

OROCOBRE LIMITED

ABN 31 112 589 910

CONSOLIDATED FINANCIAL REPORT
FOR THE HALF - YEAR ENDED
31 DECEMBER 2014

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CORPORATE INFORMATION

Directors	Company	Auditors
<i>Non-Executive Chairman</i> James D. Calaway	OROCOBRE LIMITED ACN 112 589 910	ERNST & YOUNG 111 Eagle Street Brisbane QLD 4000 AUSTRALIA
<i>Managing Director & CEO</i> Richard Seville	<i>Registered Office</i> Level 1, 349 Coronation Drive Milton QLD 4064 AUSTRALIA	Legal Advisors
<i>Non-Executive Directors</i> John W. Gibson Federico Nicholson Fernando Oris De Roa Courtney Pratt Robert Hubbard	<i>Principal Office</i> Level 1, 349 Coronation Drive Milton QLD 4064 AUSTRALIA	Rick Anthon Lawyer Level 5, 10 Market Street Brisbane QLD 4000 AUSTRALIA
Company Secretary Neil Kaplan	<i>Postal Address</i> PO Box 1946 Milton QLD 4064 <i>Telephone:</i> +61 7 3871 3985 <i>Facsimile:</i> +61 7 3720 8988 <i>Email:</i> mail@orocobre.com <i>Website:</i> www.orocobre.com	McCarthy Tetrault LLP Suite 5300 TD Bank Tower Toronto Dominion Centre 66 Wellington Street West TORONTO ON M5K1E6 CANADA Saravia Frias Cornejo Abogados Rivadavia 378 (A4400BTH) SALTA ARGENTINA
		Share Registries
		BOARDROOM PTY LIMITED Level 7, 207 Kent Street Sydney NSW 2000 AUSTRALIA
		EQUITY FINANCIAL TRUST COMPANY 200 University Avenue Suite 400 Toronto ON M5H4H1 CANADA

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2014.

DIRECTORS

The following persons were Directors of the Company during the half year and at the date of this report except as otherwise noted:

J. D. Calaway (Chairman)	C. Pratt
R. P. Seville	F. O. de Roa
J. W. Gibson	F. Nicholson
R. Hubbard	

REVIEW & RESULTS OF OPERATIONS

The group's operating profit/ (loss) for the half year, after applicable income tax was \$2,307,746 (31 December 2013: (\$1,018,059)).

The Olaroz Project Joint Venture is operated through Sales de Jujuy S.A. (SDJ SA) a subsidiary of Sales de Jujuy PTE, a Singaporean company that both Orocobre and Toyota Tsusho Corporation (TTC) respectively, are shareholders in directly and indirectly. The effective Olaroz Project equity interest is Orocobre 66.5%, TTC 25.0% and Jujuy Energia y Minería Sociedad del Estado ("JEMSE") 8.5%.

The joint venture between the Company and TTC was created on 17 October 2012 and the accounting consequences reflected in the 30 June 2013 financial statements. Since that date Orocobre has recognised its interest in the joint venture (JV) as an equity accounted investment (please refer note on JV Reporting). Under the equity method of accounting, Orocobre's interest in the joint venture was recognised on the balance sheet at the date of the transaction at fair value. This carrying amount is then adjusted for subsequent equity investments, the Company's share of the post-acquisition profit or loss and other equity movements of the joint venture and any dividends received. As a result capital expenditure by the joint venture and draw downs on the project financing facility are not being recognised directly in the Group's financial statements.

OLAROZ LITHIUM PROJECT (Orocobre 66.5%)

The Olaroz Lithium Project is located in the Puna region of Jujuy Province in northern Argentina approximately 230 kilometres northwest of the capital city of Jujuy at an altitude of approximately 3900 metres above sea level. The project is the first large scale "green fields" lithium brine development in approximately twenty years and was designed to have an initial capacity of 17,500tpa of battery grade lithium carbonate. This capacity accounts for approximately 10% of the current global lithium market, which is forecast to experience a 10% year-on-year growth in demand until 2020.

Olaroz Construction, Commissioning and Opening Ceremony

In the 2014 financial year, borefields, brine pipeline, pond system and liming plant, amongst other things were commissioned and entered into operations. By years end the construction of the lithium carbonate plant was well advanced. During the half year under report, the Company was able to finalise the construction phase of the lithium carbonate plant and make considerable progress in its commissioning.

By August 2014, the lithium carbonate plant construction was nearing completion and commissioning started on various auxiliary circuits as they were released from construction, namely the soda ash system, air compressors, industrial water supply and reverse osmosis plant, brine pumps to the carbonate plant, boilers and process tanks. By the end of November all of the auxiliary circuits in the lithium carbonate plant had been commissioned and the first primary lithium carbonate paste was produced on 21 November 2014. The focus then moved to commissioning the final two plant circuits of the lithium carbonate plant, being, the purification and drying/micronizing circuits.

On December 3 2014 the Governor of the Province of Jujuy, Dr. Eduardo Fellner and other top government dignitaries officially opened the Olaroz Lithium Project in the presence of over 300 guests, including representatives from Orocobre, TTC, JEMSE, JOGMEC and Mizuho Bank. As at the end of December 2014, the commissioning of the last two circuits of the lithium carbonate plant, the purification and drying/micronizing units was well advanced although later than expected. Whilst the construction cost, (including owners' costs to July 2014) was completed on budget, the delay in production caused an increase in the owners' costs, by approximately \$19m to 31 December 2014. Much of this increased cost, and some of the owners' costs prior, is however reflected in the brine inventory available for processing which now stands at approximately 24,000 tonnes of lithium carbonate equivalent.

The Olaroz Lithium Project's construction success can largely be attributed to the implementation of a "shared value policy" which focuses on the long-term sustainable development of the local people and communities. Orocobre places the utmost importance on developing its assets in a sustainable and responsible manner which creates value for all stakeholders.

Olaroz Large Exploration Target Defined

The Olaroz Lithium Project originally consisted of two borefields containing bores at depths of 200 metres with well screens over the majority of their lengths to maximize brine inflows which extract brine from the resource to 197m. The design of these borefields was to provide flow rates of 180l/s with two bores offline at any one time. In April 2014, Sales de Jujuy began testing the exploration potential beneath the current resource with two additional production bores, P301 and P302 drilled to 304m and 323m respectively.

Both P302 and P301, which are spaced 1 kilometre apart, intersected a sand unit >100m thick. Geological interpretation suggests that this sand unit may be continuous beneath a significant area of the salar with the exploration target corresponding to this sand unit between 1.6 and 7.5 million tonnes of lithium carbonate equivalent between 197m and 323m depth. Furthermore, there is the potential for additional brine from 323m to the bottom of the basin, which geophysical surveys suggest is up to 600m deep and additional targets to the north and the south of the exploration target area. This deeper sand unit has the characteristics to support high volume brine production, with lithium concentrations and chemistry comparable to other operating wells. This will significantly reduce the capital cost for additional brine supply and pipeline systems which would be needed for a potential expansion at Olaroz. (Refer to announcement on 23 October 2014 for details)

BORAX ARGENTINA (Orocobre 100%)

Borax Argentina has extensive operations and has a fifty year production history producing borax chemicals, boric acid and boron minerals. The production currently comes from three principal mines at Tincalayu, Sijes and Porvenir with concentrators at the first two locations and a chemicals plant at Campo Quijano producing refined products.

In the financial year 2014 substantial progress was made improving the performance at Borax Argentina resulting in an operating profit of \$1.8m for the full year. During the half under report sales and financial performance were negatively impacted by the slower than expected ramp up of production from the relocated borax decahydrate plant which commenced production in July 2014. Sales for the half year were \$11,052,615 (2013 \$12,755,981) and an operating loss of \$1,495,414 (2013 \$605,473) was incurred. Operating cash flow was also negatively impacted by increased working capital required, due to a 20 day increase in debtor aging and the non-recovery of VAT due to problems resulting from the implementation of SAP. The SAP issue has been resolved and VAT presentations are being made with refunds of VAT still to occur. However, by the end of the half year production had risen to meet sales requirements and stock levels had been significantly increased.

Approximately 25,295 tonnes of combined products were sold during the half year. This is an increase of 18% on the previous corresponding half year and reflected management's actions to mitigate lower volumes of refined borax chemicals with increased lower value crude ore sales.

The Company also achieved two important sales initiatives during the half-yearly period. These were the first order of hydroboracite into the European market and the awarding of a 12 month contract for sodium metaborate into the South American oil industry. Significant positive results from further market initiatives are expected the coming half.

Combined product sales volume by quarter:

<u>2013 Quarters</u>		<u>2014 Quarters</u>	
March	9,182	March	9,027
June	9,562	June	9,558
September	10,103	September	12,325
December	11,410	December	12,970

*Combined product sales volumes include borax chemicals, boric acid and boron minerals and includes sales of tincal ore of 4,021 tonnes in the September 2014 quarter and 4,225 tonnes in the December 2014 quarter.

Tincalayu Resource Upgrade to JORC Compliant

In line with Orocobre's continuing efforts to upgrade Borax Argentina's mining properties from historical estimates to JORC/NI43-101 compliant resources, the Company announced a JORC compliant resource for Tincalayu during the half. (Refer Announcement on 18 November 2014 for details).

Tincalayu's upgraded JORC Compliant resource is estimated to be much larger than originally expected. As set out in the table below, there is an Indicated and Inferred Resource of 6.5 million tonnes at 13.9% B2O3 at the marginal cut-off of 5.6% B2O3 appropriate to the current production capacity of 30,000tpa borax decahydrate. At a marginal cut-off of 2.8% B2O3, appropriate for a possible expanded production rate of 100,000tpa borax decahydrate, there is an Indicated and Inferred Resource of 17.8 million tonnes at 11% B2O3. Both of these scenarios provide significant exploration potential when compared to the superseded historical estimate of 1.85 million tonnes at 17.2% B2O3 estimated at a 12% B2O3 cut-off and adjusted for mining depletion to 2011.

	Current production 30 Ktpa			Expanded Production 100 Ktpa		
	Cut-off	Tonnes (Mt)	Soluble B2O3 (%)	Cut-off	Tonnes (Mt)	Soluble B2O3 (%)
Global Resource (not limited to a pit shell) - with Marginal Cut-off						
Indicated	5.6	6.9	13.9	2.8	6.9	13.8
Inferred	5.6	9.9	10.2	2.8	13.8	8.5
Indicated + Inferred	5.6	16.8	11.7	2.8	20.7	10.3
Maximum DCF In-pit Resource - with Marginal Cut-off						
Indicated	5.6	5.1	14.7	2.8	6.8	13.8
Inferred	5.6	1.4	11.0	2.8	11.0	9.3
Indicated + Inferred	5.6	6.5	13.9	2.8	17.8	11.0

The Company intends to continue with the process of upgrading the historical estimates of the different Borax Argentina mining properties to JORC/NI43 - 101 compliant mineral resources. Geological interpretation is currently underway for the Sijes mine, where Borax Argentina has extensive properties that contain a number of different borate minerals. The historical estimate (now superseded) of the Tincalayu deposit was at the time of purchase only a small part of the overall quantity of borates. However, with the lower cut-off grade applied in this resource estimate the Tincalayu resource is considerably larger and the strategic importance has therefore increased for the Company. During this calendar year, studies will be undertaken into expanding production at Tincalayu based around a production rate of 100,000 tonnes per annum borax decahydrate equivalent.

SOUTH AMERICAN SALARS JOINT VENTURE (OROCOBRE 85%)

In July 2008 South American Salars SA was established to focus on the exploration and exploitation of minerals found in salars in South America separate from the Company's development of the Olaroz Project. The Company owns 85% of South American Salars SA. The JV agreement with TTC does not include the projects held by South American Salars SA.

South American Salars SA holds properties in a number of areas. These include Salar de Cangrejillo/Salinas Grandes, Guayatoyoc and Salar de Cauchari.

Cauchari Project (Orocobre 85%)

Through South American Salars SA, the Company holds an effective 85% interest in the Cauchari Project which is located immediately south of the Olaroz Project. The Company considers Cauchari and Olaroz to be part of the same basin, with similar brine chemistry and forming a single geological system. The Company does not anticipate developing a separate operation at the Cauchari Project but that it would be integrated into Olaroz subject to agreement with its Olaroz partners.

No work was undertaken during the half year.

Salinas Grandes Potassium-Lithium Project (Orocobre 85%)

Salinas Grandes is located 70 kilometres southeast of the Company's flagship Olaroz project. Through South American Salars SA, Orocobre holds an effective 85% interest in the project. The project is located in Salta province. The proximity of Salinas Grandes to the flagship Olaroz project provides potential operating synergies, including the option to process concentrated Salinas Grandes lithium brine at an expanded lithium carbonate plant at Olaroz.

No work was undertaken during the half year.

CORPORATE

Company Awards

Orocobre continues to be recognised in Argentina from both government and private entities for its ongoing Corporate Socially Responsible activities with the Company presented with two awards during the period.

The first was awarded on 4 September 2014 in Salta, Argentina with Orocobre presented with the award of "Outstanding CSR Mining Company" by the Committee of Argentina Mining. The second was awarded on 19 November 2014 in Buenos Aires by Argentine mining magazine Panorama Minero and the Fundacion para el desarrollo de la Minería Argentina ("Fundamin or Foundation for Development of Argentina Mining) who named Orocobre subsidiary Sales de Jujuy SA "Mining Company of the Year 2014".

The Company has also been honoured in the past by receiving the 2012 Mining Company of the Year Award as well as the 2013 and 2014 Silver Cup Award by Inversiones Empresas y Negocios for undertaking outstanding corporate socially responsible activities within the local communities. Orocobre continues to partner with local governments, businesses and communities to deliver on its promise to create a sustainable, responsible and mutually beneficial operating environment for all.

SUBSEQUENT EVENTS

Capital Raising

The Company announced the completion of a \$50m capital raising on 5 February 2015 (refer ASX Announcement 5 February 2015: *\$50 million Capital Raising Completed*) through a \$40m Placement to domestic and international institutional and sophisticated investors and a Share Purchase Plan for up to \$15m, underwritten to \$10m which closes on 10 March 2015. The price per share for both the Placement and the Share Purchase Plan is \$2.55 per share.

As set out in the Company Presentation released at the time of the Placement the proceeds of the capital raising will be used primarily to fund working capital requirements for SDJ SA, the operator of Olaroz Lithium Project, during its production ramp up with \$28m allocated to this purpose. \$12.5m is also allocated as a security deposit paid to Mizuho Bank for a debt service reserve account (DSRA) for the existing loan facility. The balance of funds required to be held in the DSRA for Mizuho Bank will reduce as the balance of the loan facility reduces over time. The \$28m of funds allocated to the joint venture company SDJ SA will be provided under a Standby Letter of Credit Facility (SBLC). The SBLC facility is explained in detail below. The Company is responsible for funding 75% of the Olaroz Lithium Project with Toyota Tsusho Corporation

meeting 25% of the funding requirements. Additionally \$1m has been allocated for exploration work at Cauchari and \$8.5m for corporate working capital.

Standby Letters of Credit (SBLCs)

Standby Letters of Credit are in place for both SDJ SA and Borax Argentina. A SBLC allows Orocobre to provide working capital to SDJ SA and Borax Argentina by depositing funds in US\$ as security in a restricted term deposit. This allows a SBLC to be issued which in turn allows SDJ SA and Borax Argentina to draw down funds in Argentina from a bank, to the equivalent ARS\$ (peso) value. The SBLC issued in Australia in effect guarantees the line of credit or bank overdraft provided in Argentina.

The SBLCs at 31 December 2014 relating to SDJ SA total A\$19.2m (US\$15.75m) and the SBLCs relating to Borax Argentina total A\$3.6m (US\$3m) which is a component of the A\$4.6m overdraft facility. The need for SBLCs to provide working capital for SDJ SA has arisen principally due to delays in the commissioning. In the case of Borax Argentina, SBLCs were issued in the last two quarters to fund delays in the recovery of VAT, the ramp up of the borax plant and the buildup of inventory.

Once SDJ SA becomes cash flow positive, the funds drawn down will begin to be repaid and the amount required to be held as security in the SBLC facility will also begin to reduce, resulting in cash flow in US\$ back to Orocobre. The Company expects this to commence in Q2 2016 in relation to SDJ SA and in Q3 2015 in relation to Borax Argentina. Whilst access to the funds is restricted these funds are recoverable. The SBLCs also earn a nominal rate of interest while held as security in the term deposit.

OUTLOOK

Since the end of the half, commissioning was completed on the final circuits of the lithium carbonate plant, namely purification and drying/micronizing circuits, and operation of these circuits was integrated in the primary lithium carbonate circuit in continuous mode (as opposed to operating individual circuits in batch mode). The primary objective in this early stage of operations is to supply lithium carbonate to the over 30 battery and industrial customers in Asia, Europe and the United States in order to complete the final stage of the product qualification and approval process. Currently, there is approximately 20,000 tonnes of lithium carbonate equivalent in the pond system at various stages of concentration. At current well pumping rates, lithium inventory is being added at approximately 2,100 tonnes of lithium carbonate equivalent per month. Over the coming months the operation will ramp-up production reaching nameplate monthly production of 1,450 tonnes per month (17,500 tpa) in Q4 2015.

The lithium market is currently constrained on the supply side with existing suppliers encountering constraints in their ability to expand production. Market demand is running at approximately 10% CAGR and price increases of 10% have been announced and increases implemented by existing producers across all lithium products for 2015. A number of commercial contracts have been finalised with customers for 2015 supply with the balance to be finalised over the next few months.

The Company has received the first customer order for supply and expects to begin supply of lithium carbonate to customers in early Q2 calendar year (CY) 2015, if not late Q1 CY2015. The expectation is for SDJ SA to be operationally cashflow positive, excluding debt principal and interest payments, by end Q2/early Q3 CY2015. Customer timelines for final sample approval and the integration of SDJ SA into customer supply chains will be key determining factors in how quickly SDJ SA becomes cashflow positive.

Borax Argentina has ramped up the relocated borax plant in Tincalayu and at the end of the half production was meeting sales demand and also allowing the building up of some inventory. Market and product development initiatives are beginning to be realised with the recent awarding of a 12 month contract for sodium metaborate into the South American oil industry and further development initiatives close to realisation. During this calendar year studies will be undertaken into expanding production at Tincalayu based around a production rate of 100,000 tonnes per annum borax decahydrate equivalent.

RISKS

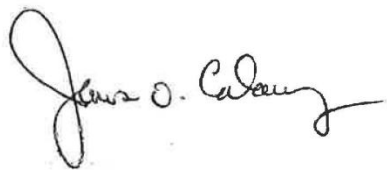
The Director's consider that there are a number of key risks at the Company's current stage of development:

- (a) delays have been experienced in the commission of the Olaroz Lithium Project. A slower than anticipated ramp up to nameplate production levels will adversely affect anticipated cash flows to SDJ SA;
- (b) a major plant failure at the Olaroz Lithium Project could significantly delay the Olaroz Lithium Project reaching full capacity;
- (c) SDJ SA has experienced some difficulties with regulations restricting or controlling the import into Argentina of parts and equipment. Whilst not currently anticipating further issues adverse regulation could slow progress at the Olaroz Lithium Project;
- (d) Government policy changes remain an ongoing risk in Argentina and adverse changes to current policy may impact on SDJ SA; and
- (e) the Share Purchase Plan is underwritten by Canaccord Genuity Ltd. The underwriting agreement contains termination provisions usual for an agreement of this nature. If the underwriting agreement was to be terminated the anticipated funds that may be received pursuant to the Share Purchase Plan may be reduced.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under the Corporations Act 2001 is included in this half year financial report.

Signed in accordance with a resolution of the Board of Directors.



J D Calaway
Chairman
Signed: 4 March 2015
Brisbane, Queensland



R P Seville
Managing Director



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Auditor's Independence Declaration to the Directors of Orocobre Limited

In relation to our review of the financial report of Orocobre Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, flowing script.

Ernst & Young

A handwritten signature in black ink that reads 'Kellie McKenzie' in a cursive, flowing script.

Kellie McKenzie
Partner
Brisbane
4 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 December 2014

		Consolidated Group	
	Note	31 December 2014 \$	31 December 2013 \$
Sale of goods	2	11,052,615	12,755,981
Cost of goods sold		(10,738,522)	(12,227,491)
Gross profit/(loss)		314,093	528,490
Other income	2	923,903	2,410,471
Corporate & administrative expenses		(6,098,587)	(5,190,968)
Finance income		386,451	1,047,125
Finance costs		(604,341)	(371,406)
Share of net losses of joint venture	10	(305,666)	446,566
Foreign currency gain/(loss)	2	7,261,091	745,050
Profit/(Loss) before income tax		1,876,944	(384,672)
Income tax benefit/(expense)	3	430,802	(633,387)
Profit/(Loss) for the year		2,307,746	(1,018,059)
Other comprehensive income/(loss) <i>(Items that may be reclassified subsequently to profit and loss)</i>			
Translation gain/(loss) on foreign operations		9,332,941	(11,210,888)
Net gain/(loss) on revaluation of derivative	10	(2,146,645)	815,936
Other comprehensive income/(loss) for the period, net of tax		7,186,296	(10,394,952)
Total comprehensive income/(loss) for the period		9,494,042	(11,413,011)
Profit/(Loss) attributable to:			
Members of the parent entity		2,335,124	(1,024,560)
Non-controlling interest		(27,378)	6,501
		2,307,746	(1,018,059)
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		9,666,405	(11,419,512)
Non-controlling interest		(172,363)	6,501
		9,494,042	(11,413,011)
Basic earnings per share (cents per share)	12	1.77	(0.85)
Diluted earnings per share (cents per share)	12	1.75	(0.85)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

	Note	Consolidated Group	
		31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents	4	4,287,024	26,302,392
Trade and other receivables	5	9,411,470	7,388,112
Inventory	6	7,731,350	5,514,244
Other		71,068	502,822
Total Current Assets		21,500,912	39,707,570
NON-CURRENT ASSETS			
Financial assets	7	19,249,125	24,464
Property, plant and equipment	8	16,012,286	13,364,136
Exploration and evaluation asset	9	10,942,006	10,065,419
Investment in joint ventures and associates	10	101,058,509	94,454,572
Inventory	6	678,626	318,934
Deferred tax asset		162,524	1,466,917
Trade and other receivables	5	33,676,665	27,840,216
Total Non-Current Assets		181,779,741	147,534,658
TOTAL ASSETS		203,280,653	187,242,228
CURRENT LIABILITIES			
Trade and other payables	14	9,153,789	9,196,009
Loans and borrowings	7	5,594,630	1,362,116
Employee benefit liabilities		1,518,023	819,810
Total Current Liabilities		16,266,442	11,377,935
NON-CURRENT LIABILITIES			
Trade and other payables	14	5,112,068	2,896,815
Loans and borrowings	7	1,150,001	1,352,063
Deferred tax liability		-	2,158,194
Provisions		11,390,725	9,870,968
Total Non-Current Liabilities		17,652,794	16,278,040
TOTAL LIABILITIES		33,919,236	27,655,975
NET ASSETS		169,361,417	159,586,253
EQUITY			
Issued Capital	11	130,139,019	130,139,019
Reserves		(40,866,051)	(48,478,454)
Retained profits		81,409,990	79,074,866
Parent interest		170,682,958	160,735,431
Non controlling interest		(1,321,541)	(1,149,178)
TOTAL EQUITY		169,361,417	159,586,253

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2014

	Issued Capital	Retained Profits/ (Accumulated Losses)	Option Reserve	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve	Non controlling Interests	Total
	Note 11						
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	101,712,005	84,533,907	1,344,180	(3,397,720)	-	15,787	184,208,159
Profit/(loss) attributable to members of the company	-	(1,024,560)	-	-	-	-	(1,024,560)
Profit/(loss) attributable to non controlling interests	-	-	-	-	-	6,501	6,501
Other comprehensive income/(loss) for the year	-	-	-	(11,210,888)	815,936	-	(10,394,952)
Total comprehensive income/(loss)	-	(1,024,560)	-	(11,210,888)	815,936	6,501	(11,413,011)
Shares issued during the year	30,023,218	-	-	-	-	-	30,023,218
Transaction costs	(1,117,342)	-	-	-	-	-	(1,117,342)
Options expensed during the year	-	-	224,081	-	-	-	224,081
Balance at 31 December 2013	130,617,881	83,509,347	1,568,261	(14,608,608)	815,936	22,288	201,925,105
Balance at 1 July 2014	130,139,019	79,074,866	1,727,074	(47,638,791)	(2,566,737)	(1,149,178)	159,586,253
Profit/(loss) attributable to members of the company	-	2,335,124	-	-	-	-	2,335,124
Profit/(loss) attributable to non controlling interests	-	-	-	-	-	(27,378)	(27,378)
Other comprehensive income/(loss) for the year	-	-	-	9,477,926	(2,146,645)	(144,985)	7,186,296
Total comprehensive income/(loss)	-	2,335,124	-	9,477,926	(2,146,645)	(172,363)	9,494,042
Options expensed during the year	-	-	281,122	-	-	-	281,122
Balance at 31 December 2014	130,139,019	81,409,990	2,008,196	(38,160,865)	(4,713,382)	(1,321,541)	169,361,417

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 31 December 2014

	Note	Consolidated Group	
		31 December 2014 \$	31 December 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,498,122	12,588,531
Payments to suppliers and employees		(16,117,363)	(16,852,948)
Interest received		186,060	130,153
Interest paid		(604,341)	(371,406)
Other income		834,088	2,381,014
Net cash provided by/(used in) operating activities		(7,203,434)	(2,124,656)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capitalised exploration expenditure	9	(183,762)	(278,117)
Payment for subsidiary net of cash		-	(1,120,699)
Purchase of property, plant and equipment	8	(1,142,301)	(2,380,813)
Proceeds from sale of property plant and equipment		89,815	29,457
Investment in joint venture		(469,415)	-
Investment in an associate		-	(521,534)
Net cash provided by/(used in) investing activities		(1,705,663)	(4,271,706)
CASH FLOWS FROM FINANCING ACTIVITIES			
Standby letters of credit (SBLC's) on behalf of joint venture	7	(19,236,893)	-
Proceeds from issue of shares		-	28,459,423
Payments on borrowings		(228,112)	(316,492)
Loan to joint venture		1,500,867	(904,678)
Net cash provided by/(used in) financing activities		(17,964,138)	27,238,253
Net increase/(decrease) in cash held		(26,873,235)	20,841,891
Cash and cash equivalents at beginning of year		25,739,532	10,609,081
Effect of exchange rates on cash holdings in foreign currencies		799,558	335,904
Cash at end of year	4	(334,145)	31,786,876

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2014

NOTE 1: Summary of Significant Accounting Policies

Corporate information

The interim consolidated financial statements of the Group for the six months ended 31 December 2014 were authorised for issue, in accordance with a resolution of the directors, on 4 March 2015.

Orocobre Limited (the Company) is a limited company incorporated and domiciled in Australia whose shares are publicly traded. The principal activities of the Company and its subsidiaries (the Group) are the exploration and development of industrial chemicals in Argentina.

Basis of preparation

The interim consolidated financial statements for the six months ended 31 December 2014 have been prepared in accordance with AASB 134 Interim Financial Reporting. The statements are at historical cost basis and are in Australian dollars. The half year has been treated as a discrete reporting period.

In preparation of the financial statements the following exchange rates have been used:

Spot Rates	31 December 2014	30 June 2014	Movement (%)
Peso -> USD 1	8.5510	8.1330	(5.14%)
Peso -> AUD 1	7.0010	7.6533	8.52%
AUD -> USD 1	1.2214	1.0622	(14.98%)
Average Rates (6 months)	31 December 2014	31 December 2013	Movement (%)
Peso -> USD 1	8.3886	5.8123	(44.33%)
Peso -> AUD 1	7.4670	5.3562	(39.41%)
AUD -> USD 1	1.1250	1.0855	(3.64%)

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements. It is recommended that the half year financial statements be read in conjunction with the Group's annual report for the year ended 30 June 2014 and considered together with any public announcements made by the Group during the half year ended 31 December 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

The interim consolidated financial statements for the six months ended 31 December 2014 have been prepared on a going concern basis as the Directors believe that there are no material uncertainties that lead to significant doubt the entity can continue as a going concern in the foreseeable future. This is because of future funding available. Refer to Note 18.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2014. New standards and amendments to standards mandatory for the first time for the financial year beginning 1 July 2014 have been adopted. The adoption of these standards had no material impact on the current period or any prior period and is not likely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting period and have not yet been applied in the financial report.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2014

NOTE 2: Result for the Period

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	Half-year ended 31 December 2014	Half-year ended 31 December 2013
	\$	\$
Sale of goods	11,052,615	12,755,981
Other revenue	923,903	2,410,471
Foreign currency gain/(loss) (1)	7,261,091	745,050
Significant item - restructuring costs (2)	(639,817)	(921,858)

(1) The foreign currency gain mainly relates to the devaluation of the Australian Dollar in relation to the US Dollar loans the Company has with the joint venture and joint venture partners.

(2) Included in corporate & administrative expenditure is one off expenditure relating to the restructuring costs of Borax Argentina S.A.

NOTE 3: Income tax

The major components of income tax expense in the interim statement of profit or loss are:

	Half-year ended 31 December 2014	Half-year ended 31 December 2013
	\$	\$
Income Taxes		
Current income taxes/(benefits)	(592,110)	186,934
Deferred income tax expense related to origination and reversal of deferred taxes	161,308	446,453
Income tax expense/(benefit) recognised in the statement of profit or loss	(430,802)	633,387

NOTE 4: Cash and cash equivalents

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	31 December 2014	30 June 2014
	\$	\$
Cash at bank and in hand	452,854	13,222,392
Short term deposits	170,000	13,080,000
Total accessible cash and short-term deposits	622,854	26,302,392
Restricted short term deposits - USD 3m Standby Letters of Credit (SBLC's)	3,664,170	-
Bank overdraft (see note 7)	(4,621,169)	(562,860)
Total cash and cash equivalents	(334,145)	25,739,532

The USD 3m Standby Letters of Credit are short term deposits held to cover a portion of the bank overdraft facility held by the Company's subsidiary Borax Argentina S.A. Such SBLC's were issued in the current financial year, to fund delays in the recovery of Value Added Tax (VAT), the ramp up of the relocated Borax Plant and the build up of inventory.

NOTE 5: Trade and Other Receivables

Current:

	31 December 2014	30 June 2014
	\$	\$
Trade receivables	6,788,521	4,314,481
Related party receivables	-	1,556,058
Other receivables	1,475,996	1,494,488
VAT tax credits	1,146,953	23,085
	9,411,470	7,388,112

Non Current:

Trade receivables	1,331,322	1,260,749
Receivable from joint venture - USD 18.4m	22,427,189	18,978,405
Receivable from joint venture partners - USD 6m	7,373,947	6,211,685
VAT tax credits	2,544,207	1,389,377
	33,676,665	27,840,216

Trade and other receivables

As at 31 December 2014, no trade receivables were impaired. It is expected all balances will be received when due. There are no balances with terms that have been renegotiated but which would otherwise be past due or impaired. The amounts are non-interest bearing and generally on 90 days terms. No collateral is held over receivables. The carrying value of receivables approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2014

NOTE 5: Trade and Other Receivables (continued)

Credit Risk — Trade and other receivables

Included in trade and other receivables is \$3,691,160 (30 June: \$1,412,462) being VAT recoveries due from the Argentine revenue authority. This amount represents a significant concentration of credit risk to the Group. On a geographical basis the Group has total receivables of A\$13,235,705 (30 June: A\$8,388,757) denominated in Argentine pesos, which represents a significant concentration of credit risk to the Group.

Receivables from joint venture and joint venture partners

Receivables from joint venture and joint venture partners relates to amounts receivable in respect of the Olaroz project (see Note 10). All amounts are denominated in USD and A\$22,427,189 (30 June: A\$18,978,405) is interest bearing. The receivables will be recovered once the Olaroz project is operational (see Note 17).

The carrying values of the receivables from joint venture and joint venture partners approximate fair values. Fair value has been determined using a discounted cash flow valuation technique based on contractual and expected cash flows and current market interest rates (Level 3).

VAT Recovery

VAT is charged on services and goods (including capital) goods at rates between 10.5% and 27%, with 21% being the standard charge. VAT is generally recouped against VAT on local sales, if any, and/or up to 21% of export sales. Hence the recovery of VAT, that has been paid on capex and expenses to date, is a slow and extended process. From a cashflow perspective the outflow of VAT is included in payments to suppliers and employees whilst the inflow for half year accounts has been zero. VAT recovery has been historically and is currently recouped by Borax Argentina as a percentage of local and export sales.

NOTE 6: Inventory

Current:

Inventory

31 December 2014 30 June 2014

\$ \$

7,731,350 5,514,244

7,731,350 5,514,244

Non Current:

Inventory

678,626 318,934

678,626 318,934

Total inventories are carried at the lower of cost and net realisable value. Current inventories relate to borates and related products. Non current inventory relates to consumables and spare parts.

NOTE 7: Financial Instruments

Financial Assets

Non-Current - HSBC USD 15.7m Standby Letters of Credit

Non-current - Shares in listed entity

31 December 2014 30 June 2014

\$ \$

19,236,893 -

12,232 24,464

19,249,125 24,464

The USD 15.7m Standby Letters of Credit (SBLC's) are short term deposits relating to the Company issuing SBLC's on behalf of the joint venture company SDJ SA. Such SBLC's have been provided due to a working capital requirement for SDJ SA which has arisen principally due to delays in the production start up. The carrying value approximates fair value.

Financial Liabilities

Interest bearing loans and borrowings

Current - ARS 18m HSBC Loan & other financing

Current - Bank overdraft (Patagonia Bank)

Current - Bank overdraft (HSBC)

Non-Current - ARS 18m HSBC Loan (15.25% Simple Interest)

973,461 799,256

844,504 562,860

3,776,665 -

1,150,001 1,352,063

6,744,631 2,714,179

The ARS 18m HSBC loan has been drawn down under a four year bank facility. At 31 December 2014, the loan is repayable within 30 months and is secured by guarantee (see note 16).

The bank overdrafts are Peso denominated, and have an indefinite term. The Patagonia Bank overdraft accrues interest at the rate of 30%, and the HSBC overdraft accrues interest at the rate of 24.32%. The HSBC Bank overdraft is backed by a term deposit (see note 4).

The carrying amounts of the loans and borrowings approximate fair value. Fair value has been determined using a discounted cash flow valuation technique based on contractual and expected cash flows and current market interest rates (Level 2).

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2014

NOTE 8: Property, Plant and Equipment

Plant and equipment	Land & buildings	Work In Progress	Plant & equipment	Total
At cost	5,662,434	4,235,773	5,188,859	15,087,066
Accumulated depreciation	(779,352)	-	(943,578)	(1,722,930)
Total at 30 June 2014	4,883,082	4,235,773	4,245,281	13,364,136
At cost	6,993,360	-	17,684,324	24,677,684
Accumulated depreciation	(1,309,362)	-	(7,356,036)	(8,665,398)
Total at 31 December 2014	5,683,998	-	10,328,288	16,012,286

Plant and equipment	31 December 2014	30 June 2014
	\$	\$
Reconciliation of the carrying amounts for property, plant and equipment is set out below:		
Balance at the beginning of year	13,364,136	8,795,831
Additions - cash	1,142,301	6,744,627
Additions - non-cash	573,629	4,116,712
Depreciation expense	(515,369)	(1,344,671)
Foreign currency translation movement	1,447,589	(4,948,363)
Carrying amount at the end of period	16,012,286	13,364,136

Significant additions were made at Borax Argentina S.A..

NOTE 9: Exploration, Evaluation and Development Asset

	31 December 2014	30 June 2014
	\$	\$
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	10,942,006	10,065,419
Movement in exploration and evaluation		
Opening balance - at cost	10,065,419	13,692,541
Capitalised exploration expenditure	183,762	386,025
Foreign currency translation movement	692,825	(4,013,147)
Carrying amount at the end of period	10,942,006	10,065,419

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects or alternatively through the sale of the areas of interest.

NOTE 10: Investment in Joint Venture

	31 December 2014	30 June 2014
	\$	\$
Investment in Joint Venture	101,058,509	94,454,572

Interest in joint venture

The tables below provide summarised financial information for the Joint Venture of the group. The information disclosed reflects the amount presented in the financial statements of the Joint Venture and not Orocobre Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised balance sheet	31 December 2014	30 June 2014
	\$	\$
Current assets, including cash and cash equivalents \$1,987,827 (30 June: \$714,937) and prepayments \$8,273,105 (30 June: \$19,492,246)	10,517,963	20,474,073
Non-current assets, including intangible assets \$35,198,658 (30 June: \$32,185,754) (1)	511,799,856	358,877,052
Current Liabilities	(43,152,409)	(24,742,997)
Non-current liabilities, including long-term borrowing \$247,154,643 (30 June: \$163,169,348) and deferred tax liabilities \$35,198,777 (30 June: \$32,185,863)	(325,455,251)	(211,306,219)
Joint venture's non-controlling interest	(13,414,108)	(12,529,315)
Equity	140,296,051	130,772,594
Proportion of the Group's ownership	72.68%	72.68%
Carrying amount of the investment	101,967,170	95,045,521

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2014

NOTE 10: Investment in Joint Venture (continued)

(1) The major components of non-current assets as at 31 December 2014 are:

	31 December 2014
	\$
Property, plant and equipment	
Fair value uplift on creation of joint venture	114,223,169
Construction costs	282,122,318
Commissioning costs	19,061,956
Fair value adjustment of VAT	13,334,333
Other assets	3,164,209
Other assets	
Recoverable VAT	29,615,079
Finance costs	12,619,144
Other assets	2,460,990
Total tangible assets	476,601,198
Intangible assets	
Goodwill	35,198,658
Total non-current assets	511,799,856

	31 December 2014	30 June 2014
	\$	\$
Reconciliation to carrying amounts		
Opening net assets 1 July	129,959,512	208,610,538
Capital Investment	647,409	647,784
Profit/(loss) for the period	(420,565)	(433,630)
Other comprehensive income	9,296,612	(78,052,098)
Elimination of unrealised intercompany transactions	(437,138)	(813,082)
Closing net assets	139,045,830	129,959,512
Group's share in %	72.68%	72.68%
Group's share in \$	101,058,509	94,454,572
Carrying amount	101,058,509	94,454,572

	Half-year ended 31 December 2014	Half-year ended 31 December 2013
	\$	\$
Summarised statement of profit or loss		
Other Revenue	-	-
Finance income, including interest income \$11,325 (2013: \$63,714)	11,325	63,714
Finance costs, including interest expense \$5,763 (2013: \$5,785)	(5,763)	(5,785)
Corporate & administrative expenses, including depreciation \$479 (2013: \$1,420)	(324,947)	(62,841)
Foreign currency gain/(loss)	(140,248)	681,373
Profit/(loss) before tax	(459,633)	676,461
Income tax expense	-	-
Profit/(loss) for the year from continuing operations	(459,633)	676,461
Income attributable to joint venture's non-controlling interest	(39,069)	62,034
Profit/(loss) for the year from continuing operations	(420,564)	614,427
Group's share of profit/(loss) for the year	(305,666)	446,566
Share of the joint venture's other comprehensive income:		
Translation gain/(loss) on foreign operations	8,904,546	(8,507,582)
Net gain/(loss) on revaluation of derivative	(2,146,645)	815,936
Share of total other comprehensive income for the year from continuing operations	6,757,901	(7,691,646)
Share of total comprehensive income for the year from continuing operations	6,452,235	(7,245,080)

Sales de Jujuy PTE LTD cannot distribute profits until it obtains the consent from the two venture partners.

VAT is charged on services and goods (including capital) goods at rates between 10.5% and 27%, with 21% being the standard charge. VAT is generally recouped against VAT on local sales, if any, and/or up to 21% of export sales. Hence the recovery of VAT, that has been paid on capex and expenses to date, is a slow and extended process. VAT related to Sales de Jujuy SA, is forecast to be fully recovered by the second half of CY2018.

The Group's share of project development commitments which are funded through current and future project financing:

Operating commitments	6,581,954	32,829,250
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NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2014

NOTE 11: Issued Capital

	31 December 2014	30 June 2014
	\$	\$
Fully paid ordinary shares	130,139,019	130,139,019
Ordinary shares	No.	No.
Balance at the beginning of the reporting period	132,041,911	117,745,140
Shares issued during the period:		
Previous financial year	-	14,296,771
Balance at reporting date	132,041,911	132,041,911
	31 December 2014	30 June 2014
	No.	No.
Options		
Unlisted Share Options and Performance Rights	2,462,493	2,562,493
Balance at the beginning of the reporting period	2,562,493	2,041,884
Options and rights issued during the period	-	520,609
Options and rights lapsed during the period	(100,000)	-
Balance at reporting date	2,462,493	2,562,493

NOTE 12: Earnings Per Share

	Half-year ended 31 December 2014	Half-year ended 31 December 2013
	\$	\$
Basic earnings per share (cents)	1.77	(0.85)
Diluted earnings per share (cents)	1.75	(0.85)
Net profit/(loss) after tax used in the calculation of basic and diluted earnings per share	2,335,124	(1,024,560)

Options to acquire ordinary shares in the parent entity are the only securities considered as potential ordinary shares in determination of diluted EPS.

There are no anti dilutive options for the period ended 31 December 2014.

NOTE 13: Commitments

	31 December 2014	30 June 2014
	\$	\$
Not later than 1 year		
- exploration commitments (1)	70,351	64,356
- operating leases (2)	142,365	122,802
- contracts (3)	6,899,331	31,222,740
	7,112,047	31,409,898
Later than 1 year but not later than 5 years		
- exploration commitments (1)	281,405	257,422
- operating leases (2)	457,695	-
- contracts (3)	176,123	164,566
	915,223	421,988

(1) The economic entity must meet minimum expenditure commitments in relation to option agreements over exploration tenements and to maintain those tenements in good standing.

The commitments exist at balance sheet date but have not been brought to account. If the relevant mineral tenement is relinquished the expenditure commitment also ceases.

(2) The lease commitment relates to a non-cancellable lease with a 4 year term remaining at 31 December 2014. Rent is payable monthly in advance.

(3) The group has contractual commitments regarding project development. See note 10.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2014

NOTE 14: Trade and Other Payables

	31 December 2014	30 June 2014
	\$	\$
CURRENT:		
Unsecured liabilities:		
Trade payables and accrued expenses	9,153,789	8,134,029
Subsidiary and associate instalments payable (1)	-	1,061,980
	<u>9,153,789</u>	<u>9,196,009</u>
NON-CURRENT:		
Unsecured liabilities:		
Trade payables and accrued expenses	3,131,134	2,231,755
Subsidiary and associate instalments payable (1)	1,980,934	665,060
	<u>5,112,068</u>	<u>2,896,815</u>

The carrying amounts approximate fair value.

- (1) The Company has advised Rio Tinto PLC that it considered Rio Tinto PLC to be in breach of certain warranties provided by Rio Tinto PLC to the Company pursuant to the Share Purchase Agreement for the acquisition of the shares of Borax Argentina S.A. The quantum of any damages that the Company may have suffered quantified is currently being quantified. Rio Tinto PLC has referred the matter to arbitration. No date for a hearing of the matter at arbitration has been set. As a result of the alleged breach of warranties by Rio Tinto PLC the Company declined to make a payment to Rio Tinto PLC of USD 1m due on 21 August 2014.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2014

NOTE 15: Segment Reporting

The Group operates primarily in Argentina in the mining industry. The Group's primary focus is on exploration for and development of lithium, potash and salar mineral deposits. The Group also includes the operating Borax mine.

The economic entity has four reportable segments, being Orocobre Ltd, the Olaroz project, South American Salars and Borax.

In determining operating segments, the entity has had regard to the information and reports the chief operating decision maker uses to make strategic decisions regarding resources. The Chief Executive Officer (CEO) is considered to be the chief operating decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the economic entity. The CEO assesses and reviews the business using the reportable segments below. Segment performance is evaluated based on the performance criterial parameters agreed for each segment. These include, but are not limited to: financial performance, exploration activity, mine yield, production volumes and cost controls.

Segment Information

The following tables present revenue and profit information about the Group's operating segments for the six months ended 31 December 2014 and 2013 respectively.

Six months ended 31 December 2014	Orocobre Ltd	Olaroz project	South American Salars	Borax	Eliminations	Total Entity
REVENUE	\$	\$	\$	\$	\$	\$
External revenue	-	-	-	11,976,518	-	11,976,518
Total segment revenue	-	-	-	11,976,518	-	11,976,518
Segment profit/(loss)	5,134,442	(305,666)	(182,516)	(2,020,802)	(317,712)	2,307,746

Inter-segment interest of \$317,712 is eliminated on consolidation.

Six months ended 31 December 2013	Orocobre Ltd	Olaroz project	South American Salars	Borax	Eliminations	Total Entity
REVENUE	\$	\$	\$	\$	\$	\$
External revenue	6,306	-	-	15,160,146	-	15,166,452
Total segment revenue	6,306	-	-	15,160,146	-	15,166,452
Segment profit/(loss)	(1,391,159)	446,566	43,331	(116,797)	-	(1,018,059)

The following tables present segment assets and liabilities of the Group's operating segments as at 31 December 2014 and 30 June 2014:

As at 31 December 2014	Orocobre Ltd	Olaroz project	South American Salars	Borax	Eliminations	Total Entity
ASSETS	\$	\$	\$	\$	\$	\$
Segment assets	56,141,021	130,859,645	28,337,832	49,462,963	(61,520,808)	203,280,653
LIABILITIES	\$	\$	\$	\$	\$	\$
Segment liabilities	683,035	584,341	27,802,110	49,527,852	(44,678,102)	33,919,236

As at 30 June 2014	Orocobre Ltd	Olaroz project	South American Salars	Borax	Eliminations	Total Entity
ASSETS	\$	\$	\$	\$	\$	\$
Segment assets	55,657,993	119,644,662	25,649,584	40,675,171	(54,385,182)	187,242,228
LIABILITIES	\$	\$	\$	\$	\$	\$
Segment liabilities	1,732,936	583,760	25,763,071	39,466,049	(39,889,841)	27,655,975

NOTE 16: Contingent Items

The Group has provided the following guarantees at 31 December 2014:

- Guarantee of 100% of the loan made under Loan Communication A5380 of the Central Bank of Argentina from HSBC Bank Argentina S.A. up to the loan amount of ARS 18m (31 December: ARS 14.7m, A\$2.4m; 30 June: ARS 16.3m, A\$2.2m). This loan was granted to Borax Argentina S.A. on 25 June 2013.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2014

NOTE 17: Related Party Transactions

At 31 December 2014, \$22,427,189 is recorded as a receivable from the joint venture entity, and \$7,373,947 is recorded as recoverable from a joint venture partner. \$21,517,858 of the loan to the joint venture entity is interest bearing at LIBOR +1% per annum and will be repaid during the period the joint venture is operational and after satisfaction of the minimum requirements of the project finance facility. The loan to a joint venture partner is non-interest bearing and will be repaid when the joint venture pays dividends at 33.3% of dividends distribution to the joint venture partner.

NOTE 18: Events After Balance Sheet Date

Subsequent to the reporting date of 31 December 2014, the Company announced that it had raised A\$50m through a A\$40m Placement to domestic and international institutional and sophisticated investors and a Share Purchase Plan (SPP) for up to \$15m underwritten to \$10m, which closes on 10 March 2015. The underwriting agreement contains termination provisions usual for an agreement of this nature. The funds raised are to be used for general group working capital requirements.

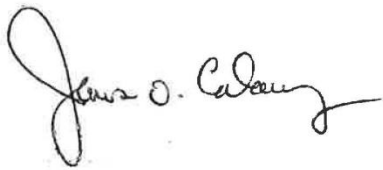
OROCOBRE LIMITED
ABN 31 112 589 910
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Orocobre Limited, we state:

In the opinion of the directors:

1. The attached financial statements and notes for the half year ended 31 December 2014 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors:



J D Calaway
Chairman



R P Seville
Managing Director

Dated 4 March 2015

To the shareholders of Orocobre Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Orocobre Limited, which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Orocobre Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

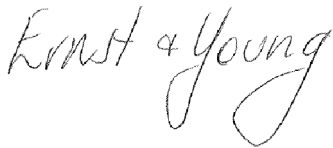
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Orocobre Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Kellie McKenzie
Partner
Brisbane
4 March 2015

Schedule of Tenements

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
Olaroz				
	1842-S-12	2988.17	66.5%	Argentina
	1274-P-2009	5972	66.5%	Argentina
	131-I-1986	100	66.5%	Argentina
	039-M-1998	98.4	66.5%	Argentina
	112-S-04	100	66.5%	Argentina
	117-A-44	100	66.5%	Argentina
	114-S-44	100	66.5%	Argentina
	40-M-1998	100	66.5%	Argentina
	029-M-1996	100	66.5%	Argentina
	126-T-44	100	66.5%	Argentina
	393-M-44	98.4	66.5%	Argentina
	112-D-44	299.94	66.5%	Argentina
	125-S-44	100	66.5%	Argentina
	319-T-2005	1473.97	66.5%	Argentina
	056-L-1991	300	66.5%	Argentina
	519-L-2006	2000	66.5%	Argentina
	520-L-2006	1896.52	66.5%	Argentina
	521-L-2006	2000	66.5%	Argentina
	522-L-2006	2000	66.5%	Argentina
	147-L-2003	1927.92	66.5%	Argentina
	724-L-2007	3336.19	66.5%	Argentina
	725-L-2007	2940.11	66.5%	Argentina
	726-L-2007	2889.98	66.5%	Argentina
	727-L-2007	3117.26	66.5%	Argentina
	728-L-2007	3182.35	66.5%	Argentina
	503-L-2006	6200	66.5%	Argentina
	943-R-2008	563.98	66.5%	Argentina
	1136-R-2009	1199.34	66.5%	Argentina
	1137-R-2009	1195.97	66.5%	Argentina
	944-R-2008	432.3	66.5%	Argentina
	1134-R-2009	895.70	66.5%	Argentina
	1135-R-2009	1098.64	66.5%	Argentina
	963-R-2004	1194.84	66.5%	Argentina
	964-R-2008	799.84	66.5%	Argentina
	945-R-2008	428.08	66.5%	Argentina
Cauchari				
	259-R-2004	494.4	85%	Argentina
	260-R-2004	444.26	85%	Argentina
	948-R-2008	887.56	85%	Argentina

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	949-R-2008	1770.51	85%	Argentina
	950-R-2004	1997.09	85%	Argentina
	1155-P-2009	1500	85%	Argentina
	968 R 2008	703.34	85%	Argentina
	1081 P 2008	1995	85%	Argentina
	1.119-P-2009	2493.07	85%	Argentina
	1082 P 2008	1468	85%	Argentina
	1101 P 2008	2483.9	85%	Argentina
	966 R 2008	117.37	85%	Argentina
	965 R 2008	1345	85%	Argentina
	951-R-2008	795	85%	Argentina
	1083 P 2008	1445.68	85%	Argentina
	1.118-P-2009	2395.70	85%	Argentina
	1130-P-2009	1239.96	85%	Argentina
	952-R-2008	487.58	85%	Argentina
	1084 P 2008	1526.78	85%	Argentina
	1156-P-2009	66.17	85%	Argentina
	1086 P 2008	1716.63	85%	Argentina
	1085 P 2008	1197.90	85%	Argentina
Jujuy				
	148-Z-1996	300	85%	Argentina
	817-I-2007	1142.55	85%	Argentina
	1098 P 2008	645.26	85%	Argentina
	1099 P 2008	1393.48	85%	Argentina
	1120 P-2009	2499	85%	Argentina
	1.125 -P-2009	2429.25	85%	Argentina
	1.121-P-2009	2222	85%	Argentina
	1.122 -P-2009	2498.48	85%	Argentina
	1.123 -P-2009	1250.58	85%	Argentina
	1124-P-2009	2499	85%	Argentina
	1129_P- 2009	2300	85%	Argentina
	604-T-2006	500	85%	Argentina
	788-M-2007	1162	85%	Argentina
	183-Z-2004	494	85%	Argentina
	184-D-1990	100	85%	Argentina
Salta				
	19391	2411.97	85%	Argentina
	18199	500	85%	Argentina
	67	100	85%	Argentina
	18834	495.82	85%	Argentina
	17734	200	85%	Argentina
	60	100	85%	Argentina

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	1110	100	Nil-earning	Argentina
	1104	100	85%	Argentina
	13699	100	85%	Argentina
	18808	100	85%	Argentina
	266	100	85%	Argentina
	18183	2778	85%	Argentina
	12970	100	85%	Argentina
	19891	100	85%	Argentina
	62	100	85%	Argentina
	17681	400	85%	Argentina
	44	100	Nil-earning	Argentina
	8170	300	85%	Argentina
	1107	100	Nil-earning	Argentina
	18481	97.04	85%	Argentina
	1112	100	85%	Argentina
	13487	100	85%	Argentina
	14329	100	85%	Argentina
	57	100	85%	Argentina
	68	100	85%	Argentina
	17538	95.43	85%	Argentina
	14589	100	85%	Argentina
	18924	300	85%	Argentina
	18925	99.94	85%	Argentina
	19206	869	85%	Argentina
	11577	100	85%	Argentina
	11578	100	85%	Argentina
	11579	100	85%	Argentina
	11580	100	85%	Argentina
	1111	100	85%	Argentina
	18833	270	85%	Argentina
	17321	186	85%	Argentina
	53	100	85%	Argentina
	19742	2490.07	85% T	Argentina
	19744	2499.97	85% T	Argentina
	19766	2488.09	85% T	Argentina
	19768	2987.09	85% T	Argentina
	48	100	85%	Argentina
	203	100	85%	Argentina
	204	100	85%	Argentina
	54	100	85%	Argentina
	63	100	85%	Argentina
	50	100	85%	Argentina
	1105	100	85%	Argentina

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	65	100	85%	Argentina
	70	100	85%	Argentina
	206	100	85%	Argentina
	86	300	85%	Argentina
	17744	500	85%	Argentina
	18533	97.03	85%	Argentina
	17580	100	85%	Argentina
Diablillos				
	1190	99.65	85%	Argentina
	18009	99	85%	Argentina
	18010	200	85%	Argentina
	1187	99.7	85%	Argentina
	1189	100	85%	Argentina
	1177	100	85%	Argentina
Tincalayu				
	1271	300	100%	Argentina
	1215	300	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	1495	200	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	7772	471	100%	Argentina
	5596	300	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	5435	300	100%	Argentina
	8529	900	100%	Argentina
	13572	647	100%	Argentina
	13848 (Diana)	100	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	17335 (Valerio)	274,32	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
Diablillos				
	1175	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1176	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1164	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1172	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1165	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	
	1166	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1179	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1180	200	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1182	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina

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	1195	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1206	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1168	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1163	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1167	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1170	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1174	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1171	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	7021	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1181	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	12653	200	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1173	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1169	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1178	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	12652	200	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
Sijes				
	8587	799	100%	Argentina
	11800	488	100%	Argentina
	11801	400	100%	Argentina
	11802	3399	100%	Argentina
	14801	8	100%	Argentina
	14121	10	100%	Argentina
	5786	200	100%	Argentina
Pozuelos				
	1208	194	Lithea Inc (Borax has usufruct over the borates)	Argentina
	5569	300	Lithea Inc (Borax has usufruct over the borates)	Argentina
	4959	200	Lithea Inc (Borax has usufruct over the borates)	Argentina
	13171	200	Lithea Inc (Borax has usufruct over the borates)	Argentina
	13172	200	Lithea Inc (Borax has usufruct over the borates)	Argentina
Ratones				
	62066	300	Potasio y Litio Argentina S.A. (Borax has usufruct over the borates)	Argentina
	3843	300	Potasio y Litio Argentina S.A. (Borax has usufruct over the borates)	Argentina

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
Cauchari				
Boroquímica Group – File No. 90-B-1994	394	300	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	336	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	347	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	354	160	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	340	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	444	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	353	300	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	350	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	89	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	345	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	344	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	343	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	352	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	351	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	365	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	122	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	221	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	190	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	116	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	117	300	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	389	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	306	24	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	402	119	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	195	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	220	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	259	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	43	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	341	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
42	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina	

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	438	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	160	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	378	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	339-C	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	377-C	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	191-R	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina