subsidy limit for per unit battery energy does not exceed 1,200 yuan/kWh.

FUTURE LITHIUM DEMAND IS SUPPORTED BY GOVT, BATTERY & CAR MANUFACTURERS PLANS

Lithium demand under various scenarios (LCE tpa)

- **Demand Ex-Auto**
- **Government Mandates**
- **Battery Capacity Announcements**
- **Car Manufacturer Targets**
- **EV30%@2030**
- **ORE (pessimistic) demand forecast**

THE VALUE OF CONSUMER-TARGETED GOVERNMENT INITIATIVES HAS GROWN 10 FOLD IN THE PAST 5 YEARS

- Government mandates impact approximately 70% of the global car stock
- In 2017, purchase incentives provided by central and local Governments amounted to USD 10 billion, representing 24% of total spend on electric cars
- Average purchase prices of EV’s before subsidies are almost one-quarter lower there than they were five years ago


*Spending is inclusive of sales taxes. Government incentives assigned per model in each year based on national policy documents and include tax incentives and transfers to consumers or manufacturers to reduce purchase prices. Where possible, local incentives are weighted by distribution of national sales. Non-purchase incentives, such as lower road taxes or parking fees, are not included. Averages weighted by sales per model. Ranges converted to Worldwide Harmonised Light Vehicles Test Procedure (WLTP).
STRONG DEMAND & PERSISTENT UNDERSUPPLY

Orocobre View of
Lithium Supply and Demand LCE tpa

- Hard Rock & Clay (includes ex-Australia supply)
- South American & Chinese Brine
- Capacity at Utilisation (80% ex-China Brine; 60% China, 10% mineral losses for hard rock)

- Pessimistic: CAGR 2017-'22 = ~21%; 2020 EV Penetration = ~3.5%; 2016-'20 EV Growth YoY = ~40%; ESS Growth YoY = 30-40%
- Base: CAGR 2017-'22 = ~28%; 2020 EV Penetration = ~4.5%; 2016-'20 EV Growth YoY = ~49%; ESS Growth YoY = 30-40%
- Optimistic: CAGR 2017-'22 = ~34%; 2020 EV Penetration = ~5.5%; 2016-'20 EV Growth YoY = ~57%; ESS Growth YoY = 30-40%
SUMMARY

Strong position as a low cost, high margin producer with Olaroz EBITDAIX US$94.6M

FY19 production to be higher than FY18

Growth projects fully funded:
- Olaroz expanding to 42,500 tpa, work underway
- 10,000 tpa lithium hydroxide plant to be built in Japan
- FIDs expected shortly

Both projects to be commissioning in 1H 2020

Long term lithium market fundamentals remain strong

Further staged expansions to grow Olaroz production into the future – Stage 3 and beyond

Borax showing improved results with last 4 months sales up 12% yoy
NON-IFRS MEASURES & DEPRECIATION

NON-IFRS MEASURES

• **EBITDAIX, EBITIX, and EBTIX** are non-IFRS financial information and have not been subject to audit by the Company’s external auditor.

• **EBITDAIX** is ‘Earnings before interest, tax, depreciation, amortisation, impairment and foreign exchange losses/gains’.

• **EBITIX** is ‘Earnings before interest, tax impairment, and foreign exchange losses/gains’.

• **EBTIX** is ‘Earnings before tax, impairment and foreign exchange losses/gains’. EBITDAIX is used to measure segment performance and have been extracted from Note 25 ‘Segment Reporting of the annual report.

• **Statutory profit/(loss) is profit/(loss)** after tax attributable to owners of the parent.

• **‘Proportional consolidation’** is a non-audited accounting method which includes items of income, expense, assets and liabilities in proportion to the company’s percentage of participation in the joint venture.

DEPRECIATION

• **Accounting depreciation**
  - Depreciation method: Unit of production
  - Useful life: From 20 to 40 years depending on the asset based on LCE production of 17,500 tonnes per annum

• **Tax depreciation for Olaroz**
  - Infrastructure: Accelerated depreciation over three years of 60%, 20% and 20%
  - Equipment: Accelerated depreciation over three years of 33.3%, 33.3% and 33.3%
• *ktpa* is thousands of tonnes per annum
• *NCI* is non controlling interest
• *LCE* Lithium Carbonate Equivalent
• *pcp* is previous corresponding period
• *tpa* tonnes per annum

**Slide 4**

1. EBITDAIX is ‘Earnings before interest, tax, depreciation, amortisation, impairment and foreign exchange losses/gains’.
2. Orocobre reports price as “FOB” (Free On Board) which excludes additional insurance and freight charges included in “CIF” (Cost, Insurance and Freight or delivered to destination port) pricing

**Slide 7**

- EBITDAIX, EBITX, and EBTX are non audited, non IFRS measures, refer to slide in the appendix
- Proportional consolidation is a non audited presentation of the financial statements for commentary purposes
- “NCI” is the Non Controlling Interest which represents the portion of equity ownership in the Joint Venture not attributable to Orocobre Limited
KEY CHANGES TO TAXATION IN ARGENTINA

- Tax reform published on 29 December 2017 introduced significant changes to the Argentine tax system. Two of the most important changes were the progressive reduction of the corporate income tax rate over a three-year period (from 35% in 2018 down to 25% in 2020), and the introduction of a withholding tax on profit distributions (dividends) to foreign shareholders.

- The withholding tax will be applicable to distributions on profits beginning on 1st January 2018 and the respective rate will be of 7% in 2018-2019 and of 13% from 2020. The withholding tax to the shareholder may be considered as a tax credit against its assessable income in its domicile Country.

- Shareholders from Countries in which Argentina has a Double Taxation Agreement with may access a lower withholding tax rate on dividend distributions if the receiver of the dividend has a certificate of fiscal residence.

- Generally tax losses can be carried forward up to 5 years. Under the mining law this period can be extended based on the generation of taxable income and Fixed Assets useful life.

- Thin capitalization rules: the new regime applies to any related party loan regardless or whether the entities are local or foreign. Tax reform limits the scope of the regime to financial loans, excluding loans used for purchasing goods or services. Interest and related finance costs will be deductible up to 30% of taxable income (before depreciation and finance cost) or a limit to be established by tax authorities (not finalised). Excess of finance costs not deductible during the period may be carried forward up to 5 years taking into account the established limit in the finance cost deduction.

- Withholding taxes.
  - Dividends of 7% in 2018-2019 and 13% from 2020 onwards.
  - Interest generally of 35%. Can be reduced down to 15% in certain instances.
  - Royalties/fees of 35%.
VAT

- Exports are exempt from VAT (tax rate 0% for VAT debits).

- VAT Credits generated through the purchase of raw materials, goods and CAPEX can be recovered through the following alternatives:
  a) compensation with other indirect taxes (e.g., Social Security Contributions, VAT withheld to suppliers);
  b) reimbursement (i.e. 21% of FOB Exports exceeding VAT paid), or
  c) sale to third parties (market discount in the circa of 3% - 3.5%)

- In every lodgement of VAT reimbursement request, the Tax Office will grant a VAT export refund up to the limit of the 21% of the FOB Exports (Exports VAT). The differences between the 21% of FOB and VAT lodged is treated as follows:
  - VAT related to the current month of sales is preferentially claimed before the Total VAT balances related to prior periods carried forward (and the project construction in the case of SDJ)
  - If Exports VAT is in excess of VAT Credit, the difference will be used to claim the outstanding accumulated balance of the VAT Credit;
  - If VAT Credit is in excess to Exports VAT, the difference will be accumulated as a VAT Credit to be recovered in the future with export sales.

- Once the Tax Office issues its approval resolution of the VAT reimbursement, companies can either wait for the payment (estimated 30 to 60 days) or transfer the Exports VAT to companies with a commission. This alternative helps improve cash flow and reduce the exposure to devaluation of balances in ARS.

- The tax reform published on 29 December 2017 makes reference to a mechanism for tax reimbursement originated from investments. VAT credits generated through the purchase, construction, manufacturing, or definitive importation of fixed assets that, after 6 consecutive months which remain outstanding from collection, may be eligible for reimbursement. The tax authorities are yet to enact the methodology for such recovery mechanism at the date of this report.