OROCOBRE LIMITED
ABN 31 112 589 910

ASX/TSX ANNOUNCEMENT

Orocobre Announces Maiden Resource at the Cauchari Lithium-Potash Project

22 October 2012

Highlights

- **An inferred resource has been estimated containing approximately 470,000 tonnes lithium carbonate equivalent and 1.6 million tonnes of potash. Cauchari lies approximately 20km south of the proposed Olaroz processing plant.**

- **The maiden resource is based on five diamond holes in Orocobre's eastern Cauchari properties and is only to an average depth of 170m in the northern resource area and 50m in the southern resource area.**

- **Lithium and potassium mineralization was encountered to the base of drilling at 249m in hole CAU001D. An adjacent property owner, Lithium Americas Corp (TSX:LAC), drilled to 450m depth and therefore future Orocobre drilling is likely to substantially increase the maiden resource.**

- **An exploration target of between 0.2 million and 2.6 million tonnes of lithium carbonate equivalent and 0.5 million and 9.2 million tonnes of potash has been estimated beneath the maiden resource based on a range of porosity and grade possibilities to between 220m and 350m depth.**

- **Whilst lower grade than Olaroz, the brine chemistry is similar to that at Olaroz, with an attractive low Mg/Li ratio (2.8) and high K/Li ratio (10). Initial evaluation of the process route suggests the brine could be processed in an expanded Olaroz plant.**

Orocobre Limited (ASX: ORE; TSX: ORI) (the Company or Orocobre) reports completion of the maiden resource estimate at its 85% owned Cauchari Lithium-Potash properties ("Cauchari") in Jujuy Province, Argentina.

Murray Brooker, independent hydrogeologist, has estimated an inferred resource in two adjoining areas of the salar, with a total 230 **million cubic metres of brine at average grades of 380 mg/L lithium and 3700 mg/L potassium. This is equivalent to 470,000 tonnes of lithium carbonate and 1.6 million tonnes of potash** (potassium chloride) based on 5.32 tonnes of lithium carbonate being equivalent to one tonne of lithium and 1.91 tonnes of potash being equivalent to one tonne of potassium. Details are given in the table below.

Table 1: Inferred resource estimate summary (does <u>not</u> include exploration target)

Inferred Resource Area	Area km^2	Average thickness m	Mean specific yield %	Brine volume Million m^3	Li mg/l	K mg/l	Lithium	Potassium	Lithium carbonate	Potash
Northern	19.69	170	6.1%	204	400	3800	81,497	783,829	433,562	1,497,113
Southern	11.35	50	4.6%	26	260	2500	6,851	64,932	36,447	124,020
Combined	31.04			230	380	3700	**88,348**	**848,761**	**470,009**	**1,621,134**

Due to differences in drill hole depths the resource has been divided into a northern and a southern resource area. The resource has been estimated using a conservative approach limited by the depth of drilling, with the estimate extending to 170 m depth in the northern area of the properties and 50 m depth in the southern area.

The resource boundaries are constrained by the company's property holdings, drilling results and geophysical survey interpretation. No internal cut-off boundaries have been used because both the Company and Competent Person/Qualified person consider it is inappropriate to apply them in a fluid resource where extraction will cause mixing. No external cut off was defined for the resource, due to the limited drilling and pit sampling completed on the project to date. The property boundaries were used as the western, northern and southern boundaries to the brine resource. Hole CAU006R was excluded from the resource due to a different drilling and sampling methodology and sub 100 mg/l Li composite sample results.

The brine body has attractive chemistry, with a low magnesium to lithium ratio (2.8) in the five diamond holes and a high potassium to lithium ratio (10). The sulphate to lithium ratio averages 61 in diamond holes CAU001D-4D, rising to 114 in hole CAU005D in the eastern part of the resource area. Initial evaluation of the brine chemistry suggests high recoveries of lithium could be expected using a process route similar to that at the adjacent Olaroz project.

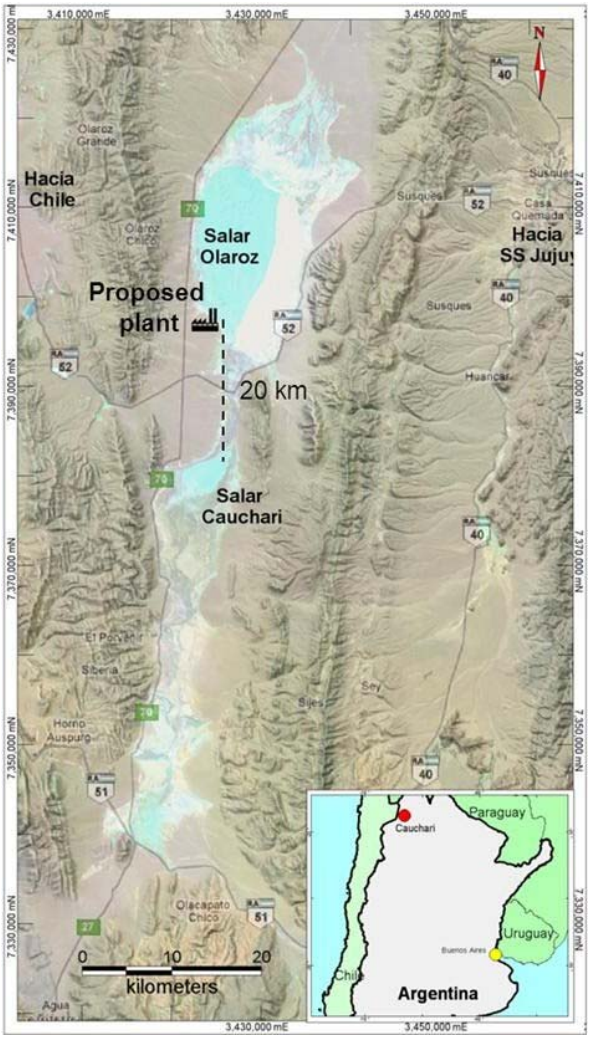
Introduction

The Cauchari Project is located immediately south of the Company's Olaroz lithium-potassium project (Figure 1), within the Province of Jujuy, Argentina. From October to December 2011 the company drilled five diamond and one rotary vertical drill holes in the Cauchari properties, followed by chemical analyses of the brine and porosity testing. This work provides the basis of the resource estimate, by independent consulting hydrogeologist Murray Brooker, and other conclusions presented in this announcement.

Orocobre activities have concentrated on exploration and development planning at the Olaroz salar project since 2008. At Olaroz the company has completed a definitive feasibility study and is planning to commence full-scale project construction by the end of October. The Olaroz processing plant is planned to be constructed in the south of the Olaroz properties, less than 20 km from the company's Cauchari drill holes. Drilling and sampling activities at Cauchari, commencing in late 2011, have confirmed the Cauchari salar has similar brine chemistry to that at Olaroz.

Considering the similarities between the Cauchari and Olaroz projects, and their close proximity, there are compelling synergies between the projects including the expected use of shared infrastructure and processing plants, and it is likely that any future development of the Cauchari brines would use the Olaroz facilities. Consequently, from this point forward the company considers the Cauchari project and its brine body part of the larger Olaroz project. In the future, resources for Cauchari will be reported as a discrete part of the overall Olaroz project resources.

Figure 1: The location of the Cauchari and Olaroz projects in northern Argentina



The project location can be accessed from:http://www.orocobre.com/Maps/Cauchari_Olaroz_Fig1_22October12.jpg

Geology, Data and Interpretation

Orocobre initially carried out brine sampling from shallow pits across the company's Cauchari properties in 2009. These pits showed elevated Li values in brines within the salar, with lower concentrations on the margins of the salar. The sample values may have been diluted, as some sampling occurring following the wet season when fresh water floods into the salar basin.

The company also collected audiomagnetotelluric (AMT) and gravity geophysical measurements on the Cauchari North line, and two others in the south of the salar. The Cauchari North line (in the resource area) was interpreted to show brine extending across the salar basin, to the base of the survey, providing an attractive target for drilling. Overall, the salar basin was interpreted to be at least 200 m deep. Drilling on adjacent properties within the Cauchari salar by Lithium Americas Corp (TSX:LAC) has shown the salar to be at least 450 m deep locally (DDH7), with a number of holes drilled by that company to >300 m deep.

In late 2011, Orocobre drilled a total of six drill holes (five diamond and one rotary mud) in the Cauchari salar to an average depth of 146 metres, with the deepest hole CAU001D (in the north of the properties) drilled to 249 m. Holes were drilled with an average spacing of 3.3 km. Drilling intersected from surface a sequence of silt and clay up to 60 m thick, overlying a sequence of halite, interbedded with intervals of clastic sediment to the base of drilling. Down-hole geophysical logging data was collected to assist with correlation between holes. All holes were geologically logged in detail by an experienced geologist and photographs of the core taken.

Interpretation of diamond drilling data established two major lithological units to the base of drilling, with six subunits internal to these. Unit A (from surface) consists of silt and clay, with minor sand. The underlying Unit B is predominantly halite, with interbedded intervals of silt and clay. Correlation of units with the Olaroz salar to the north shows that Cauchari Unit A broadly correlates to Units A through E at Olaroz, while Cauchari Unit B correlates to Units F and G in Olaroz. Both Units A and B at Cauchari host the resource. Halite (salt) reaches a maximum thickness of >190 m in CAU001D in the north of the salar, thicker than in the Olaroz salar to the north.

Sampling of brine from diamond drill holes established that lithium, potassium and boron concentrations in brine are elevated, exceeding 400 mg/l Li in the north and west of the resource areas (Holes CAU001D to 4D – Figure 2). Along the eastern salar margins Li values are <200 mg/l, overlying intervals of brine with >400 mg/l Li in CAU005D. This suggests the principal brine body, with higher Li concentrations, extends to the eastern boundaries of the resource areas beneath lower grade brine. The brine body is interpreted to be approximately flat lying.

This is similar to the situation on the west of the salar, where Lithium Americas Corp. interpretedbrine to continue beneath the Archibarca alluvial fan. Geophysics carried out by Lithium Americas Corp. (NI43-101 report, July 12, 2012) suggests that brine continues beneath a

near surface fresh water zone and a mixed zone on both the western and eastern margins of the salar.

It is noted that this is a different situation from the spatially larger Olaroz salar. The Olaroz resource is not capped by a layer of silt and clay, with interbedded sands containing fresh water, but has relatively uniform and high lithium grades extending to the surface salt crust.

Orocobre drilling and publicly released drilling results from Lithium Americas Corp. (to the west of Orocobre's Cauchari properties) are presented as gridded gm/l values in Figure 2. Reported mg/l drilling results have been converted to gm/l results by multiplying the averaged g/l in-hole concentrations by the thickness of the intercepts in metres in each hole. This presentation of drilling results highlights the area of highest contained Li, but it is important to note that low gm/l values also reflect the depth of drill holes and shallow drilling in Orocobre holes CAU003D and 4D.

http://www.orocobre.com/Maps/Cauchari_Fig2_22October12.jpg

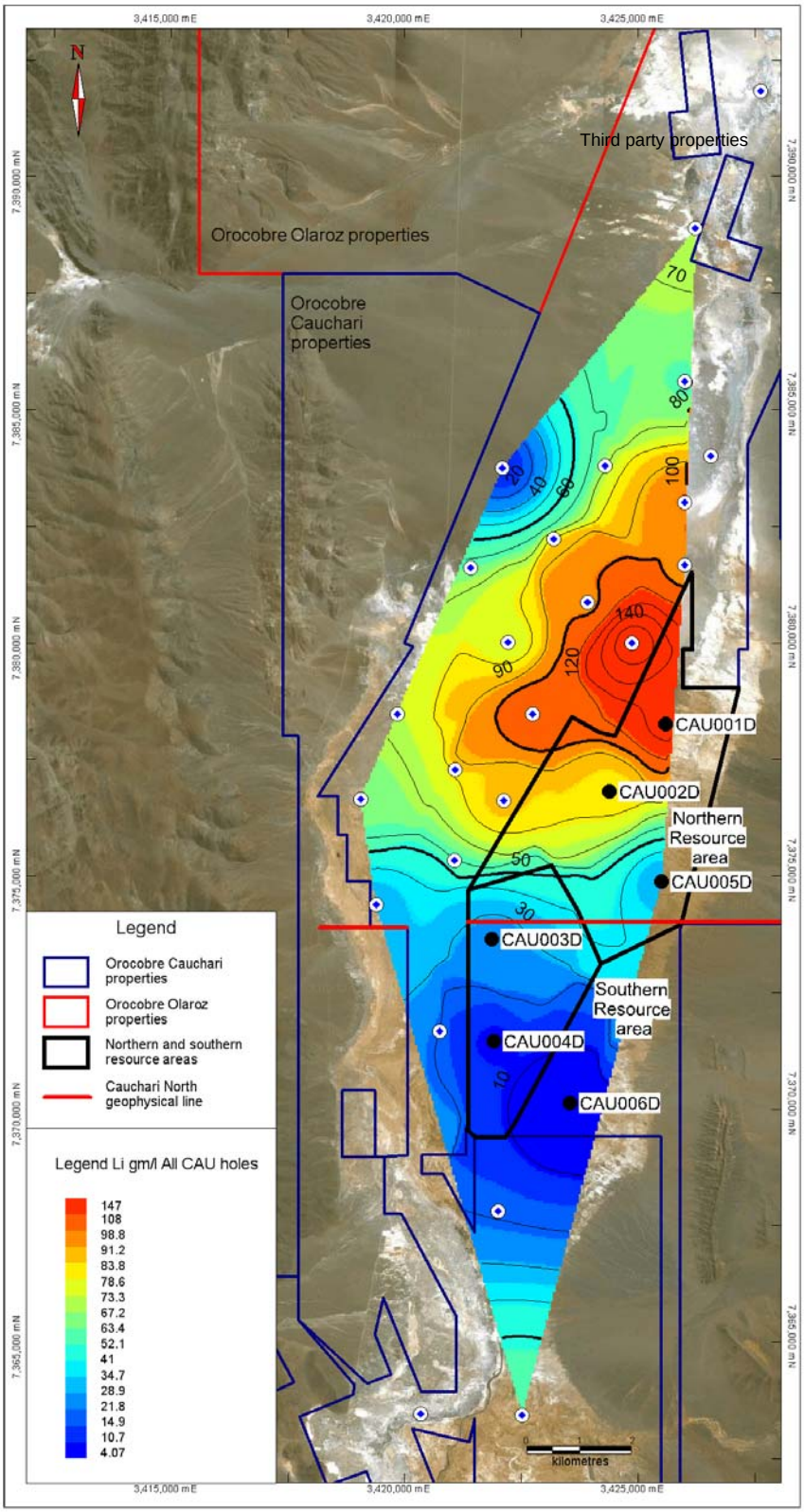
Diamond whole core samples were cut and sent to the British Geological Survey ("BGS"), with a total of 147 samples analysed for total porosity (Pt) and 118 for specific yield (Sy) in the UK. An additional 155 samples were analysed in the company's Salta (Argentina) laboratory for total porosity. The Sy analyses provided mean values for sands (4%, due to variable halite cementation), silt mixes (5%), clays (2%), halite-sediment mixes (7%) and halite (2% for compact halite to 16% for porous halite), with a thick sequence of halite interpreted to underlie the resource area.

Resource Estimation

The 31.04 km^2 areal extent of the Cauchari resource was controlled by the location of the property boundaries, drilling results, geophysical profiles and salar geomorphology. The resource estimate is based on geological controls from the 6 holes drilled, with rotary drill hole CAU006R lying outside the resource area. Brine composite samples were taken with a bailer at vertical spacing of 1.5, 3 and 6 metres during the diamond drilling. The location of the holes was controlled by access to the salar, with embankments constructed to reach sites and drill before the commencement of the wet season in early January. Drill holes were located with a hand held GPS.

Mean Sy values from the BGS analyses were used to calculate a weighted Sy value for each drill hole, based on the lithologies and thicknesses recorded during logging. A continuous Sy value was also calculated for each hole, where geophysical logging (neutron logs) was available. Continuous Sy values were calculated using an algorithm relating neutron porosities (recorded every cm down hole during geophysical logging) and Pt values; using a modification of the methodology outlined by Houston and Gunn (2011). The results of the lithology-weighted and the continuous Sy values were then averaged to obtain a Sy value for each hole, as input to the resource estimate.

Figure 2: The location of drill holes and resource areas at Cauchari



The averaged Sy data for each hole was used to calculate an equivalent brine thickness at the location of each diamond hole over a m^2 unit area (length of interval in hole [i.e. 170 m] by Sy value = equivalent brine thickness for each hole as m/m^2).

The mass of lithium (Li), potassium (K) and boron (B) for the square metre centred on each diamond hole was calculated by multiplying the equivalent brine thickness (converted to a volume in litres) by the kg/l concentration of each element of interest in the diamond hole. This mass data from the diamond holes was then kriged across Orocobre's Cauchari tenements to produce concentration maps of kg/m^2 for Li (Figure 3), K and B. The sum of the individual grid cells provides the total resource mass as presented in Table 1, on page 2 of this press release.

The distribution of lithium as kg/m^2 is shown in Figure 3
http://www.orocobre.com/Maps/Cauchari_Fig3_22October12.jpg

Further Drilling

The drilling program leading up to this resource estimate stopped with the onset of the summer storms in the Argentine Puna region, at the beginning of January 2012. Drill holes CAU003D and CAU004D were terminated at 72 and 46 m respectively, as a consequence of flooding within the salar and poor trafficability for equipment.

Drilling results from CAU003D and CAU004D, together with results from other holes in the program, suggest elevated lithium and potassium concentrations continue beyond the depth at which these holes were abandoned. Consequently the company believes further drilling would significantly expand the size of the Cauchari resource.

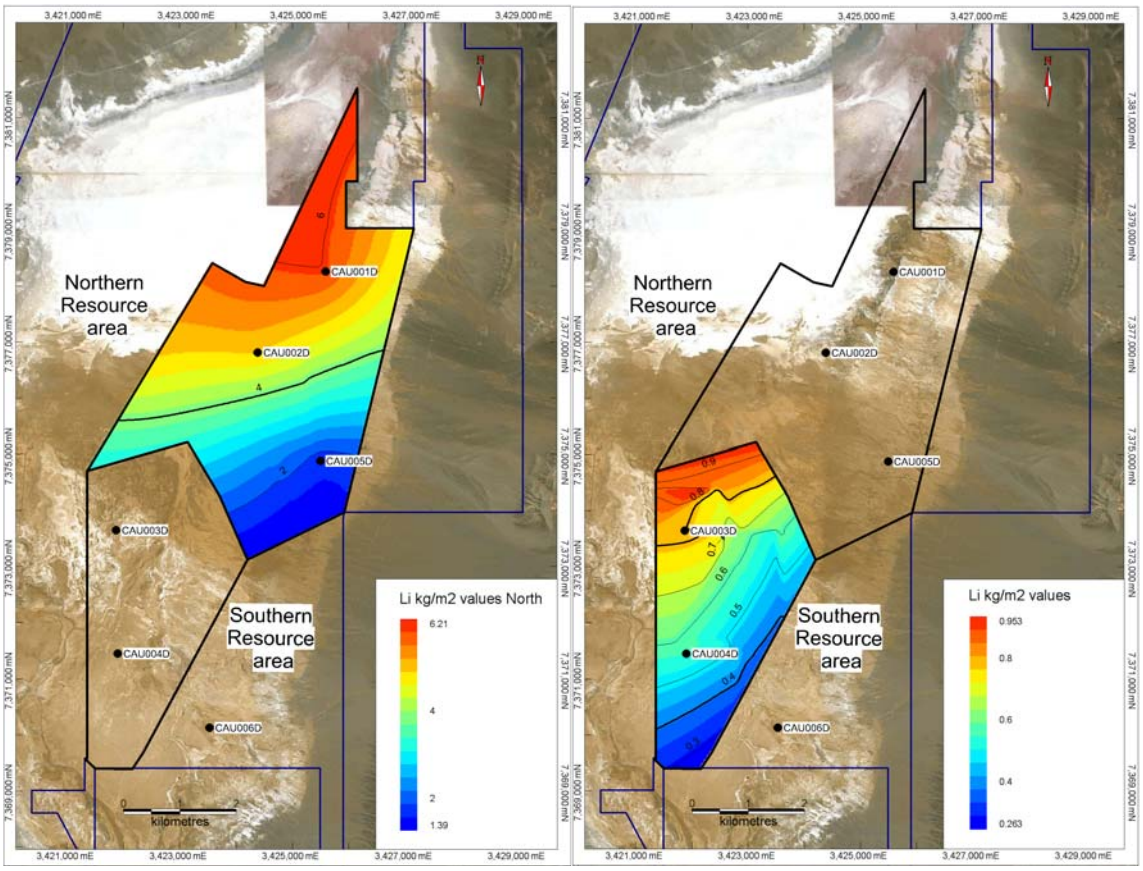
An exploration target has been defined to show the potential additional lithium and potassium contained beneath the resource defined in this announcement. The information on which the exploration target is defined is outlined in the following section.

Exploration Target

Based on available geophysics, geology and geochemistry it is possible to define an exploration target **beneath the resource** outlined in Table 1 of this announcement. The relationship of an exploration target to the CIM and JORC resource definitions is shown in Figure 4.

It must be stressed that an exploration target is not a mineral resource. The potential quantity and grade of the exploration target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource in the volume where the Exploration Target is outlined. It is uncertain if further exploration drilling will result in the determination of a Mineral Resource in this volume, however available information suggest this is likely.

Figure 3: Lithium kg/m^2 values within the northern and southern resource areas



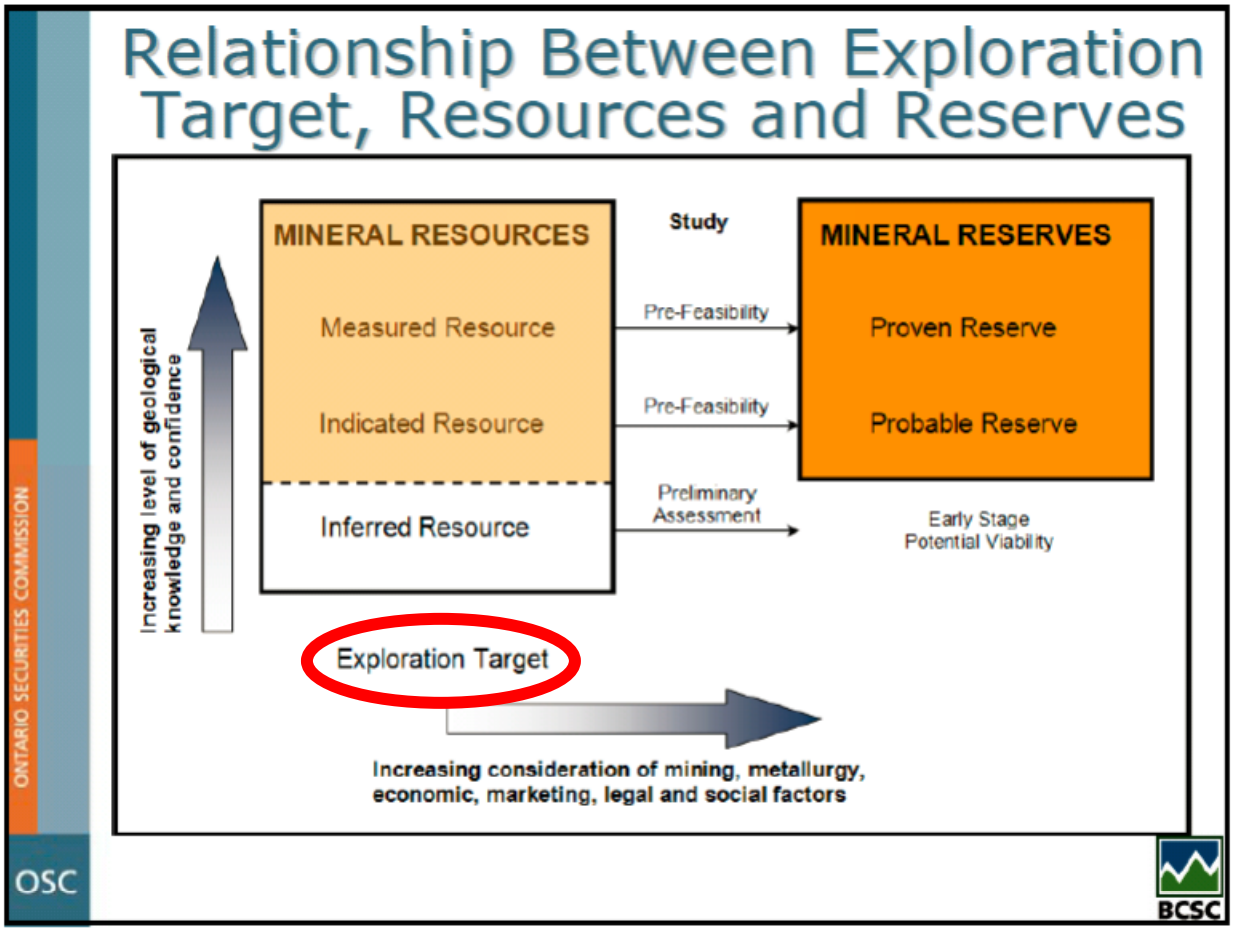
http://www.orocobre.com/Maps/Cauchari_Fig4_22October12.jpg

The exploration target is where, based on the available geological evidence, there is the possibility of defining a mineral resource. In keeping with Clause 18 of the JORC Code and CIM requirements the exploration target defined at Cauchari is:

- Not to be considered a resource or reserve,
- Based on information summarized below.

It is a requirement of stating an exploration target that it is based on a range of values, which represent the potential geological conditions. Values have been selected to present an upper and a lower exploration target size. It is likely that the lithium and potassium contained in the exploration target lies somewhere between this Upper and Lower Case.

Figure 4 The relationship between exploration targets and resources (base diagram from Ontario Securities Commission)



Information Used to Define the Exploration Target

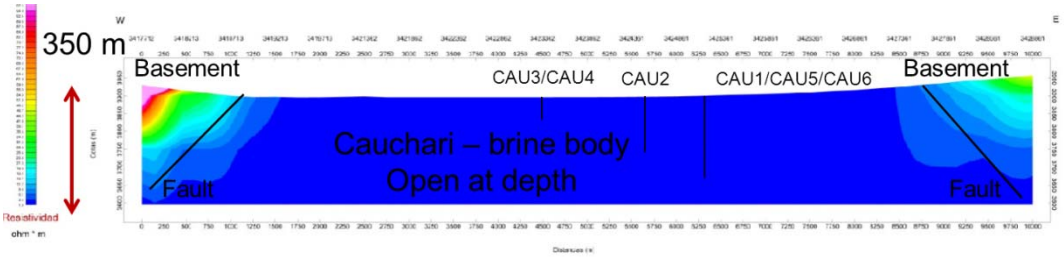
Orocobre's drilling intersected grades of >400 mg/l Li at or near the base of holes CAU001D (249 m), CAU002D (186 m) and CAU005D (168 m). Accordingly elevated Li grades are likely to continue beneath the depth of the Cauchari northern and southern resource areas (170 m and 50 m respectively) and beneath the depth of CAU001D.

Orocobre previously conducted a geophysical survey in the Cauchari Resource area (Cauchari North line) in which gravity and Audiomagnetotelluric (AMT) data was collected. The AMT data (Figure 5) suggests brine is present in salar sediments beneath the Orocobre properties to depths of ~350 m or more. The gravity survey interpretation for this line suggested depths of < 200 m to the salar basement. However, the occurrence of the thick halite sequence requires a re-interpretation of this gravity data.

Additional information is available from the work undertaken by Lithium Americas Corp. including drilling and geophysics. This information, which principally relates to the area immediately west of the Orocobre resource, suggests salar sediments were intersected to 449.5 m

below surface (hole DDH007 in Appendix 1 of King, 2010), with multiple other holes intersecting salar sediments to 350 m deep. Consequently there is reason to believe the lithium-bearing brine in the Orocobre properties may extend to 350 m or deeper. The deeper drilling conducted by Lithium Americas Corp (Figure 7-7, feasibility study July 11, 2012) suggests there is a thick layer of sand underlying the halite sequence intersected in Orocobre drilling. This deep sand unit suggests potential for the same unit in the Orocobre properties, beneath the depth of current drilling.

Figure 5: Cauchari North AMT line with Orocobre drill holes projected onto the section



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Estimation of the Exploration Target

The following parameters have been used to estimate an Upper Assumption and Lower Assumption case for lithium and potassium in the Cauchari Exploration Target. The former uses the higher values for all parameters and the latter uses the lower values. Values used are shown in Table 2.

The thickness of the resource (Table 1) depends on the drilling depths of Orocobre holes and has been separated into a northern and southern area reflecting this. The exploration target (**defined to lie immediately below the resource**) is consequently also separated into a northern and southern target under the same surface outlines.

Area

- The Northern target covers 19.69 km^2;
- The southern target 11.35 km^2; and
- The total area (northern plus southern) in all cases is a total of 31.04 km^2.

Thickness

- In the northern area a thickness of 180 m (from 170 to 350 m depth) as the Upper Assumption and the Lower Assumption; and
- In the southern area a thickness of 300 m (from 50-350 m depth) as the Upper Assumption and 170 m (from 50 to 220 m) as the Lower Assumption, to account for the possibility of basement closer to surface or a thinner brine column.

Porosity

Porosity is a vital measurement in determining a brine resource and it is important to understand the difference between definitions of porosity. Only part of the total porosity (Pt) consists of interconnected pores that can be drained. The drainable porosity component is referred to as the specific yield (Sy) – the proportion of water that can be yielded when the aquifer is pumped.

The BGS Sy measurements at Cauchari and Olaroz have been used for the porosity values in the exploration target estimate.

- For the Upper Assumption 13% is used as the specific yield (equivalent to the sand dominant Sy at Olaroz or a mixture of porous halite [16% at Cauchari] and some finer grained sediments)
- For the Lower Assumption 2% is used as the specific yield (equivalent to compact halite at Cauchari)

Lithium and Potassium Concentrations

- A value of 537 mg/L for Li and 5350 mg/l K is used in the upside case, (equivalent to the average of chemistry data sets from CAU001D bailer and core extraction samples). This compares to values of 625 mg/l and 585 mg/l Li used for the updated Lithium Americas Corp resource (with a 500 and 354 mg/l Li cut off respectively). The corresponding K values determined by Lithium Americas Corp were 5123 and 4851 mg/l,
- A value of 260 mg/L Li and 2550 mg/L K is used in the Lower Assumption case (representing the lower grade values from the southern shallow part of the Orocobre Cauchari resource – see Table 1).

The contained lithium in the exploration target (combining values for the northern and southern areas – see Table 2) ranges from **the Upper Assumption case of 2.6 mt of lithium carbonate and 9.2 mt of potash to the Lower Assumption case of 0.2 mt of lithium carbonate and 0.5 mt of potash.**

It must be stressed the exploration target is based on a series of assumptions and future drilling is required to determine the brine grade and formation porosity (Sy) values to establish whether a resource can be defined.

Table 2 Exploration Target Upper and Lower Assumption Case Estimates. The Exploration Target underlies the resource and is <u>not</u> part of the resource (see Table 1 for resource values)

UPPER ASSUMPTION ESTIMATE									
Area km^2	Thickness m (to 350 m depth)	Mean specific yield %	Brine volume million m^3	Li Concentration mg/L	Contained Li metric tonnes	Lithium carbonate value	K Concentration mg/L	Contained K metric tonnes	Potash metric tonnes
NORTHERN									
19.69	180	13%	460.7	537	247,421	1,316,278	5350	2,464,991	4,708,133
SOUTHERN									
11.35	300	13%	442.7	537	237,703	1,264,580	5350	2,368,178	4,523,219
UPPER ASSUMPTION TOTAL					**485,124**	**2,580,858**		**4,833,169**	**9,231,352**
LOWER ASSUMPTION ESTIMATE									
Area km^2	Thickness m (to 350 m N, 220 m S)	Mean specific yield %	Brine volume million m^3	Li Concentration mg/L	Contained Li metric tonnes	Lithium carbonate value	K Concentration mg/L	Contained K metric tonnes	Potash metric tonnes
NORTHERN									
19.69	**180**	2%	31.5	260	18,430	98,047	2500	177,210	338,471
SOUTHERN									
11.35	170	2%	18.2	260	10,033	53,378	2500	96,475	184,267
LOWER ASSUMPTION TOTAL					**28,463**	**151,424**		**273,685**	**522,738**

Data Collection and QA/QC

Obtaining high quality samples in the field and ensuring that subsequent analysis of the samples was carried out to a high standard was considered of great importance, bearing in mind the technical challenges of sampling fluids (brines) and semi-consolidated sediments.

Orocobre's initial diamond drilling program in the Cauchari salar was conducted using lexan tubes in the place of the triple tube splits, to maximize core recovery and geological understanding. Notwithstanding the best efforts of geologists and contractors, core recoveries averaged 76%. Down-hole geophysical logging was undertaken on diamond drill holes to provide additional geological information. Fluorescein (biodegradable) dye was used in the drilling fluid, to indicate whether brine samples taken with a bailer during the drilling were contaminated with drilling fluid.

As a further check on the results of brine samples obtained by bailing, during diamond drilling, brine was also extracted from core samples in a British Geological Survey (BGS) laboratory in the UK, where this brine was also analysed. Despite differences between the two chemical data sets the contained metal and average grade of the estimated resource was similar for each data set. Data obtained by bailing, (obtaining a brine sample from a steel tube with a valve at the base, lowered into the drill hole on a cable) during drilling of diamond holes, was used for the resource estimate and as the basis for definition of the exploration target.

Core samples from diamond drill holes were used for measurements of total porosity (total contained fluid) and specific yield (recoverable fluid), with measurements made at the British Geological Survey laboratories using recognized techniques.

Chemical analyses on bailed samples were undertaken by Alex Stewart Assayers (Argentina) S.A. ("ASA") in Mendoza, Argentina. This laboratory has extensive experience analyzing brines from salar projects. They are ISO 9001:2000 accredited and operate their own internal standards consistent with ISO 17025. Standards and duplicate samples were used extensively, with laboratory-prepared and field standard samples submitted to the laboratory comprising 16% of the samples submitted and duplicates comprising a further 7% of the total samples.

With minor exceptions, analytical values of the standards fell within +/-10% of the standard values for samples in the diamond drilling. Duplicate samples showed a high level of sample repeatability (precision), with all but five sample pairs falling well within +/-10% limits. Ion balances confirm the general quality of the ASA analyses. Additionally, 15 duplicate samples were analysed at the University of Antofagasta to compare with the ASA sample values. These sample pairs show average reproducible percentage differences of 5.6% for lithium and 16.6% for potassium. Overall the analyses are considered to be of acceptable quality for the inferred resource estimate, based on the results of the QA/QC samples.

The resource estimate summarized in this announcement has been prepared by independent hydrogeologist Murray Brooker, addressing the standards set out in the Canadian Securities Administrators' National Instrument 43-101.

Management Commentary

Orocobre's Managing Director & CEO, Richard Seville, stated: "We are encouraged by the completion of the maiden Cauchari resource estimate of 470,000 tonnes LCE (lithium carbonate equivalent) and 1.6 million tonnes of potash. This provides us with an additional brine source, which would allow us to expand production at our flagship Olaroz lithium project, which is in close proximity to Cauchari. This resource is only shallow and there is clearly a much larger Exploration Target beneath this resource."

"Cauchari, in general, is not as high grade as our Olaroz resource and sometimes has the complexity of fresh water zones and mixed zones above the richer brines. Nevertheless the brine body has attractive chemistry, with a low magnesium to lithium ratio, and a high potassium to lithium ratio. These chemical characteristics are expected to allow processing of Cauchari brine at the Olaroz processing facilities. Conceptually, the Cauchari project could be developed with relatively modest capital costs and expansion of the Olaroz plant. Now we understand the potential of the Cauchari project we can determine how the project will best contribute to the overall value of the company." Mr. Seville said.

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About Orocobre Limited

Orocobre Limited is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE, TSX:ORL), and is building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company is building in partnership with Toyota Tsusho Corporation the first large–scale, de-novo brine based lithium project in 20 years at its flagship Salar de Olaroz resource, with projected production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate scheduled to commence in Q2 2014. The Company also wholly-owns Borax Argentina, an important regional borate producer. Orocobre has recently been included in the S&P/ASX 300 Index. For further information, please visit www.orocobre.com.

Competent Person's and Qualified Person's Statement

The technical information in this announcement has been prepared by Murray Brooker of Hydrominex Geoscience. Murray Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Murray has sufficient relevant experience to qualify as a competent person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101. Murray Brooker consents to the inclusion in this announcement of this information in the form and context in which it appears.

Additional information relating to the Company's Cauchari project is available in the existing technical report entitled "Technical Report – Cauchari Project, Argentina" dated April 30, 2010, which was prepared by John Houston.

Caution Regarding Forward-Looking Information

This report contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information contained in this report may include, but is not limited to, the estimation and realization of resources at the Cauchari project, the viability, recoverability and processing of such resources, potential operating synergies between the Cauchari project and the Olaroz project, and other matters related to the development of the Cauchari project.

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk that further funding may be required, but unavailable, for the ongoing development of the Company's projects; changes in government regulations, policies or legislation; fluctuations or decreases in commodity prices; the possibility that required permits may not be obtained; uncertainty in the estimation or economic viability of mineral resources; general risks associated with the feasibility and development of the Cauchari project; unexpected capital or operating cost increases; the risk that a the Olaroz project may not be completed; the risk that Orocobre will not be able to negotiate a arrangements to treat Cauchari brines at Olaroz with the Olaroz joint venture partner, Toyotas Tsusho Corporation; uncertainty of meeting anticipated

program milestones; as well as those factors disclosed in the Company's Annual Information Form for the year ended June 30, 2011 filed at www.sedar.com.

The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the Company's ability to carry on its exploration and development activities, the timely receipt of required approvals, the prices of lithium and potash, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.