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ANOTHER STRONG HALF-YEAR RESULT

Strong balance sheet, strong cashflow

**SDJ joint venture (Olaroz)**

- Half-year revenue of US$63.5 million on sales of 5,163 tonnes
- Olaroz sales price of **US$12,295/tonne** FOB\(^1\)
- Cost of sales of US$4,251/tonne\(^2\) and strong gross cash margin of **US$8,044/tonne**
- **EBITDA\(^3\) of US$36.6 million**, after expensing US$2.9 million of temporary export tax announced in September 2018
- Expansion well underway – US$19 million committed to end of half-year
- Average sales price for the March quarter will be approximately US$9,000/tonne (FOB)
- Production in FY19 expected to be approximately the same as FY18

**Orocobre**

- Group net profit of US$24 million
- US$180 million debt package agreed for Olaroz Stage 2 Expansion
- Orocobre cash balance at 31 December 2018 of US$284 million, net cash of US$207.7 million (after deducting share of project net debt)
- Borax returns to operational profit of **US$0.6 million**

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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, export tax and head office costs
3. See Notes page.
SDJ Joint Venture is equity accounted due to the control structure in the Group’s financial report. This will change to a consolidated basis in future reports, effective 1 January 2019.

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 Interest (NCI).
PROPORTIONALLY CONSOLIDATED INCOME STATEMENT

<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 (33.5%)</th>
<th>Add back equity accounting of PTE profit</th>
<th>Consolidated Group incl PTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9.3</td>
<td>63.5</td>
<td>(21.3)</td>
<td>-</td>
<td>51.5</td>
</tr>
<tr>
<td><strong>EBITDAIX</strong></td>
<td>(3.3)</td>
<td>36.6</td>
<td>(12.3)</td>
<td>-</td>
<td>21.0</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td></td>
<td></td>
<td>1.5</td>
<td>-</td>
<td>(2.9)</td>
</tr>
<tr>
<td><strong>EBITIX</strong></td>
<td>(3.3)</td>
<td>32.2</td>
<td>(10.8)</td>
<td>-</td>
<td>18.1</td>
</tr>
<tr>
<td>Interest</td>
<td>6.9</td>
<td>(10.9)</td>
<td>3.6</td>
<td>-</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>EBTIX</strong>*</td>
<td>3.6</td>
<td>21.3</td>
<td>(7.2)</td>
<td>-</td>
<td>17.7</td>
</tr>
<tr>
<td>Foreign currency gains/(losses)</td>
<td>(3.4)</td>
<td>(6.9)</td>
<td>2.3</td>
<td>-</td>
<td>(7.9)</td>
</tr>
<tr>
<td>Impairment</td>
<td>(0.2)</td>
<td></td>
<td>-</td>
<td>-</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Share of loss of associates</td>
<td>(0.8)</td>
<td></td>
<td>-</td>
<td>-</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Share of profit of joint ventures</td>
<td>24.8</td>
<td></td>
<td>-</td>
<td>(24.8)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total profit/(loss) for the year before tax</strong></td>
<td>24.0</td>
<td>14.4</td>
<td>(4.8)</td>
<td>(24.8)</td>
<td>8.8</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td>21.2</td>
<td>(6.0)</td>
<td>-</td>
<td>15.2</td>
</tr>
<tr>
<td><strong>Total profit/(loss) for the year after tax</strong></td>
<td>24.0</td>
<td>35.6</td>
<td>(10.8)</td>
<td>(24.8)</td>
<td>24.0</td>
</tr>
</tbody>
</table>

FINANCIAL HIGHLIGHTS

- Sales of 5,163 tonnes at average of $12,295/tonne
- EBITDAIX* of US$36.6 million was adversely impacted by temporary export tax of US$2.9 million announced in September 2018
- Cash operating costs of US$4,251/tonne (excluding royalties, export tax and head office costs)
- Gross cash margins of US$8,044/tonne (65%)
- Depreciation costs of US$852/tonne
- Financing costs of US$10.9 million include interest from project funding and working capital facilities of US$7.6 million, accrued interest of shareholder loans of US$3.6 million, offset by other finance income of US$0.3 million
- Foreign currency losses relate to remeasuring SDJ’s ARS net financial assets into USD, mainly related to VAT and advance payments to suppliers, and Borax’s USD liabilities remeasured into ARS functional currency
- Income tax benefit represents reduction of deferred tax liability as a result of future temporary differences expected to be reversed at a lower statutory tax rate (30% to 25%) and withholding tax liability booked in FY18 now reversed. This was offset by income tax expense for the period and movements in foreign currency.

* EBITDAIX, **EBITIX, ***EBTIX are non-audited, non-IFRS measures, refer to slide in the appendix
PROFIT RECONCILIATION (ORE SHARE)

EDITDAIX: 21.0
Depreciation: (2.9)
Interest: (0.4)
FX Gain/(Loss): (7.9)
Impairment Loss: (0.2)
Share of AAL losses: (0.8)
Income Tax Benefit: 15.2
Statutory Net Profit: 24.0
### Proportionally Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>Proportionally Consolidated Balance Sheet</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</th>
<th>% Variance movement for period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>284.2</td>
<td>29.9</td>
<td>-</td>
<td>(10.0)</td>
<td>304.1</td>
<td>329.7</td>
<td>(8%)</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>58.4</td>
<td>6.2</td>
<td>(36.6)</td>
<td>(2.1)</td>
<td>25.9</td>
<td>26.9</td>
<td>(4%)</td>
</tr>
<tr>
<td>Inventory</td>
<td>7.1</td>
<td>39.3</td>
<td>-</td>
<td>(13.2)</td>
<td>33.2</td>
<td>27.5</td>
<td>21%</td>
</tr>
<tr>
<td>VAT receivable</td>
<td>0.2</td>
<td>13.7</td>
<td>-</td>
<td>(4.6)</td>
<td>9.3</td>
<td>7.4</td>
<td>26%</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>9.1</td>
<td>-</td>
<td>(3.0)</td>
<td>6.1</td>
<td>4.9</td>
<td>24%</td>
</tr>
<tr>
<td>Total current assets</td>
<td>349.9</td>
<td>98.2</td>
<td>(36.6)</td>
<td>(32.9)</td>
<td>378.6</td>
<td>396.4</td>
<td>(4%)</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>0.6</td>
<td>360.8</td>
<td>(15.8)</td>
<td>(113.3)</td>
<td>232.3</td>
<td>217.8</td>
<td>7%</td>
</tr>
<tr>
<td>Exploration, evaluation and development assets</td>
<td>11.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11.0</td>
<td>7.4</td>
<td>49%</td>
</tr>
<tr>
<td>Investment in joint ventures</td>
<td>109.3</td>
<td>-</td>
<td>(109.3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Investment in associates</td>
<td>22.6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22.6</td>
<td>20.0</td>
<td>13%</td>
</tr>
<tr>
<td>Inventory</td>
<td>0.9</td>
<td>35.7</td>
<td>-</td>
<td>(11.9)</td>
<td>24.7</td>
<td>23.7</td>
<td>4%</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>51.4</td>
<td>1.0</td>
<td>(30.2)</td>
<td>(0.4)</td>
<td>21.8</td>
<td>16.5</td>
<td>32%</td>
</tr>
<tr>
<td>Other</td>
<td>0.5</td>
<td>35.5</td>
<td>-</td>
<td>(10.8)</td>
<td>25.2</td>
<td>25.2</td>
<td>0%</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>196.3</td>
<td>433.0</td>
<td>(155.3)</td>
<td>(136.4)</td>
<td>337.6</td>
<td>310.6</td>
<td>9%</td>
</tr>
<tr>
<td>Total assets</td>
<td>546.7</td>
<td>531.2</td>
<td>(191.9)</td>
<td>(169.3)</td>
<td>716.2</td>
<td>707.0</td>
<td>1%</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>6.0</td>
<td>30.9</td>
<td>(6.6)</td>
<td>(10.3)</td>
<td>20.0</td>
<td>20.4</td>
<td>(2%)</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>0.4</td>
<td>118.0</td>
<td>(29.8)</td>
<td>(39.6)</td>
<td>49.0</td>
<td>46.2</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>0.6</td>
<td>1.7</td>
<td>-</td>
<td>(0.6)</td>
<td>1.7</td>
<td>1.5</td>
<td>13%</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>7.0</td>
<td>150.6</td>
<td>(36.4)</td>
<td>(50.5)</td>
<td>70.7</td>
<td>68.1</td>
<td>4%</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>0.5</td>
<td>2.1</td>
<td>(1.3)</td>
<td>(0.8)</td>
<td>0.5</td>
<td>0.4</td>
<td>25%</td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>-</td>
<td>145.6</td>
<td>(29.1)</td>
<td>(48.7)</td>
<td>67.8</td>
<td>72.7</td>
<td>7%</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>-</td>
<td>39.3</td>
<td>-</td>
<td>(12.4)</td>
<td>26.9</td>
<td>42.2</td>
<td>(36%)</td>
</tr>
<tr>
<td>Other</td>
<td>11.0</td>
<td>17.3</td>
<td>-</td>
<td>(5.7)</td>
<td>22.6</td>
<td>21.5</td>
<td>5%</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>11.5</td>
<td>204.3</td>
<td>(30.4)</td>
<td>(67.6)</td>
<td>117.8</td>
<td>136.8</td>
<td>(14%)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>18.5</td>
<td>354.9</td>
<td>(66.8)</td>
<td>(118.1)</td>
<td>188.5</td>
<td>204.9</td>
<td>(8%)</td>
</tr>
<tr>
<td>Net assets</td>
<td>527.7</td>
<td>176.3</td>
<td>(125.1)</td>
<td>(118.1)</td>
<td>527.7</td>
<td>502.1</td>
<td>5%</td>
</tr>
</tbody>
</table>
### Proportionally Consolidated Cash Flow Statement

ORE Group Statutory Results

SDJ PTE (100%) Eliminate ORE Group PTE related items Eliminate NCI of PTE (33.5%) Consolidated Group incl PTE

<table>
<thead>
<tr>
<th>For the period ended 31 December 2018</th>
<th>FY19</th>
<th>FY19</th>
<th>FY19</th>
<th>FY19</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$M</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>9.1</td>
<td>67.8</td>
<td>-</td>
<td>(22.7)</td>
<td>54.2</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(15.3)</td>
<td>(49.5)</td>
<td>-</td>
<td>14.2</td>
<td>(50.6)</td>
</tr>
<tr>
<td>Interest received / paid</td>
<td>3.3</td>
<td>(0.5)</td>
<td>-</td>
<td>0.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Net VAT paid</td>
<td>-</td>
<td>(7.5)</td>
<td>-</td>
<td>2.5</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Other cash receipts</td>
<td>-</td>
<td>4.8</td>
<td>-</td>
<td>(1.6)</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(2.9)</td>
<td>15.1</td>
<td>-</td>
<td>(7.4)</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for exploration, evaluation and development expenditure</td>
<td>(3.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(0.6)</td>
<td>(20.0)</td>
<td>-</td>
<td>6.7</td>
<td>(13.9)</td>
</tr>
<tr>
<td>Investment in associates</td>
<td>(3.9)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3.9)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(8.1)</td>
<td>(20.0)</td>
<td>-</td>
<td>6.7</td>
<td>(21.4)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of shares, net of transaction costs</td>
<td>0.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>-</td>
<td>3.5</td>
<td>-</td>
<td>(1.2)</td>
<td>2.3</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(0.3)</td>
<td>(15.0)</td>
<td>-</td>
<td>5.0</td>
<td>(10.3)</td>
</tr>
<tr>
<td>Loan from joint venture partners</td>
<td>-</td>
<td>28.0</td>
<td>(21.0)</td>
<td>(7.0)</td>
<td>-</td>
</tr>
<tr>
<td>Loan to joint ventures</td>
<td>(21.0)</td>
<td>(1.2)</td>
<td>21.0</td>
<td>0.4</td>
<td>(0.8)</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>(21.0)</td>
<td>15.3</td>
<td>-</td>
<td>(2.8)</td>
<td>(8.5)</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>(32.0)</td>
<td>10.4</td>
<td>-</td>
<td>(3.5)</td>
<td>(25.1)</td>
</tr>
<tr>
<td>Cash and cash equivalents, net of overdrafts, at the beginning of year</td>
<td>316.7</td>
<td>19.5</td>
<td>-</td>
<td>(6.5)</td>
<td>329.7</td>
</tr>
<tr>
<td>Effect of exchange rates on cash holdings in foreign currencies</td>
<td>(0.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Cash and cash equivalents, net of overdrafts, at the end of year</td>
<td>284.2</td>
<td>29.9</td>
<td>-</td>
<td>(10.0)</td>
<td>304.1</td>
</tr>
</tbody>
</table>

- **Strong cash generated from operations**
- **Higher payments to suppliers mainly due to increase in inventories**
- **Net paid VAT due to increase in CAPEX from Stage 2 Expansion**
- **Exploration costs for Cauchari Project and development cost LiOH Project**
- **Purchase of property, plant and equipment largely related to Stage 2 Expansion**
- **Participated in AAL private placement**
- **Proceeds from working capital facilities**
- **Repayment of Mizuho loan (principal and interest)**
- **Loans from JV partners for Stage 2 Expansion**
A strong operating cash flow from EBITDAIX of US$36.6 million
Shareholders loans relate to expansion funding
CAPEx includes expansion capex of US$13.8 million and sustaining CAPEX of US$6.2 million
VAT net payment of ~US$7.5 million
Net working capital outflows included:
  - US$7.9 million increase in inventory* (includes ~US$4.2 million of finish product and ~US$3.7 million of brine)
  - US$6.5 million increase in net accounts receivable and advanced payment to suppliers (net of accounts payable and excluding the effect of discounting ARS related balances)

* Excludes depreciation
REDUCING PROJECT DEBT

- ~US$82 million principal of the Project Debt (43% reduction) repaid by 10 March 2019
- Project Debt balance reducing to ~US$110 million during March 2019
- Project Debt repayments scheduled every six months to September 2024
- Project Debt incurs a low average interest rate of ~4.25%
- Orocobre proportional net debt of US$207.7 million at 31 December 2018 (US$229.1 million at 30 June 2018)
VISION: BE A WORLD CLASS SUPPLIER OF LITHIUM CHEMICALS

• What is World Class?
  1. Cost leadership
  2. Built-in quality
  3. Process Innovation

• Orocobre has all the key attributes:
  — Access to quality brine resources
  — Cost effective process technology
  — Strong team on site
  — Expansion potential
  — Right joint venture and strategic partners in place
  — Access to capital, key financial agreements in place
An operational review has commenced with an emphasis on key areas of:

- Safety
- Quality
- Productivity

Existing strategic initiatives remain the focus:

- Production from Stage 1 - quality, productivity, long term customer relations
- Expansion – timing and budget
- Naraha Lithium Hydroxide Plant
- Basin understanding – resource definition and development

- Aim to improve management bandwidth and capability
- Opportunity to develop better organisational capability
- Improvements in these areas will deliver better results on costs, customer satisfaction and shareholder value
STAGE 2 DIVERSIFIES PRODUCTION STRATEGY

- Stage 2 construction underway with new roads, new evaporation and harvest ponds, a secondary liming plant, drilling of new bores, and the expansion of existing site infrastructure/camp accommodation
- Total CAPEX of US$295 million excluding VAT, US$19 million had been committed as of 31 December 2018\(^1\)
- Commissioning in H2 CY20\(^1\)

1. Subject to current review
POND CAPACITY GROWING AHEAD OF PRODUCTION

- Total new pond areas of approximately 9km$^2$, increasing pond system to >13km$^2$
- Five new harvest ponds (17A, 17B, 18A, 18B & 16B) and two new evaporation ponds (15A & 15B) have been completed as of 31 December
- A further six ponds are currently under construction

Stage 2 CAPEX

- 47% Wells and Ponds
- 23% Processing
- 9% Other
- 21% Contingency

New ponds under construction
New ponds already filled
New ponds under construction
NARAHAN LITHIUM HYDROXIDE PLANT

LITHIUM HYDROXIDE MARKET

- Long-term battery grade hydroxide prices (2017-2030) are forecast to maintain a premium to battery grade carbonate.
- Nickel based cathodes (NMC and NCA formats) are forecast to account for ~60-70% 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 80 ktpa LCE in hydroxide capacity is currently forecast for 2025.

NARAHAN

- The LiOH Plant will process Li$_2$CO$_3$ from Olaroz and deliver value-added LiOH to customers agreed between Orocobre and Toyota Tsusho.
- The planned 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 approximately US$27 million have been secured from the Japanese government.
- Orocobre and Toyota Tsusho are targeting completion of an EPC contract with Veolia during the March quarter with subsequent FID and commissioning during H2 CY20.
ADVANTAGE LITHIUM (AAL)

- Orocobre hold ~33.5% of AAL issued shares
- And 25% ownership in the Cauchari project.

CAUCHARI PROJECT (25% ORE, 75% AAL)

- AAL has released a NI43-101 complaint Preliminary Economic Assessment for the Cauchari JV project in accordance with Canadian standards*
- **Inferred resource of 3.02 Mt LCE** at Cauchari at 450 mg/l Lithium
- Phase 3 resource definition drilling and test pumping program is complete at the Cauchari project site which aims to upgrade the resource classification by Q2 2019 to support the project’s Feasibility Study
- AAL has completed a detailed project development schedule and budget.

*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 S.A.

ABRA DE GALLO
ALTITUD: 4630 m.s.n.m.
EL MEDIO AMBIENTE ES DE TODOS
AYUDEMOS A CONSERVARLO
BORAX ARGENTINA S.A.
BORAX ARGENTINA RETURNS TO OPERATING PROFIT

• Sales for the half-year of US$9.3 million (2017 US$7.9 million)
• Material improvement in net EBITDAIX to positive US$0.6 million (2017 US$1.0 million net loss)
• Production performance improving with lower unit costs
• Product optimisation progressing and stock remain above minimum levels
• Focus on delivering sustainable operational and financial performance
• Focus on “southern cone” markets (Brazil, Argentina, Chile, Uruguay, Paraguay)
• Difficult trading conditions continue
• Significant value exists in the assets and a strategic review of development options continues
GROWTH IN CHINESE SUPPLY PRESSURES DOMESTIC PRICES

**China Domestic Carbonate Market Price versus Seaborne Market (USD/t)**

- Arbitrage favouring seaborne markets grows and sustains during H1 FY19

**China Domestic Hydroxide Market Price versus Seaborne Market (USD/t)**

- Hydroxide prices achieved by Chinese converters pressured down as expected transition to hydroxide-dominant cathodes fails to materialize in 2018

Arbitrage favours seaborne markets as expected transition to hydroxide-dominant cathodes fails to materialize in 2018.
CHINA DOMESTIC PRICES ENCOURAGES GROWTH IN CHINESE EXPORTS

China becomes a net exporter: Chinese carbonate exports exceed imports for the first time in ~8 years during December Quarter.

Hydroxide exports almost double over H1 2019.

Over-estimated hydroxide demand in China encouraged hydroxide expansion and production that could not be absorbed in the domestic market.

Source: GTIS

Periods are calendar year.
The Impact of Subdued Chinese Market Conditions on the Seaborne Market

South Korean Carbonate Imports (t LCE)
- South Korean carbonate imports grew ~57% YOY
- China increased market share from <1% to 21% from H1 FY18 to H1 FY19
- Chile market share declined 22% YOY in H1 FY19

South Korean Hydroxide Imports (t LCE)
- South Korean hydroxide imports have doubled YOY
- Imports of Chinese hydroxide grew 2.5x resulting in 15% market share growth
- Imports of Chile hydroxide grew 38% from H1 FY18 to H1 FY19 - market share declined 14%

Source: GTIS
BATTERY CAPACITY GROWTH MORE THAN 5X IN 10 YEARS, UNDERPINS DEMAND & REDUCES EXPOSURE TO ASIA

Source: Benchmark Minerals

*Lithium (LCE) requirement assumes 0.8t of LCE per kwh, battery capacity at 80% utilisation rate

Ex-Asia battery capacity to grow share of the global market 15% in ten years

Currently, other Asia battery market (primarily South Korea and Japan) provides secondary, baseline demand while Chinese market demonstrates sensitivity to macro-economic conditions & EV policy

After identifying lack of mid-stream capacity and over-reliance on South Korea, Europe invests in battery capacity that is local to car manufacturer facilities

Chinese Government easing foreign investment policy in H1 FY19 has encouraged international car manufacturers back into the Chinese battery market

Source: Benchmark Minerals
OROCOBRE VIEW ON LITHIUM MARKET SUPPLY & DEMAND

Orocobre Supply & Demand Forecast (LCE t)

- Marginal Brine
- Chinese Brine
- New or Marginal Independent Converters & Other
- New Brine
- New Integrated Converters
- Incumbent Independent Converters
- Incumbent Integrated Converters
- Incumbent Brine

- CAGR 2018-2022 = ~17%; 2020 EV Penetration = ~3.5%; 2018-2022 EV Growth YOY = ~40%; ESS Growth YOY = 30-40%
- Battery Capacity 60-80% utilisation rate; 0.8kg per kwh
SUMMARY

Half-year profit of US$24 million

Olaroz remains a low cost, high margin producer with Olaroz EBITDA of US$36.6 million

Growth projects fully funded:
- Olaroz Stage 2 Expansion underway
- 10,000 tpa Naraha Lithium Hydroxide Plant to be built in Japan

FY19 production to be similar to FY18

Lithium chemical prices are lower than previous periods but long term fundamentals remain intact

Further staged expansions to grow Olaroz production into the future

Borax returns to operational profit
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 currency gains/(losses)’

• **EBITIX** is ‘Earnings before interest, tax impairment, and foreign currency gains/(losses)’

• **EBTIX** is ‘Earnings before tax, impairment and foreign currency gains/(losses)’. 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’s** 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%
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 four-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.

- Transfer pricing rules applies to transactions with foreign related parties, and with unrelated parties resident in non-cooperative, low or no taxations jurisdictions. The tax reform bill establishes that the export and import operations with an international intermediary are subject to additional security by tax authorities as the taxpayers must prove that the intermediary’s fee is reasonable.

- Thin capitalisation 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 is deductible unless it exceeds 30% of the income subject to tax (before depreciations and interest) or such parameter established by the legal authority (not regulated yet), the greater. The portion not used can be carried forward up to 5 years.

- Export Tax: introduced on September 4, 2018. 3 ARS for each 1 USD of export revenue. Legislated to expire December 2020.

- Withholding taxes:
  - Dividends of 7% in 2019-2019 and 13% from 2020 onwards.
  - Interest generally of 35%. Can be reduced down to 15% in certain instances.
  - Royalties/fees of 35% relevant royalty or fee.
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) Against operations in the domestic market;
  b) Compensation with other taxes of the Company (e.g., against Income Tax, Social Security Contributions, VAT withheld to suppliers);
  c) Reimbursement (21% of FOB Exports), or
  d) Transfer to third parties (commission involved of approx. 3% - 3.5%)

- The recovery process basically consists in detailing all the suppliers’ invoices, whose tax credits are linked to exports and lodging a reimbursement request to the Tax Office. Such request, with opinion of a Public Accountant, is processed and can be fully or partially accepted (VAT with observations)
  — VAT with observations. The Company can explain appeal whether the "observations" are correct or mistakes of the Tax Office
  — If explanations are not accepted, there is a formal process to continue with the discussion of the observations
- When the VAT presentation is accepted, the Tax Office issues an "Administrative Act" stating that the recovery is correct and ready for processing its payment
- In every lodgement of a 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
NOTES TO SLIDES

• **ktpa** is thousands of tonnes per annum
• **NCI** is non-controlling interest
• **YOY** year-on-year
• **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