ASX / TSX ANNOUNCEMENT

28 November 2018

Cauchari Drilling Update

Orocobre Limited **(ASX: ORE, TSX: ORL) ("Orocobre" or "the Company")** provides the following general update on activities at the Cauchari JV property located in Jujuy Province, Argentina.

The exploration program is being managed by JV partner **Advantage Lithium Corp. ("Advantage Lithium") (TSX Venture: AAL) (OTCQX: AVLIF)** who hold 75% of Cauchari. Orocobre owns 33.5% of Advantage Lithium's issued capital and 25% directly in the joint venture.

Highlights:

- The Phase III infill drilling and resource conversion program is close to completion in the NW Sector and continues in the deep sand unit in the SE Sector. The program is currently on track to upgrade the current Inferred Resource to Measured and Indicated Resources by early 2019
- Drilling of holes CAU22, CAU25, CAU27 and CAU19 recently completed in the SE Sector
- Drilling of holes CAU28 and CAU29 completed to extend the NW Sector resource area further south, increasing it by ~20%. Drilling identified the presence of an extensive (>300 m thick) sequence of sand and gravel in the southern continuation of the NW Sector
- Constant-rate pumping test completed in CAU11 to simulate long-term production; CAU07 pumping test to begin within 2 weeks.

Managing Director & CEO Richard Seville commented: "I am very pleased that the current Phase III drilling program has expanded the footprint of the resource area, as we rapidly progress towards updating the current resource to Measured and Indicated categories. The current constant rate pumping test that was completed on 25th November provided important information on the basin hydrology. We are now well advanced with the Environmental Impact Assessment and are in the final stages of selecting engineering consultants to deliver the Definitive Feasibility Study for the project".

NW Sector Drilling Update

Drilling is close to completion in the NW Sector with holes CAU28 and CAU29 (refer to Figure 1) completed since the last update on activities when CAU24 was completed. CAU28 and CAU29 extend the June 2018 resource area some 5 km further to the south and increase the area for the update of the NW Sector resource by approximately 20%.

CAU28 and CAU29 are located 2.6 km and 5.1 km, respectively, south of CAU24. It should be noted that brine mineralisation is still open to the south in the JV properties. These drill holes in the NW Sector have intersected an extensive sequence (over 300 m) of sand and gravel, which appears to have high porosity and permeability, making it attractive for future brine extraction. CAU23 is located in the NW Sector between holes CAU15 and CAU24.

SE Sector Drilling Update

CAU25 and CAU27 have been completed along the eastern edge of the SE Sector. These holes were completed at depths of 427 and 473 m respectively and intersected a sequence with some sandy material interbedded with halite and clay units.

CAU19 has been completed in the southwest of the SE Sector to a depth of 519.5 m. This hole intersected the deep sand unit from 434 m to 519.5 m (a thickness of >85 m), with sandy units continuing at the end of the hole. CAU19 is close to the southern boundary of the property and confirms the extension of the deep sand into this area.

Pumping Tests

The constant rate pumping test has been completed on test production well CAU11 in the SE Sector, following completion of a variable rate test to confirm the pumping rate for the constant rate test. Brine concentrations were monitored throughout the test, in addition to water levels in the pumping well and a network of surrounding observation wells. The final preparations are currently underway for the CAU07 pumping test in the NW Sector.

The tests will provide additional information on aquifer characteristics as an input to the three-dimensional groundwater model that is being developed to estimate lithium reserves and to develop a production schedule for the project.

Definitive Feasibility Study Consultant Selection

Proposals were received from four international engineering companies in response to a request for proposal by the company for the Definitive Feasibility Study engineering for all aspects of the company's Cauchari project. The company is in the final stages of selecting one of these companies for the DFS engineering.

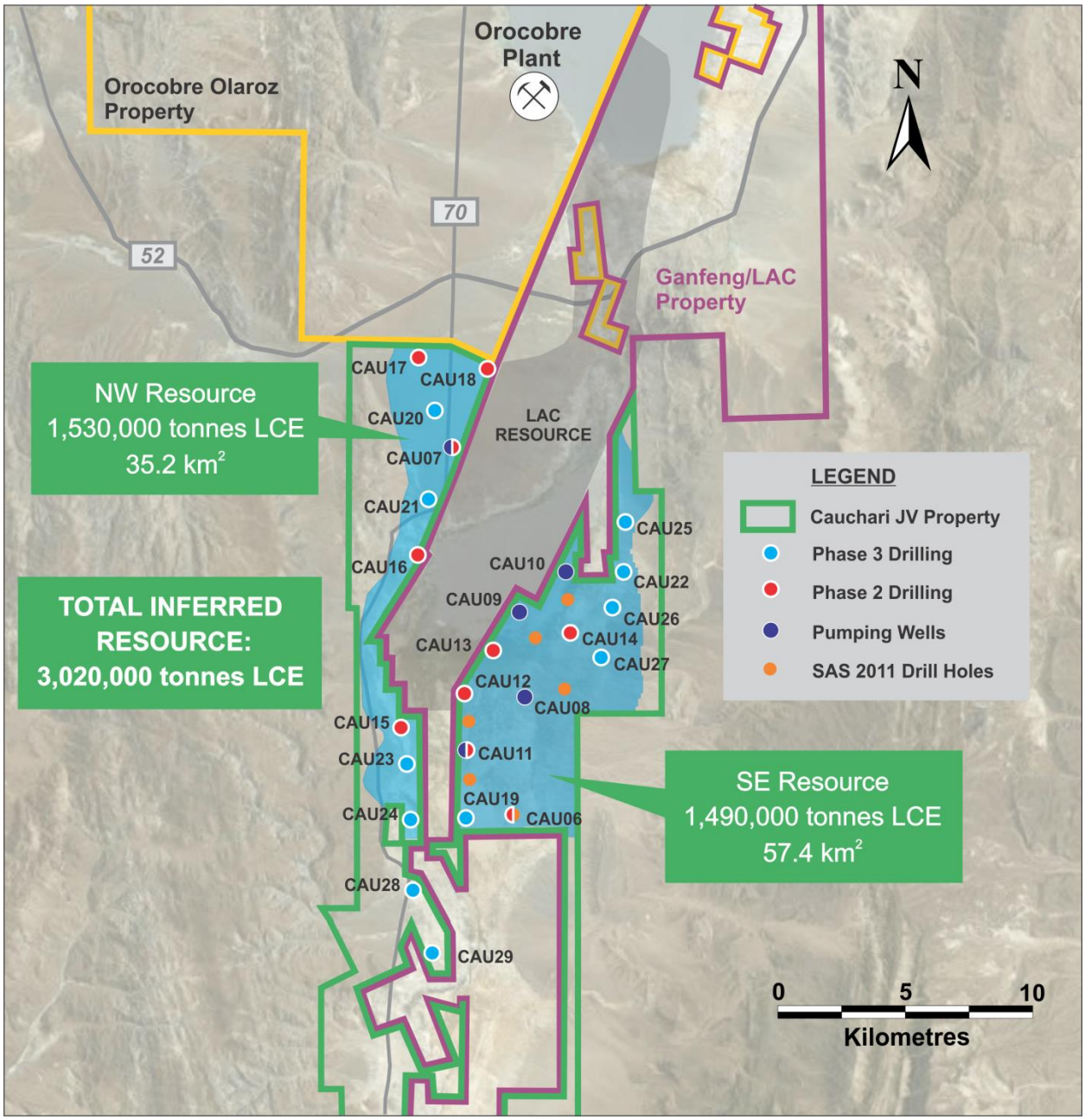
Environmental Impact Assessment

The company and consultants continue to advance the Environmental Impact Assessment, with preparation of key chapters for the EIA document underway.

Drill hole location and details

Exploration Hole Number	Sector	Total Depth (m)	Drilling Method	Coordinates Gauss Kruger Argentine* Zone3 Posgar		Elevation Mean Sea Level (m)+	Azimuth	Dip
				Easting	Northing			
CAU19D	SE	519.5	Diamond	3,421,745	7,369,998	3941.50	0	-90
CAU22D	SE	418	Diamond	3,427,728	7,379,299	3953.37	0	-90
CAU23D	NW	Underway	Rotary	3,419,549	7,372,041	3948.38	0	-90
CAU25D	SE	427	Diamond	3,427,810	7,381,196	3955.00	0	-90
CAU27D	SE	473	Diamond	3,426,874	7,376,061	3958.71	0	-90
CAU28D	NW	303.5	Diamond	3,419,760	7,367,270	3959.00	0	-90
CAU29D	NW	404	Diamond	3,420,475	7,364,855	3959.00	0	-90

Figure 1: Location of drill holes mentioned in this release, showing the inferred resource area



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JORC Table 1 – Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Drill core in diamond holes was recovered in 1.5 m length core runs in polycarbonate tubes, to minimize sample disturbance. • Drill core was collected to obtain representative samples of the sediments that host brine, to evaluate the porosity and permeability of these host sediments. • Brine samples were collected at discrete depths during the diamond drilling using a bailer device. In these intervals a bailer device was used for purging brine from the holes and for sampling. • The brine samples were collected in clean plastic bottles and filled to the top to minimize air space within the bottle. Each bottle was marked with the time and relabelled with a sample number before sending the sample to the laboratory.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling with an internal (triple) tube was used for drilling. The drilling produced cores with variable and sometimes poor core recovery, associated with unconsolidated sandy material. Recovery of these more friable sediments is more difficult with diamond drilling, as this material can be washed from the core barrel during drilling. • Fresh to brackish water has been used as drilling fluid for lubrication during drilling to minimize the possibility of contamination of natural formation brine with lithium-bearing fluids. Biodegradable additives are used to minimize the development of thick wall cake in the holes that could reduce the inflow of brine to the hole and affect brine quality. • Rotary drilling was undertaken to install

Criteria	JORC Code explanation	Commentary
		pre-collars for this holes. This was done to separate fresh to brackish water in the upper part of the sediments from underlying brine, to prevent any dilution of brine samples from this fluid during sampling.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond drill core was recovered in 1.5m length intervals in the drilling triple (polycarbonate or split) tubes. Appropriate additives were used for hole stability, to maximize core recovery. The core recovery was measured from the cores and compared to the length of each run to calculate the recovery. • Brine samples were collected at discrete depths during the drilling using a bailer over an interval of typically 1 to 3 m at the base of the hole during drilling (sampling the brine inflow at the base of the hole where the drill rods were raised to allow brine inflow, following purging of the standing water – drilling fluid – in the hole). The simple bailer device was used for purging brine from the holes and for sampling once an appropriate volume of fluid had been purged from the holes. Samples were taken at nominal 12 m intervals, although brine samples were not always obtained during sampling, due to the requirements for purging drilling fluid from the hole. • As the lithium brine (mineralisation) samples are taken from inflows of the brine into the hole (and not from the drill core – which has variable recovery) they are largely independent of the quality (recovery) of the core samples. However, the permeability of the lithologies where samples are taken is related to the rate and potentially lithium grade of brine inflows.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Diamond holes are logged by a senior geologist who also supervised taking of samples for laboratory porosity analysis. • Logging is both qualitative and quantitative in nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	extractable brine are noted, as are more qualitative characteristics such as the sedimentary facies and their relationships. When cores are split for sampling they are photographed. • Core recoveries are measured for the entire core recovered. • Diamond holes were logged by experienced geologists. However, interpretation of the sediment types is more qualitative, due to the drilling method.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling phase maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core samples are systematically sub-sampled for laboratory analysis, cutting the lower 10-15 cm of core from the core sample either in the polycarbonate tubes or (using a saw) preserving the sample in cling wrap, tape and the plastic tubing for transportation to the laboratory. • Sub-samples are sent to the porosity laboratory for testing. • Core sampling is systematic, with core samples taken at the base of core runs every 3 m to minimize sampling bias. This is considered to be an appropriate sampling technique to obtain representative samples, although core recovery is noted to be variable. • Duplicate core samples of sediments are prepared in the laboratory for analysis of porosity characteristics. Characteristics of porosity sub-samples are compared statistically with the sample descriptions for each sub-sample. • Systematic sampling has been undertaken in drill holes with the objective of taking brine samples every 12 m where possible. Field duplicate samples are taken for laboratory analysis. • Fluorescein tracer dye is used as an additive to the drilling fluid to distinguish drilling fluid from natural formation brine in the sampling conducted by bailing at systematic intervals during the diamond drilling. • The brine samples were collected in new unused one-litre sample bottles which were filled with brine from the bailer or

Criteria	JORC Code explanation	Commentary
		the packer discharge tube. Each bottle was marked with the drill hole number and details of the sample. Prior to sending samples to the laboratory they were assigned unique sequential numbers.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The Norlab/Alex Stuart laboratory in Jujuy, Argentina is used as the primary laboratory to conduct the assaying of the brine samples collected as part of the drilling program. They also analyzed duplicates and standards, with blind control samples in the analysis chain. The laboratory is a commercially accredited laboratory specialized in the chemical analysis of brines and inorganic salts. QA/QC check samples have been sent to another independent laboratory but these sample results have not yet been received. • The quality control and analytical procedures used at the Norlab laboratory are considered to be of high quality and the laboratory is affiliated with the Alex Stuart international group of laboratories. • Duplicate and standard analyses are considered to be of acceptable quality. • Geophysical logging of the drill hole is pending contractor availability.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Accuracy, the closeness of measurements to the "true" or accepted value, was monitored by the insertion of laboratory certified standards. • Duplicate samples in the analysis chain were submitted as part of the laboratory batch and results are considered acceptable. • Laboratory data (from spreadsheets) is loaded directly into the project database, to be verified periodically by the independent QP.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of*	• The holes were located with a hand held GPS in the field and will be subsequently checked by a surveyor on completion of the drilling program. The location is in zone 3 of the Gauss Kruger coordinate system, with the Argentine POSGAR.

Criteria	JORC Code explanation	Commentary
	topographic control.	
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Lithological data was collected throughout the drilling. • The nominal 12 m vertical spacing of brine samples is considered sufficient to establish the degree of lithium grade continuity. In intervals with low permeability sediments such as clays, brine samples are not always obtained. Brine samples taken in which the biodegradable dye added to the drilling fluid is identified in significant quantity, and which have low fluid density, are rejected as contaminated samples and are not considered for resource estimation purposes. • Compositing of samples has not been applied to diamond hole samples prior to analysis. • More comprehensive geophysical logging of diamond holes is planned to provide higher quality data on formation porosity characteristics, in addition to laboratory porosity measurements.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The salar deposits that host lithium-bearing brines consist of sub-horizontal beds and lenses of sand, silt, halite, clay and minor gravel, depending on the location within the salar. The vertical holes are essentially perpendicular to these units, intersecting their true thickness.
Sample security	• *The measures taken to ensure sample security.*	• Samples were transported to the laboratory (primary, duplicate and QA/QC samples) for chemical analysis in sealed rigid plastic bottles with sample numbers clearly identified. • The samples were moved from the drill site to secure storage at the camp on a daily basis. All brine sample bottles are marked with a unique label.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been conducted at this point in time.

Section 2 - Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Cauchari JV properties are located approximately 20 km south of the Olaroz lithium project (operated by Orocobre/Sales de Jujuy) in the province of Jujuy in northern Argentina at an elevation of approximately 3,900 masl. • The property comprises 28,000 ha in 22 mineral properties in Jujuy province in Argentina. Exploration activities are currently focused in the northern properties within the larger property package. The properties consist of exploitation properties (minas). • The tenements/properties are believed to be in good standing, with payments made to relevant government departments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration was previously carried out in the SE Sector properties by Orocobre subsidiary SAS in 2011, with the drilling of 6 holes (5 diamond, 1 rotary), several of which were abandoned well short of the target depth due to problems with the drilling equipment. An initial resource was defined in accordance with the JORC code at the time of exploration. • Immediately to the north of the Cauchari project Orocobre Limited has developed the Olaroz lithium project, which is the first new lithium brine project to produce lithium in 20 years. • Significant exploration has been conducted immediately to the east and west of the JV properties by the company Lithium Americas Corp, who has defined a large resource and related reserve and who has completed a DFS on the project. This company is moving forward to project development with Industry major Ganfeng.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The sediments within the salar consist of halite, clay, silt, sand and gravel which have accumulated in the salar from terrestrial sedimentation and evaporation of brines within the salar. These units are interpreted to be

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		essentially flat lying, with unconfined aquifer conditions close to surface and semi-confined to confined conditions at depth • Brine within the salar is formed by solar concentration, with brine hosted within the different sedimentary units • Geology was recorded during drilling of all the holes.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Lithological data was collected from the holes as they were drilled and cores were retrieved. Detailed geological logging of cores has also been completed, with cores split to facilitate this. • Brine samples were collected from the initial bailer sampling and sent for analysis to the Norlab laboratory, together with quality control/quality assurance samples • All drill holes are vertical, (dip -90, azimuth 0 degrees). The hole intersected lithium-bearing brine. The hole is located at approximately 3953 m above sea level.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Brine samples taken from holes were averaged (arithmetic average) without weighting across the number of samples in the hole in the lithium brine zone.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• The lithium-bearing brine in some drill holes is interpreted to underlie an upper zone of less concentrated brine not sampled, as the upper part of the hole was cased off at the commencement of drilling. The sediments hosting brine are

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	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	interpreted to be essentially perpendicular to the vertical drill holes. • The length reported for mineralisation (brine) interval is from systematic sampling and definition of the actual extent of the brine. • The brine samples are considered to represent true widths of brine.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A diagram is provided in the text showing the location of the properties and drill holes. A table is provided in this announcement shows the location of the drill holes.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Representative data from drilling and sampling in the SE Sector of the Cauchari JV project is provided, such as lithological descriptions, brine concentrations and information on the thickness of mineralisation. Additional information will be provided as it comes to hand.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Refer to the information provided in Technical report on the Cauchari Lithium Project, Jujuy Province, Argentina, dated effective 5th December and amended 22nd December 2016 for previous geophysical and geochemical data from drilling in 2011 by the Orocobre subsidiary SAS.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The company is currently undertaking the Phase III diamond drilling program to upgrade inferred resources to higher certainty resource classification.

Qualified Person's/Competent Person's Statement

The information in this report that relates to exploration reporting at the Cauchari JV project has been prepared by Mr. Murray Brooker. Murray Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Mr. Brooker is an employee of Hydrominex Geoscience Pty Ltd and is independent of Orocobre. Murray has sufficient relevant experience to qualify as a competent person as defined in the 2012 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. Murray Brooker consents to the inclusion in this announcement of this information in the form and context in which it appears.

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