

06 November 2015

## **ASX / TSX ANNOUNCEMENT**

### **Chairman's Address to the 2015 AGM**

Address by Mr James D Calaway Chairman, Orocobre Limited:

During the past twelve months we have achieved our fundamental goal of becoming a lithium carbonate producer, joining the ranks of only a handful of established lithium companies. By the end of 2014 the Company had materially finalised the construction of the Olaroz Lithium Facility and by the end of January 2015 all circuits had been commissioned. Since then, our focus has been on achieving our operating cost breakeven point of 650 tonnes in December on the way to achieving the nameplate production run rate. At the same time we have continued to develop robust relationships with a global network of customers.

The project has experienced a number of challenges in ramping up, but we believe we now have a clear pathway to achieving our nameplate production run rate. As I stated in the Annual Report, in our opinion, given the reality of supply and demand, there has never been a better time to enter the lithium market. The effect of supply tightening and demand growing, has created an ideal market environment for Orocobre with customers becoming less price sensitive and placing increased value on securing long-term supply.

Our Borax Argentina Company began the financial year with the relocation of their borax chemical plant from Campo Quijano to Tincalayu. Unfortunately, tough conditions in our main market, Brazil, and a slower than expected ramp-up at the relocated Tincalayu plant has had a negative effect on Borax Argentina's financial results during the year. Our market diversification strategy has mitigated some of the impact. After the success of the Tincalayu resource upgrade, we will continue with our plans to bring the remainder of the Borax Argentina deposits into JORC compliance, with an aim to grow the business in the most suitable and cost-effective manner possible. The longer term outlook for borates is very positive with very few borate deposits globally and a growth profile strongly linked to urbanisation and world GDP growth.

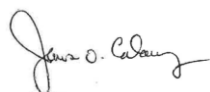
Orocobre remains committed to upholding a strong culture of corporate responsibility in the way we conduct business and how we progress our operations. We were very proud to be presented in September 2014 with Mining Argentina's annual award for "Outstanding CSR Mining Company". Additionally, in November 2014 the Orocobre group of companies was once again awarded "Mining Company of the Year" by Argentina mining magazine Panorama Minero and the Fundacion para el Desarrollo de la Mineria Argentina. Orocobre understands the importance of creating a sustainable future for our Company and for the communities in which we operate. The mutually beneficial relationships which we have formed with local stakeholders, communities and workers has been one of the major contributing factors behind the success we have achieved at our Olaroz Lithium Facility.

As we move through the final ramp up phase of what has been a journey of some significance, it is an appropriate time to reflect on where we are right now. The Olaroz Lithium Facility is the first brine based lithium operation constructed in approximately 20 years. This is occurring at a time when the lithium market

is coming alive with accelerating demand driven largely by growth in lithium ion battery production. Given the supply side of the lithium market will remain tight for the near term, we are not only witnessing a rare market dynamic, but potentially something disruptive and revolutionary in the evolution of the energy market and how energy is produced, stored and used. The historical growth in portable devices has been impressive and recently the growth of electric vehicles has accelerated significantly with the major automotive manufacturers now producing or planning to produce electric vehicles in the near term. In addition to all of this, and possibly the most significant sector for the battery market moving forward is the energy storage sector at both residential and commercial levels. These are exciting times and we are in the right place at the right time. We believe the future looks extremely bright for both lithium and borates.

I would like to sincerely thank our shareholders for their continued support and ongoing engagement and in particular the support provided by our shareholders during capital raising, who without, we would not be where we are today. We are looking forward to 2016 being a very rewarding year for the Company and for shareholders.

My Best Regards,



James D. Calaway

Chairman

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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 chemicals and 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 has built, in partnership with Toyota Tsusho Corporation and JEMSE, the first large-scale, greenfield brine based lithium project in approximately 20 years at the Salar de Olaroz with planned production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate.

The Olaroz Lithium Facility has a low environmental footprint because of the following aspects of the process:

- The process is designed to have a high processing recovery of lithium. With its low unit costs, the process will result in low cut-off grades, which will maximise resource recovery.
- The process route is designed with a zero liquid discharge design. All waste products are stored in permanent impoundments (the lined evaporation ponds). At the end of the project life the ponds will be capped and returned to a similar profile following soil placement and planting of original vegetation types.
- Brine is extracted from wells with minimum impact on freshwater resources outside the salar. Because the lithium is in sedimentary aquifers with relatively low permeability, drawdowns are limited to the salar itself. This is different from halite hosted deposits such as Salar de Atacama, Salar de Hombre Muerto and Salar de Rincon where the halite bodies have very high near surface permeability and the drawdown cones can impact on water resources around the Salar affecting the local environment.
- Energy used to concentrate the lithium in the brine is solar energy. The carbon footprint is lower than other processes.
- The technology developed has a very low maximum fresh water consumption of <20 l/s, which is low by industry standards.
- Sales de Jujuy S.A. is also committed to the ten principles of the sustainable development framework as developed by The International Council on Mining and Metals. The company has an active and well-funded “Shared Value” program aimed at the long term development of the local people.

The Company continues to follow the community and shared value policy to successfully work with suppliers and the employment bureau to focus on the hiring of local people from the communities of Olaroz, Huancar, Puesto Sey, Pastos Chicos, Catua, Susques, Jama, El Toro, Coranzulí, San Juan and Abrapampa. The project implementation is through EPCM (Engineering, Procurement and Construction Management) with a high proportion of local involvement through construction and supply contracts and local employment. The community and shared value policy continues to be a key success factor, training local people under the supervision of high quality experienced professionals.

**The Company also wholly-owns Borax Argentina, an important regional borate producer.**

**For further information, please visit [www.orocobre.com](http://www.orocobre.com)**

### **Caution Regarding Forward-Looking Information**

*This news release contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information contained in this release may include, but is not limited to, the commencement of commercial production and ramp up at the Olaroz Lithium Facility and the timing thereof, the cost of construction relative to the estimated capital cost of the Olaroz Lithium Facility, the design production rate for lithium carbonate at the Olaroz Lithium Facility, the expected brine grade at the Olaroz Project, the expected operating costs at the Olaroz Lithium Facility and the comparison of such expected costs to expected global operating costs, and the ongoing working relationship between Orocobre and the Province of Jujuy.*

*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 of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices and market demand for product; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; risks associated with commissioning and ramp up of the Olaroz Lithium Facility to full capacity; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Lithium Facility; general risks associated with the further development of the Olaroz Lithium Facility; as well as those factors disclosed in the Company’s Annual Report for the year ended June 30, 2015 filed at [www.sedar.com](http://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 timely receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the prices of lithium and borates; market demand for product and the ability of the Company to operate in a safe, efficient and effective manner. 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.*