Orocobre Limited

ABN 31 112 589 910

CONSOLIDATED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

OROCOBRE

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CONTENTS

CORPORATE INFORMATION

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Non-Executive Chairman
Robert Hubbard

Managing Director & CEO
Martín Pérez de Solay
(as of 18.01.19)

Non-Executive Directors
Richard Seville
John W. Gibson
Federico Nicholson
Fernando Oris de Roa
Courtney Pratt
(retired 23.11.18)
Leanne Heywood
Masaharu Katayama

Joint Company Secretary
Rick Anthon
Neil Kaplan

COMPANY

Orocobre Limited
ACN 112 589 910

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Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2018.

DIRECTOR'S REPORT

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

- R. Hubbard (Chairman)
- M. Pérez de Solay *(as of 18.01.19)*
- R. P. Seville
- J. W. Gibson
- L. Heywood
- C. Pratt *(retired 23.11.18)*
- F. Oris de Roa
- F. Nicholson
- M. Katayama

REVIEW & RESULTS OF OPERATIONS

Group Financial Performance

To assist readers to better understand the comparable financial results of Orocobre, the financial information in this Operating and Financial Review includes non-IFRS financial information.

Summary of results for the half-year ended 31 December 2018

	GROUP RESULTS		SDJ PTE (100%)	
	31 Dec 2018 US $'000	31 Dec 2017 US $'000	**31 Dec 2018 US $'000**	31 Dec 2017 US $'000
Revenue[1]	**9,285**	7,920	**63,480**	63,149
EBITDAIX[2]	**(3,307)**	(2,879)	**36,571**	36,850
Less depreciation & amortisation	**(18)**	(800)	**(4,435)**	(3,649)
EBITIX[3]	**(3,325)**	(3,679)	**32,136**	33,201
Add interest	**6,902**	997	**(10,878)**	(5,850)
EBTIX[4]	**3,577**	(2,682)	**21,258**	27,351
Less impairment	**(188)**	(1,889)	**-**	-
Less foreign currency gains/(losses)	**(3,321)**	744	**(6,828)**	(1,198)
Less share of profit of associates	**(769)**	(1,134)	**-**	-
Add share of profit of joint ventures, net of tax*	**24,751**	13,118	**-**	-
Segment profit/(loss) for the year from continuing operations before tax	**24,050**	8,157	**14,430**	26,153
Income tax	**-**	-	**21,167**	(5,419)
Net profit/(loss) after tax	**24,050**	8,157	**35,597**	20,734

* The Olaroz project ("Sales de Jujuy Pte Ltd" or "SDJ PTE") is equity accounted for in the Group results therefore presented as a separate item in the Income Statement.

1. Revenue in Group Results includes revenue from Borax Argentina operations only
2. EBITDAIX - Group earnings before interest, taxes, depreciation, amortisation, impairment and foreign currency gains/(losses)
3. EBITIX - Group earnings before interest, taxes, impairment and foreign currency gains/(losses)
4. EBTIX - Group earnings before taxes, impairment and foreign currency gains/(losses).

These measures are non-IFRS financial information and have not been subject to audit by the Company's external auditor.

	GROUP RESULTS		SDJ PTE (100%)	
	31 Dec 2018 US $'000	30 Jun 2018 US $'000	**31 Dec 2018 US $'000**	30 Jun 2018 US $'000
Cash and cash equivalent	**284,220**	316,690	**29,867**	19,465
Net assets	**527,806**	502,104	**176,269**	140,994
Net cash/(net debt)	**283,817**	315,953	**(216,408)**	(206,477)
Gearing ratio	**(111%)**	(159%)	**59%**	63%
Lithium carbonate produced (tonnes)	-	-	**6,075**	6,072
Lithium carbonate sold (tonnes)	-	-	**5,163**	5,532
Realised lithium carbonate price (US$/tonne)	-	-	**12,295**	11,415
Gross cash margin lithium (US$/tonne)	-	-	**8,044**	7,079
Cash operating costs lithium carbonate (US$/tonne)	-	-	**4,251**	4,336

Group Profit Overview

The Orocobre Group ("the Group") produced a net profit from continuing operations after tax of US$24 million (31 December 2017: US$8.2 million).

The Group's net profit includes its share of net gains of joint venture of US$24.8 million (Sales de Jujuy Pte Ltd) (31 December 2017: US$13.1 million) which is inclusive of an income tax benefit, as detailed below in SDJ PTE Performance.

The events mentioned above affected the overall performance of the Group's net profit from continuing operations.

The net assets of the Group increased to US$527.8 million as at 31 December 2018 (30 June 2018: US$502.1 million), including cash balances of US$284.2 million (30 June 2018: US$316.7 million). The main reason for the increase in net assets is due to the share of net gains from the joint venture.

Group exploration and evaluation expenditure for the half-year totalled US$3.6 million (31 December 2017: US$1.6 million).

SDJ PTE Performance

SDJ PTE produced net profit after tax of US$35.6 million (31 December 2017: US$20.7 million).

Revenues of US$63.5 million (31 December 2017: US$63.1 million) were achieved on sales of 5,163 tonnes of lithium carbonate (31 December 2017: 5,532 tonnes) at an average price of US$12,295/tonne (31 December 2017: US$11,415).

EBITDAIX of US$36.6 million (31 December 2017: US$36.8 million) were similar to prior period however gross profit margins of 72% (31 December 2017: 69%) were mainly as a result of higher average selling price obtained and lower operations costs despite export duties of US$2.9 million reintroduced in September 2018.

Foreign currency losses for the period of US$6.8 million (31 December 2017: US$1.2 million) were largely due to the effect of a 30.68% devaluation of the Argentine Peso ("ARS") against the US Dollar ("USD") on the Value Added Tax ("VAT") receivables and other accounts receivable balances which are ARS based.

The income tax benefit of US$21.2 million (31 December 2017: US$5.4 million tax expense) resulted from the reversal of deferred tax liabilities recognised in the prior financial year for withholding tax on future profit distributions of US$13.1 million and US$14.4 million due the further reduction of income tax rate in Argentina for liabilities unwinding in years 2020 and beyond at 25%. Such income tax benefit was partially offset by the tax expense for the period totalling approximately US$6.2 million.

Subsequent Events

In December 2018, Orocobre Limited ("Orocobre" or "the Company") and Toyota Tsusho Corporation ("TTC") signed a shareholder agreement allowing Orocobre to consolidate earnings from Olaroz in the reported statutory accounts.

From 1 January 2019, Orocobre will consolidate the accounts of SDJ PTE and stop equity accounting. A preliminary purchase price allocation ("PPA") exercise arising from the consolidation of SDJ PTE will be undertaken prior to 30 June 2019 and included in the full-year financial report. Whilst not complete, the PPA will result in a significant uplift in the carrying value of certain assets and liabilities, the recognition of goodwill and a corresponding one-off gain to the income statement.

OLAROZ LITHIUM PROJECT (OROCOBRE 66.5%)

The Olaroz Project Joint Venture ("JV") is operated through SDJ a subsidiary of Sales de Jujuy Pte Ltd, a Singaporean company that both Orocobre and TTC are shareholders. The effective Olaroz Project equity interest is Orocobre 66.5%, TTC 25.0% and Jujuy Energia y Mineria Sociedad del Estado ("JEMSE") 8.5%. The above holdings exclude any look through ownership of the 15% holding that TTC has in Orocobre.

The JV between Orocobre 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 JV as an equity accounted investment. Please refer to Note 8 in the financial report for further detail on this item.

As part of changes formalised in the new Olaroz Shareholders Agreement with joint venture partner TTC, Orocobre will consolidate earnings from Olaroz in reported statutory accounts. Orocobre accounts will be consolidated from 1 January 2019.

During the half Orocobre and TTC agreed on a new joint marketing arrangement for production from both Stage 1 and 2 where the joint partners will work together to set the strategic direction of customer arrangements and commercial terms. As exclusive sales agent, TTC remains responsible for logistical and contractual arrangements with customers and execution of the agreed sales strategy.

A new Management Agreement has been established for the ongoing management of the Olaroz Joint Venture by Orocobre. Under this new agreement, Orocobre will be paid a management fee of 1.5% of gross revenue reported by the Olaroz Joint Venture from 1 July 2019.

Operations

The Olaroz Lithium Facility ("Olaroz") 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 3,900 metres above sea level. The first large scale brine-based lithium chemicals facility to be commissioned in approximately 20 years, Olaroz produces high quality lithium carbonate chemicals for both the battery and industrial markets. It is the only brine-based operation in the world with an integrated purification circuit.

In the half-year period July - December 2018, 6,075 tonnes of lithium carbonate were produced. Sales revenue was US$63.5 million on sales of 5,163 tonnes. Cash operating costs for the half-year were US$4,251/tonne (excluding royalties and head office costs) and the average price received was US$12,295/tonne, resulting in gross cash margins increasing to US$8,044/tonne from US$7,079/tonne in the PCP.

During the half overall costs were positively impacted with lower consumption rates of reagents and increased production rates which more than offset an increase in ARS denominated costs as the ARS strengthened during Q2 FY19.

Throughout Q2 FY19 product pricing was below that of Q1 FY19 due to soft market conditions in China having a direct impact on shorter term contracts in China including lithium hydroxide manufacturers. There was also an indirect impact due to a number of customers outside China with downstream exposure to the Chinese market experiencing market/commercial pressure. Under new joint marketing arrangements between TTC and Orocobre it is intended to increase the proportion of long-term contract arrangements. Market development activities in CY19 will focus on the supply to additional battery customers and high value industrial markets with the objective of minimising sales to lithium hydroxide manufacturers.

Production in Q1 FY19 totalled 2,293 tonnes, down 36% from 3,596 tonnes in Q4 FY18 due to lower seasonal evaporation and a scheduled two week maintenance outage. During the closure modifications were undertaken on the BEPEX (dry and bagging) circuit and electrical upgrades were completed, as well as cleaning one of the main reactors. This was the first major maintenance shutdown since the plant opened nearly four years ago. Despite the closure, production increased 7% compared to the PCP demonstrating improved operating practices. A record gross cash margin of 68% was achieved in Q1 FY19 (US$10,059/tonne, up 62% from the PCP).

Production in Q2 FY19 was the second highest achieved to date at 3,782 tonnes, up 65% from Q1 FY19 with Olaroz experiencing higher seasonal evaporation rates. When compared to the PCP, production was down 4% however this was principally due to restraining production to build up brine depths in the last three ponds in the system that provide feedstock to the plant.

Salt harvesting from harvestable ponds (the final eight ponds in the system) continued throughout the half. Five of the eight harvest ponds have been cleared of harvestable salts, with two currently being harvested and one to be completed next winter. The construction of additional pond area (see STAGE 2 EXPANSION AT OLAROZ) negated any potential negative impact from the salt harvesting. The harvesting process occurs approximately every three years and involves the removal of the majority of salt which has precipitated through the evaporation process and the recovery of lithium that has been entrained in the deposited salts.

Carbon dioxide ("CO_2") is used at the Olaroz Lithium Facility in the production of battery grade lithium carbonate. It is sourced from near Buenos Aires, Cordoba and Mendoza (transported up to 1,800 kilometres by truck), making it a significant component of total reagent costs. Following engineering studies which showed up to 50% of total CO_2 used in production can be recovered, a CO_2 recovery circuit built by ASKO was installed and successfully commissioned during Q2 FY19. The recovery circuit was installed on various parts of the purification circuit helping to lower total reagent costs. As of 31 December 2018, total CO_2 recovery was estimated at 55%, above the initial study estimates of 50%. Capital expenditure on this project was less than US$2 million.

Future Production and Guidance

Orocobre expects full year production (FY19) will be the same as that achieved in FY18.

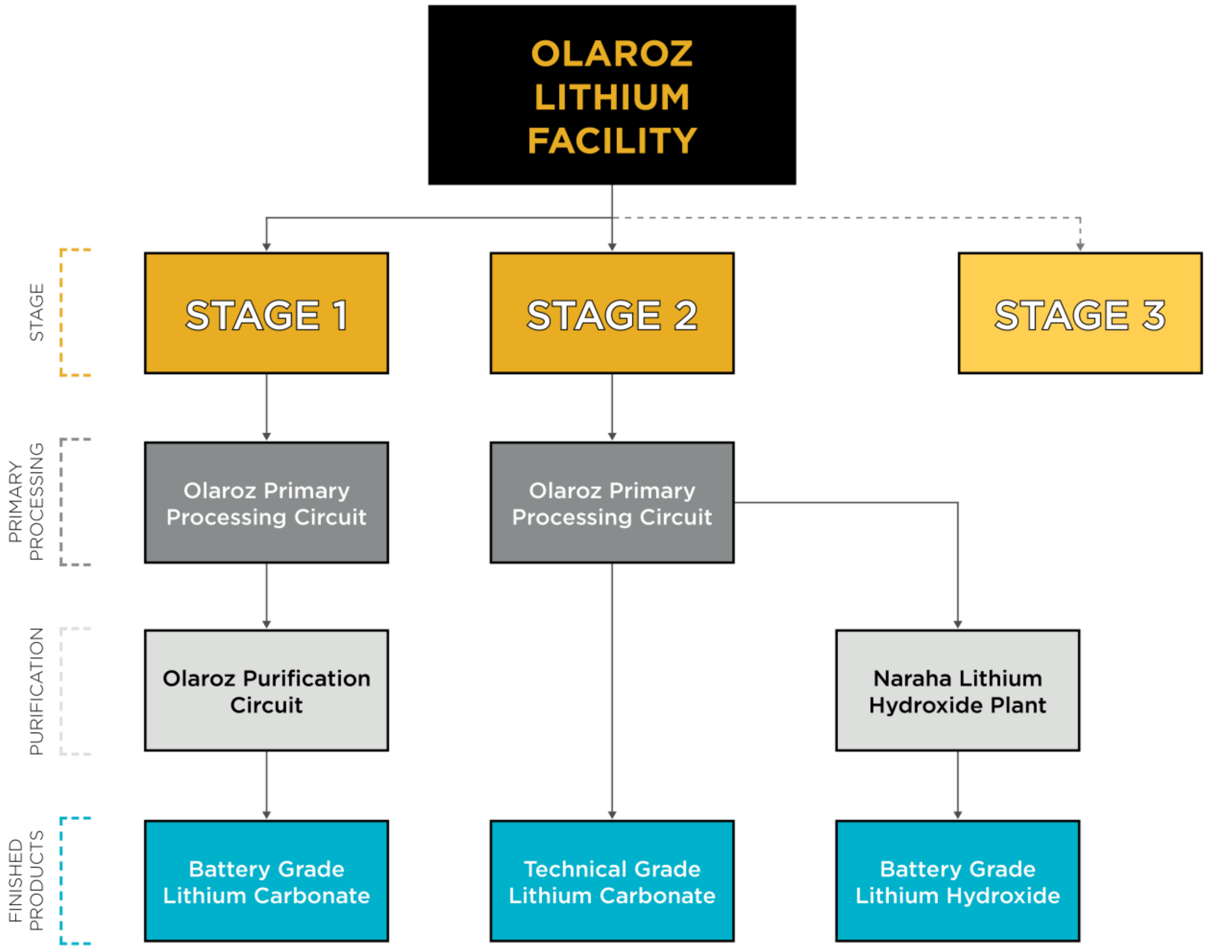
STAGE 2 EXPANSION AT OLAROZ

The Stage 2 Expansion of Olaroz is fully funded with cash and debt funding arrangements.

Progress to Date

During the half Orocobre, TTC and JV boards gave Final Investment Decision ("FID") approval for the Stage 2 Expansion of the Olaroz Lithium Facility. The Stage 2 Expansion will increase total expected lithium carbonate production capacity to approximately 42,500 tonnes per annum ("tpa"). Stage 2 will produce technical grade (>99.0% Li_2CO_3) lithium carbonate, part of which will be utilised as feedstock for the proposed Naraha Lithium Hydroxide Plant to be built in Japan. The current capital expenditure for Stage 2 is expected to be US$295 million.

The Stage 2 Expansion will be funded by a combination of project debt, operating cashflows and shareholders loans. Project finance of US$180 million is anticipated to be provided by a Japanese Bank on similar terms to the Stage 1 project finance facility and is expected to be secured in a similar manner to that of Stage 1 utilising a joint liability scheme provided by Japan Oil, Gas and Metals National Corporation ("JOGMEC").



Orocobre's proposed production profile

As at 31 December 2018, US$19 million had been committed to early works which includes construction of new roads, vegetation clearing, construction of new evaporation and harvest ponds, eight boreholes and the expansion of existing site infrastructure and camp accommodation. New camp accommodation facilities, capable of housing 100 beds and new catering facilities have been completed.

By the end of Q2 FY19, five new harvest ponds (17A, 17B, 18A, 18B & 16B) had been completed and were being filled with concentrated brine, replacing pond area that is temporarily unavailable due to salt harvesting activities as discussed earlier. Two new evaporation ponds (15A & 15B) were also completed during H1 FY19. Vegetation clearing and construction of two new evaporation ponds commenced (14C & 20A), with a further three harvest ponds, brine reservoir storage pond (TK 1100) and brine transfer ducts under construction.

During the half-year construction of a new reactor began at the existing primary liming plant. This reactor will enable the primary liming plant to process a higher flow rate of brine before the Stage 2 liming plant is built, permitting brine stocks to be increased and facilitating the rapid filling of Stage 2 ponds.

Construction of major equipment for the Stage 2 secondary liming plant (with the same capacity as the existing plant) commenced during the half, with key tenders being awarded to local companies. The Company continues to actively seek opportunities to obtain services from the local community, e.g. labour hire and rental accommodation.

Key project milestones include:

Milestone	Timing (CY)
Final Investment Decision	**H2 2018**
Drilling of wells	**2018 – H1 2019**
Construction of ponds	**H2 2018 – H2 2019**
Construction of lithium carbonate plant	**H1 2019 – H1 2020**
Plant commissioning	**H2 2020**

LITHIUM HYDROXIDE PLANT

Update on Progress

Orocobre and TTC Olaroz are well advanced with plans for a proposed 10,000 tpa lithium hydroxide plant to be built in Naraha, Japan. The proposed location is situated near potential customers.

Operating costs (excluding lithium carbonate feedstock) for the lithium hydroxide plant are estimated to be approximately US$1,500/tonne, down from initial estimate of US$2,500/tonne. Subsidies of approximately US$27 million have been secured from the Japanese government.

Negotiations on the Engineering - Procurement - Construction (“EPC”) contract for the proposed Naraha Lithium Hydroxide Plant are advancing between TTC as operator and Veolia the preferred EPC contractor. EPC terms are currently being finalised.

The EPC contract and FID is expected to be finalised during Q3 FY19 with commissioning of the plant expected to commence in H2 CY20. TTC is the manager of the Naraha JV.

Subject to JV and Orocobre Board FID approvals, construction of the Naraha Lithium Hydroxide Plant is expected to commence H1 CY19.

BORAX ARGENTINA S.A. (OROCOBRE 100%)

Borax has a fifty-year production history producing borax chemicals, boric acid and boron minerals. The production currently comes from the principal mines at Tincalayu and Sijes with mines and concentrators, a sodium borate manufacturing plant at Tincalayu and a plant at Campo Quijano producing boric acid and anhydrous products.

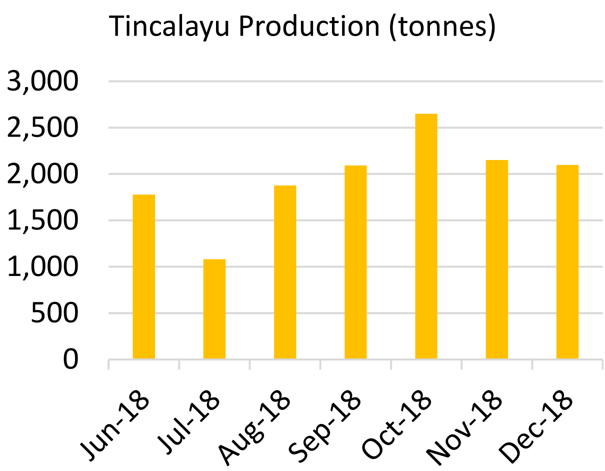
Sales for the half-year were US$9.3 million (2017 US$7.9 million) and a net loss after tax (NPAT) of US$2.3 million (31 December 2017: net loss of US$3.6 million) was generated.

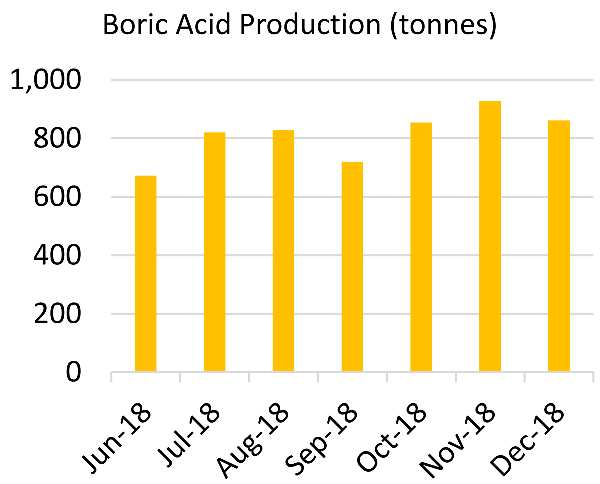
A total of 20,148 tonnes of combined products were sold during the half-year. This is an increase of >19% on the PCP. New product development opportunities have translated into an increase in sales, with a continuing program of new initiatives to be converted throughout FY19 and beyond.

Production and Commercial

Operations continued to focus on minimising cost of production during the period. Stock levels remain well above minimum required levels.

Despite strengthening of the ARS during Q2 FY19, unit costs benefited from the devaluation of the ARS seen throughout CY18.





Combined product sales volume by quarter:

Previous Year Quarters		Recent Quarters	
March 2017	9,672	March 2018	9,079
June 2017	11,398	June 2018	10,590
September 2017	8,543	September 2018	9,407
December 2017	8,341	December 2018	10,741

ADVANTAGE LITHIUM

Advantage Lithium Corp (TSV:AAL) ("AAL") manages a portfolio of high quality assets in Argentina, including the Cauchari JV in which Orocobre holds a 25% interest. Orocobre holds approximately 33.5% of the issued shares of AAL.

The Cauchari JV property is located 10 kilometres south of Olaroz and is adjacent to the development project of Lithium Americas Corp and Ganfeng. The Orocobre and AAL JV benefits from its proximity to Olaroz and from the JV's ability to access the experience of Orocobre in lithium project development. Orocobre retains a 1% gross royalty on production from the Cauchari properties and will have rights of first refusal on future brine production.

As detailed in the 24 May 2018 ASX/TSX announcement headed "Updated Cauchari resource estimate - 3.0 Mt Lithium Carbonate Equivalent" the Cauchari project hosts a near-surface Inferred Resource of approximately 1,200 million cubic metres of brine at average grades of 450 mg/l lithium and 4,028 mg/l potassium for 3.02 Mt of Lithium Carbonate Equivalent and 9.5 million tonnes of Potash.

During the half AAL made a number of key staff appointments for the Cauchari JV project, including a full-time Chief Financial Officer, locally based Project Manager, Environmental Services Manager, Senior Project Scheduler and Site Manager. These appointments are key to AAL achieving Cauchari JV project milestones as they progress through the project's Feasibility Study and execution phases.

During Q2 FY19 AAL engaged engineering consultants GHD, Chile S.A to commence early engineering geared towards the completion of a Feasibility Study for the Cauchari JV project (see ASX Release dated 13 December 2018). The appointment of GHD follows the release by AAL of a Preliminary Economic Assessment and positive results from the Phase III resource conversion program. The Feasibility Study will provide an appropriate engineering design to produce a Class 3 cost estimate consistent with American Association of Cost Engineers principles to build a standalone lithium plant producing 20 ktpa of Lithium Carbonate Equivalent with first production in Q3 CY21 and full post ramp-up production in 2023.

Subsequent to the end of the half, AAL announced completion of Phase III drilling and pumping test activities at the Cauchari JV property (see ASX Release dated 10 January 2019). The Phase III drilling was completed with the aim to upgrade the Cauchari Inferred Resource to a higher category (Indicated or Measured Resource), providing the basis for the forthcoming Feasibility Study.

During the Phase III exploration program, the resource area was extended to the south and in depth to a maximum of 617 m. These are some of the deepest holes drilled in the Cauchari-Olaroz basin to date. By point of comparison the 2018 resource estimate extended to only 300 m deep - with the exception of the deep sand intersections at that time (see ASX Release dated 24 May 2018).

During the half AAL also completed a detailed project development schedule and budget. Completion of the Feasibility Study is planned for Q2 CY19.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During Q1 FY19 the Ministry of Economy in Argentina formally announced the establishment of temporary foreign trade measures aimed at reducing Argentine fiscal deficit. A temporary special export duty was immediately applied (as of 4 September 2018) to all exports and is in effect up to 31 December 2020 at a rate of ARS3 for each US$1. This tax applies to Orocobre's 66.5% subsidiary SDJ and Borax Argentina.

Based on the current ARS:USD exchange rate an export duty of ARS3 for each US$1 equates to a duty of approximately 8% on export sales revenue from SDJ and Borax. The ongoing rate of this special export duty may vary depending on the currency exchange rate between ARS and USD.

The ARS:USD exchange rate strengthened by 9% during Q2 FY19 with government intervention on interest rates and other measures. As of 30 September 2018, the rate was ARS41.25/US$1 and this strengthened to ARS37.70 as of 31 December 2018, whilst inflation for the same period was 16%.

When looking at the accumulated 12 month period from 1 January 2018 to 31 December 2018, devaluation of the ARS against the USD was 102% versus inflation of approximately 49%.

As a result, costs were lower for Borax and to a lesser extent, SDJ. Consequently, the Company anticipates that the temporary increase in special export duty will be counterbalanced to some extent by the devaluation of the ARS and the positive effect that this will have on production costs for both SDJ and Borax.

Long standing Non-Executive Director Courtney Pratt retired from the Board at the 2018 Annual General Meeting. The Company wishes to formally recognise the significant contribution he has made during his tenure and thank him for his efforts.

SUBSEQUENT EVENTS

Subsequent to the end of the half, Orocobre announced Mr Martín Pérez de Solay had been appointed to the Orocobre Board as Managing Director following the retirement of Richard Seville. At the same time, Mr Pérez de Solay formally commenced his duties as Chief Executive Officer (see ASX Release dated 18 January 2019). Mr Seville will continue with Orocobre as a Non-Executive Director.

Orocobre's new Managing Director and Chief Executive Officer Mr Martín Pérez de Solay, together with former Managing Director/CEO Mr Richard Seville meeting with Orocobre management and TTC representatives

OUTLOOK

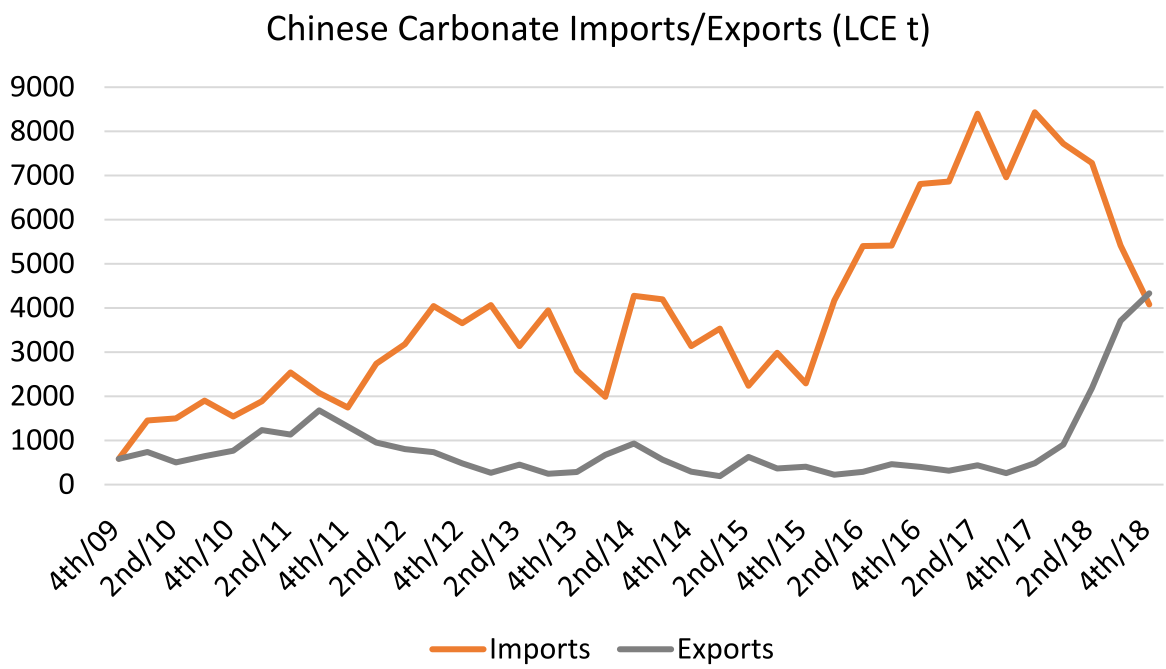
Olaroz Lithium Facility and Lithium Markets

Despite recording another year of healthy growth averaging ~20% year-on-year ("YOY"), concerns grew during H1 FY19 as to the impact of China's economic and market conditions on the lithium market. As the year progressed it became apparent that China's market softness was having a meaningful impact on both spodumene concentrate and lithium chemical prices whilst disrupting traditional trade flows.

Further to the soft pricing experience in the December quarter, Orocobre expects the average lithium carbonate sales price for the March 2019 quarter to be approximately US$9,000 per tonne (FOB).

Supply

During Q2 FY19, China became a net exporter of lithium carbonate for the first time in over eight years. A price arbitrage opened mid-year between Chinese domestic and seaborne prices, encouraging growing Chinese exports. Given China's market softness, Chilean producers also diverted supply away from China during H1 FY19.



(Source: GTIS)

Pressure on lithium chemical prices provided a difficult environment for spodumene price negotiations between Australian concentrate producers and Chinese conversion plants during the latter part of H1 FY19. Indications provided to date by Australian concentrate producers (via Q2 FY19 webcasts & company announcements) suggest a range of different price outcomes for the Q3 FY19 (or H2 FY19 for Galaxy, Mt Cattlin concentrate) ranging between ~10% and ~35% down from H1 FY19. Lower spodumene prices for the early part of CY19 will support lower costs for marginal, independent conversion plants, some of which were reportedly operating at a loss, however a further decline in spodumene pricing of this magnitude is unlikely given the current costs of several independent producers, thereby providing a price floor.

Demand

Despite uncertainty regarding the details of China EV policy amendment expected in coming months, EV sales reached 1.27 million units during CY18, increasing 60% YOY and edging closer to the 2 million unit sales target for 2020. During Q2 FY19, China's Automobile Industry Investment Management Regulations eased energy density requirements for EV batteries while reducing the corresponding subsidy value. While the Chinese EV government subsidy policy for 2019 is currently pending release, the general guidelines are that any regulation put into place should help to ensure a smooth transition toward an unsubsidised, self-supportive EV industry (source: Benchmark Minerals). Investment in Chinese capacity from the likes of Samsung SDI, Tesla, LG Chem and Panasonic suggests confidence in continued growth within China. This is supported by the easing of investment policy allowing over 50% foreign ownership.

Both within and outside of China, collaboration and partnering throughout the battery supply chain continued with the common goal of EV technology development and adoption. Perhaps the most publicised of these announcements was the formation of a JV between Panasonic and Toyota. After being heavily aligned with Tesla for several years producing cylindrical format cells for NCA cathode, Panasonic and Toyota announced a JV to develop prismatic technology with an NCM cathode which is more widely used in the industry. Under the JV, Panasonic offers cell production to Toyota and enables sales of the JV products to the wider market (source: Toyota Motor Corporation company announcement).

Conclusion

Orocobre views the current conditions as a necessary correction following three to four years of high growth with market prices reaching levels two to three times (or more) greater than the historic average. Long term fundamentals remain strong and are underpinned by ~1,550 GWh of announced battery manufacturing capacity by 2028, rising 6.4% in December 2018 (source: Benchmark Minerals). Furthermore, strong growth potential was exhibited by the energy storage sector with total global energy storage additions more than doubling during CY18 to 9 GWh and is forecast to grow ~80% in CY19 (source: Bloomberg New Energy Finance). Accordingly, Orocobre maintains long -term demand forecasts in line with the consensus of other established lithium salt producers in the range of 17% to 20% CAGR between 2018 and 2025.

Borax Argentina S.A.

The Borax business continues to progress on the path of market development with new products, new applications for existing products and continuing to grow the customer base. Sales are demonstrating good growth rates YOY across all market segments. The number of larger corporate customers continues to increase on the back of a sound value proposition of security of supply, proximity to market, short delivery lead times, quality product and good service.

Production continues to perform well and inventory levels are well above the minimum required level. Production unit costs are at or near the lowest levels on record.

Market conditions remain fundamentally unchanged with market price levels for the main product groups remaining subdued. The primary focus for Borax remains on the South American markets, with these markets delivering good growth for Borax even in challenging economic times.

RISKS

Orocobre's business faces certain risks that could affect the success of the strategies and the outlook for future financial years. These include, but are not limited to the ongoing development of good operating practice and the associated production ramp up as well as meeting product specification requirements at the Olaroz Lithium Facility, the achievement of the design production rate for lithium carbonate particularly as it relates to production of purified product, the effective management of brine ponds and brine inventory, variances in expected brine grade and the expected operating costs, the obtaining and maintenance of all necessary approvals for existing operations and expansions, the negative effect on production of adverse weather or climatic events such as unseasonal or unusually large rainfall or snowfall, controlling of production cost including the costs of significant inputs such as lime and soda ash, unforeseen litigation, materially incorrect resource estimation, the failure to maintain good community and workforce relations and the failure to maintain industry standard health and safety regimes, the ongoing working relationship between Orocobre, TTC and the Province of Jujuy (JEMSE), TTC and Mizuho Bank and the meeting of banking covenants contained in project finance documentation.

With respect to Borax the risks associated with the business are the weaknesses in the company's traditional markets and strong competition from other producers in these markets, challenges in developing new markets, the implementation of unit cost reduction measures and the achievement of design production rates at production facilities.

Other risks include the concentration of the Company's assets in Argentina and the resultant sovereign risk, changes in government regulations, policies or legislation, fluctuations or decreases in product prices and currency, the impact of inflation on local costs, the impact of devaluation of the ARS and risks associated with weather patterns and their impact on production rate.

ROUNDING OF AMOUNTS

The amounts contained in this report and in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the instrument applies.

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.

Robert Hubbard
Chairman

Dated this: 22nd day of February 2019
Brisbane, Queensland

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Auditor's Independence Declaration to the Directors of Orocobre Limited

As lead auditor for the review of the half-year financial report of Orocobre Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Orocobre Limited and the entities it controlled during the financial period.

Ernst & Young

Andrew Carrick
Partner
22 February 2019

FINANCIAL REPORT - CONTENTS

for the period ended 31 December 2018

CONSOLIDATED INCOME STATEMENT

for the period ended 31 December 2018

	Note	**31 Dec 2018 US $'000**	31 Dec 2017 US $'000
Revenue	1	**9,285**	7,920
Cost of sales		**(6,979)**	(7,095)
Gross profit		**2,306**	825
Other income		**67**	134
Corporate expenses	2A	**(3,892)**	(3,371)
Administrative expenses	2B	**(1,788)**	(2,619)
Depreciation expense	6	**(18)**	(800)
Impairment of assets	4,5	**(188)**	(1,889)
Gain on sale of assets		**-**	2,152
Share of net gains of joint ventures	8	**24,751**	13,118
Share of net losses of associates	12	**(769)**	(1,134)
Foreign currency gain/(loss)	2C	**(3,321)**	744
Profit before interest and income tax		**17,148**	7,160
Finance income	2D	**6,929**	1,654
Finance costs	2E	**(27)**	(657)
Profit before income tax		**24,050**	8,157
Income tax expense		**-**	-
Profit for the period		**24,050**	8,157
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share (cents per share)	3	**9.19**	3.86
Diluted earnings per share (cents per share)	3	**9.13**	3.84

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 December 2018

	Note	31 Dec 2018 US $'000	31 Dec 2017 US $'000
Profit for the period		**24,050**	8,157
Other comprehensive income/(loss)			
(Items that may be reclassified subsequently to profit or loss)			
Translation gains/(losses) on foreign operations	10B	**1,055**	(1,127)
Net gains/(losses) on revaluation of derivatives	10B	**(214)**	337
Net gains/(losses) on revaluation of financial assets	10B,12	**(432)**	200
Other comprehensive profit / (loss) for the period, net of tax		**409**	(590)
Total comprehensive income for the period, net of tax		**24,459**	7,567

The accompanying notes form part of these financial statement.

CONSOLIDATED BALANCE SHEET

as at 31 December 2018

	Note	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Current assets			
Cash and cash equivalents	11	**284,220**	316,690
Trade and other receivables	4	**58,611**	52,449
Inventory	5	**7,091**	6,506
Total current assets		**349,922**	375,645
Non-current assets			
Trade and other receivables	4	**51,923**	34,240
Inventory	5	**894**	700
Property, plant and equipment	6	**629**	73
Exploration, evaluation and development assets	7	**11,021**	7,428
Investment in joint ventures	8	**109,315**	84,778
Investment in associates	12	**22,636**	19,954
Total non-current assets		**196,418**	147,173
Total assets		**546,340**	522,818
Current liabilities			
Trade and other payables	9	**5,965**	7,457
Loans and borrowings		**403**	737
Provisions		**634**	630
Total current liabilities		**7,002**	8,824
Non-current liabilities			
Trade and other payables	9	**506**	559
Provisions		**11,026**	11,331
Total non-current liabilities		**11,532**	11,890
Total liabilities		**18,534**	20,714
Net assets		**527,806**	502,104
Equity			
Issued capital	10A	**527,716**	527,364
Reserves	10B	**(105,623)**	(106,923)
Retained earnings		**105,713**	81,663
Total equity		**527,806**	502,104

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2018

	Note	Issued capital US $'000	Retained earnings US $'000	Reserves US $'000	Total US $'000
Balance as at 1 July 2017		243,184	80,696	(105,860)	218,020
Profit for the period		-	8,157	-	8,157
Other comprehensive loss for the period	10B	-	-	(590)	(590)
Total comprehensive profit/(loss)		-	8,157	(590)	7,567
Shares issued during the period	10A	113	-	-	113
Share-based payments	10B	-	656	(19)	637
Balance as at 31 December 2017		243,297	89,509	(106,469)	226,337
Balance as at 1 July 2018		**527,364**	**81,663**	**(106,923)**	**502,104**
Profit for the period		**-**	**24,050**	**-**	**24,050**
Other comprehensive profit for the period	10B	**-**	**-**	**409**	**409**
Total comprehensive profit		**-**	**24,050**	**409**	**24,459**
Shares issued during the period	10A	**352**	**-**	**-**	**352**
Share-based payments	10B	**-**	**-**	**866**	**866**
Other movements	10B	**-**	**-**	**25**	**25**
Balance as at 31 December 2018		**527,716**	**105,713**	**(105,623)**	**527,806**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 December 2018

	Note	31 Dec 2018 US $'000	31 Dec 2017 US $'000
Cash flows from operating activities			
Receipts from customers		**9,068**	7,900
Payments to suppliers and employees		**(15,294)**	(14,402)
Interest received		**3,572**	295
Interest paid	2E	**(240)**	(580)
Other cash receipts		**-**	134
Net cash used in operating activities		**(2,894)**	(6,653)
Cash flows from investing activities			
Payments for exploration, evaluation and development expenditure	7	**(3,593)**	(1,618)
Proceeds from sale of assets, net of transaction costs		**-**	1,000
Purchase of property, plant and equipment	6	**(574)**	(705)
Investment in associates	12	**(3,883)**	-
Net cash used in investing activities		**(8,050)**	(1,323)
Cash flows from financing activities			
Release of standby letters of credit on behalf of joint ventures		**-**	7,406
Proceeds from issue of shares	10A	**352**	113
Proceeds from borrowings		**-**	750
Repayment of borrowings		**(334)**	(1,370)
Loan to joint ventures		**(21,000)**	-
Net cash provided by financing activities		**(20,982)**	6,899
Net increase in cash and cash equivalents		**(31,926)**	(1,077)
Cash and cash equivalents, net of overdrafts, at the beginning of the period		**316,681**	51,626
Effect of exchange rates on cash holdings in foreign currencies		**(544)**	(21)
Cash and cash equivalents, net of overdrafts, at the end of the period		**284,211**	50,528

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

About this report

Orocobre Limited ("Orocobre" or "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 production and development of industrial chemicals in Argentina.

The interim consolidated financial statements of the Group for the six months ended 31 December 2018 were authorised for issue, in accordance with a resolution of the directors, on 22 February 2019.

Basis of preparation:

- The interim consolidated financial statements for the six months ended 31 December 2018 have been prepared in accordance with AASB 134 Interim Financial Reporting
- The statements are at historical cost basis and are in USD
- The half-year has been treated as a discrete reporting period
- 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 2018 and considered together with any public announcements made by the Group during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules
- The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2018. New standards and amendments to standards mandatory for the first time for the financial year beginning 1 July 2018 have been adopted. The adoption of these standards had no material impact on the current period nor any prior period and is not likely to affect future periods
- Where necessary, comparative information has been restated to conform with changes in presentation in the current year.

Foreign currency translation

The functional currency of the entities within the Group is USD, with exception of Borax Argentina S.A. (ARS), and Advantage Lithium Corp. (CAD). In preparation of the financial statements the following exchange rates have been used to translate from the functional currency of each entity to the presentational currency of the Group:

Spot Rates	**31 December 2018**	30 June 2018	Movement (%)
ARS -> USD 1	**37.7000**	28.8500	(30.68%)
ARS -> AUD 1	**26.6093**	21.3230	(24.79%)
AUD -> USD 1	**1.4168**	1.3530	(4.72%)
CAD -> USD 1	**1.3633**	1.3220	(3.12%)
Average Rates (6 months)	**31 December 2018**	31 December 2017	Movement (%)
ARS -> USD 1	**34.5424**	17.4150	(98.35%)
ARS -> AUD 1	**24.9843**	13.5664	(84.16%)
AUD -> USD 1	**1.3808**	1.2842	(7.52%)
CAD -> USD 1	**1.3136**	1.2625	(4.05%)

Argentina's economy is hyperinflationary from 1 July 2018, and as such Orocobre accounts for its ARS functional currency entities as hyperinflationary effective from this date. As most financial assets and liabilities of its ARS functional currency entities are denominated in USD, and the Group's functional currency is USD, there is no material impact on the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 1: SEGMENT REPORTING

The Group operates primarily in Argentina. The Group's primary focus is on exploration for and development of lithium deposits. The Group also includes the operations of Borax. The Group has three reportable segments, being Corporate, the Olaroz project and Borax.

In determining operating segments, the Group has had regard to the information and reports the Chief Operating Decision maker ("COD") uses to make strategic decisions regarding resources. The Chief Executive Officer ("CEO") is considered to be the COD and is empowered by the Board of Directors to allocate resources and assess the performance of the Group. The COD assesses and reviews the business using the operating segments below. Segment performance is evaluated based on the performance criteria parameters agreed for each segment. These include, but are not limited to: financial performance; exploration activity; production volumes and cost controls. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following tables present revenue and profit information for the Group's operating segment:

For the period ended 31 December 2018

	Corporate i) US $'000	Olaroz ii) Note 8 US $'000	Borax US $'000	Elimination - Olaroz ii) US $'000	Add back equity accounting of Olaroz ii) US $'000	Total Group US $'000
Revenue	-	63,480	9,285	(63,480)	-	9,285
EBITDAIX[1]	(4,659)	36,571	583	(36,571)	-	(4,076)
Less depreciation & amortisation	(18)	(4,435)	-	4,435	-	(18)
EBITIX[2]	(4,677)	32,136	583	(32,136)	-	(4,094)
Less interest	6,731	(10,878)	171	10,878	-	6,902
EBTIX[3]	2,054	21,258	754	(21,258)	-	2,808
Less impairment	-	-	(188)	-	-	(188)
Add foreign currency gains/(losses)	(443)	(6,828)	(2,878)	6,828	-	(3,321)
Add share of profit of joint ventures, net of tax	-	-	-	-	24,751	24,751
Segment profit/(loss) for the year before tax	1,611	14,430	(2,312)	(14,430)	24,751	24,050
Income tax benefit	-	21,167	-	(21,167)	-	-
Total profit/(loss) for the year after tax	1,611	35,597	(2,312)	(35,597)	24,751	24,050

[1] EBITDAIX - Segment earnings before interest, taxes, depreciation, amortisation, impairment, and foreign currency gains/(losses).
[2] EBITIX - Segment earnings before interest, taxes, impairment, and foreign currency gains/(losses)
[3] EBTIX - Segment earnings before taxes, impairment, and foreign currency gains/(losses)

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 1: SEGMENT REPORTING (CONT.)

For the period ended 31 December 2017

	Corporate i) US $'000	Olaroz ii) Note 8 US $'000	Borax US $'000	Elimination - Olaroz ii) US $'000	Add back equity accounting of Olaroz ii) US $'000	Total Group US $'000
Revenue	-	63,149	7,920	(63,149)	-	7,920
EBITDAIX[1]	(2,983)	36,850	(1,030)	(36,850)	-	(4,013)
Less depreciation & amortisation	(17)	(3,649)	(783)	3,649	-	(800)
EBITIX[2]	(3,000)	33,201	(1,813)	(33,201)	-	(4,813)
Less interest	1,500	(5,850)	(503)	5,850	-	997
EBTIX[3]	(1,500)	27,351	(2,316)	(27,351)	-	(3,816)
Less impairment	-	-	(1,889)	-	-	(1,889)
Add foreign currency gains/(losses)	89	(1,198)	655	1,198	-	744
Add share of profit of joint ventures, net of tax	-	-	-	-	13,118	13,118
Segment profit/(loss) for the year before tax	(1,411)	26,153	(3,550)	(26,153)	13,118	8,157
Income tax expense	-	(5,419)	-	5,419	-	-
Total profit/(loss) for the year after tax	(1,411)	20,734	(3,550)	(20,734)	13,118	8,157

The following tables present assets and liabilities of the Group's operating segments:

As at 31 December 2018	**Corporate US $'000**	**Olaroz ii) Note 8 US $'000**	**Borax US $'000**	**Elimination - Olaroz ii) US $'000**	**Elimination - other US $'000**	**Total Group US $'000**
Assets						
Segment assets	**531,741**	**531,136**	**16,802**	**(531,136)**	**(2,203)**	**546,340**
Liabilities						
Segment liabilities	**4,052**	**354,867**	**16,072**	**(354,867)**	**(1,590)**	**18,534**

As at 30 June 2018	Corporate US $'000	Olaroz ii) Note 8 US $'000	Borax US $'000	Elimination - Olaroz ii) US $'000	Elimination - other US $'000	Total Group US $'000
Assets						
Segment assets	507,926	489,971	16,482	(489,971)	(1,590)	522,818
Liabilities						
Segment liabilities	4,820	348,977	17,484	(348,977)	(1,590)	20,714

i) Corporate EBITDAIX includes the Group's share of net losses of associates (Note 12)

ii) The Olaroz project represents the results of the joint venture at 100% as this reflects how the COD reviews the results. As the joint venture is equity accounted for, it is eliminated from the Group results and replaced by the equity accounted interest to reconcile with the revenue and profit information reported on the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 2: EXPENSES, FINANCE INCOME AND FINANCE COSTS

	31 Dec 2018 US $'000	31 Dec 2017 US $'000
2A) CORPORATE EXPENSES		
Employee benefit expenses	**(1,376)**	(1,180)
Legal and consulting fees	**(135)**	(518)
Share-based payments	**(767)**	(560)
Other costs	**(1,614)**	(1,113)
Total corporate expenses	**(3,892)**	(3,371)
2B) ADMINISTRATIVE EXPENSES		
Employee benefit expenses	**(730)**	(1,340)
Local taxes	**(116)**	(49)
Other costs	**(942)**	(1,230)
Total administrative expenses	**(1,788)**	(2,619)

Administrative expenses relate to Borax Argentina S.A.

2C) FOREIGN CURRENCY GAIN/(LOSS)

Total foreign currency gain/(loss)	**(3,321)**	744

Foreign currency amounts relate to AUD denominated balances in corporate entities and USD/ARS fluctuations in Borax S.A.

	31 Dec 2018 US $'000	31 Dec 2017 US $'000
2D) FINANCE INCOME		
Interest income on loans receivable i)	**3,025**	1,286
Interest income from short term deposits	**3,904**	368
Total finance income	**6,929**	1,654

i) Interest income on loans receivable is non-cash and will be recovered on repayment of the loans.

2E) FINANCE COSTS		
Interest expense on loans and borrowings	**(240)**	(580)
Change in fair value of financial assets and liabilities	**213**	(77)
Total finance costs	**(27)**	(657)

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 3: EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	31 Dec 2018 US $'000	31 Dec 2017 US $'000
Profit attributable to ordinary equity holders of the parent:		
Net profit used in the calculation of basic and dilutive EPS	**24,050**	8,157

	31 Dec 2018 No.	31 Dec 2017 No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	**261,729,444**	211,374,226
Weighted average number of performance rights outstanding	**1,590,007**	1,268,162
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	**263,319,451**	212,642,388

NOTE 4: TRADE AND OTHER RECEIVABLES

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Current		
Trade receivables (net of provision)	**3,533**	3,828
Deferred consideration receivable i)	**989**	968
Receivable from joint ventures ii)	**50,364**	44,724
Other receivables	**3,544**	2,682
VAT tax credits iii)	**181**	247
Total current	**58,611**	52,449
Deferred consideration receivable i)	**894**	875
Receivable from joint ventures ii)	**41,383**	23,495
Receivable from joint venture partners	**8,008**	7,815
Other receivables	**1,114**	954
VAT tax credits iii)	**524**	1,101
Total non-current	**51,923**	34,240

i) Includes US$1,883,853 (2017: US$1,842,514) deferred consideration to be received from the sale of SASM Pty Ltd to Advantage Lithium Corp. ("AAL")

ii) During the period, Orocobre provided US$21 million via shareholders loan to the joint venture to fund Olaroz expansion activities

iii) The Group has a total of US$705,025 (2017: US$1,348,268) of VAT due from the Argentine revenue authority.

Following a detailed review of trade receivables:

- No provision (2017: US$1,889,000) was recognised during the year, and
- no customers in receivership (2017: US$660,000) were written off as uncollectible.

As such, US$1,653,000 (2017: US$1,653,000) pertaining to slow paying customers, encountering difficult economic situations has been provided. It is expected all other balances will be received when due. The carrying value of receivables approximate fair value.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 4: TRADE AND OTHER RECEIVABLES (CONT.)

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Balance at the beginning of year	**1,653**	424
Provision for impairment recognised during the year	**-**	1,889
Receivables written off during the year as uncollectable	**-**	(660)
Balance at end of year	**1,653**	1,653

NOTE 5: INVENTORIES

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Current		
Finished products	**2,955**	2,408
Work in progress	**3,597**	3,726
Materials and spare parts	**539**	372
Total current	**7,091**	6,506
Non-current		
Materials and spare parts	**894**	700
Total non-current	**894**	700

Borax Argentina's inventory was reviewed during the period with certain product volumes to be reduced other than in the normal course of business. Consequently, inventory was impaired by US$188,000.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	Land & buildings US $'000	Plant & equipment US $'000	Total US $'000
At cost	4,518	11,267	15,785
Accumulated depreciation	(4,445)	(11,267)	(15,712)
Total as at 30 June 2018	73	-	73
At cost	**4,530**	**11,829**	**16,359**
Accumulated depreciation	**(4,463)**	**(11,267)**	**(15,730)**
Total as at 31 December 2018	**67**	**562**	**629**

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Balance at the beginning of year	**73**	9,064
Additions - cash	**574**	1,609
Additions - non-cash	**-**	1,111
Impairment	**-**	(6,157)
Disposals	**-**	(374)
Depreciation expense	**(18)**	(1,782)
Foreign currency translation movement	**-**	(3,398)
Balance at the end of year	**629**	73

NOTE 7: EXPLORATION, EVALUATION AND DEVELOPMENT ASSETS

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Movement in exploration and evaluation assets - at cost:		
Balance at beginning of year	**7,428**	1,449
Capitalised exploration expenditure i)	**3,593**	6,499
Decrease on disposal of assets	**-**	(520)
Balance at the end of year	**11,021**	7,428

i) Capitalised exploration expenditure for the period relates to development costs pertaining to the Cauchari Project, and the Lithium Hydroxide Plant.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 8: INVESTMENT IN JOINT VENTURES

The Group has a 72.68% interest in Sales de Jujuy Pte Ltd. The country of incorporation is Singapore and the principal place of business is Singapore. Sales de Jujuy Pte Ltd owns 91.5% of Sales de Jujuy S.A., the owner and operator of the Olaroz lithium project. The effective equity interest in the Olaroz Lithium Facility Joint Venture is Orocobre 66.5%, Toyota Tsusho (TTC) 25% and JEMSE 8.5%.

In December 2018, Orocobre and TTC signed three pivotal agreements pertaining to the joint venture. Please see Note 15 for further information.

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Balance at the beginning of year	**84,778**	57,686
Profit from equity accounted investment in joint ventures	**24,751**	19,758
Additional investment in joint ventures	**-**	8,258
Other comprehensive income	**(214)**	1,732
Elimination of unrealised intercompany transactions	**-**	(2,656)
Balance at the end of year	**109,315**	84,778

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 8: INVESTMENT IN JOINT VENTURES (CONT.)

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.

Statement of profit or loss for the period ended	**Note**	**31 Dec 2018 US $'000**	31 Dec 2017 US $'000
Revenue		**63,480**	63,149
Cost of sales		**(17,818)**	(19,278)
Gross profit		**45,662**	43,871
Administrative expenses		**(9,091)**	(7,021)
Depreciation	8B	**(4,435)**	(3,649)
Foreign currency loss		**(6,828)**	(1,198)
Profit before interest and income tax		**25,308**	32,003
Finance income		**342**	127
Finance costs		**(11,220)**	(5,977)
Profit before income tax		**14,430**	26,153
Income tax benefit/(expense)	8C	**21,167**	(5,419)
Profit for the period		**35,597**	20,734
Profit for the period attributable to:			
Sales de Jujuy Pte. Ltd		**34,055**	18,050
Non-controlling interest of Sales de Jujuy S.A. (8.5% ownership)		**1,542**	2,684
		35,597	20,734
Group's share of profit for the period		**24,751**	13,118
Share of the joint venture's other comprehensive income:			
Net gain/(loss) on revaluation of derivative		**(214)**	337
Share of total other comprehensive income/(loss) for the period		**(214)**	337
Share of total comprehensive income for the period		**24,537**	13,455

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 8: INVESTMENT IN JOINT VENTURES (CONT.)

Balance Sheet

	Note	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Current assets			
Cash and cash equivalents	8D	**29,867**	19,465
Trade and other receivables		**6,174**	11,115
VAT receivable		**13,689**	10,768
Inventory	8A	**39,278**	31,509
Prepayments		**9,098**	7,257
Total current assets		**98,106**	80,114
Non-current assets			
Trade and other receivables		**1,633**	1,030
Inventory	8A	**35,671**	34,598
Prepayments		**421**	104
Property, plant and equipment	8B	**360,841**	339,661
Intangible assets		**17,293**	17,293
Financial assets	8D	**17,171**	17,171
Total non-current assets		**433,030**	409,857
Total assets		**531,136**	489,971
Current liabilities			
Trade and other payables		**30,909**	27,245
Loans & borrowings	8D	**63,028**	59,528
Related party loans	8D	**54,970**	49,667
Derivatives	8E	**1,687**	1,266
Total current liabilities		**150,594**	137,706
Non-current liabilities			
Trade and other payables		**2,249**	1,464
Loans & borrowings	8D	**98,335**	109,805
Related party loans	8D	**47,113**	24,113
Deferred tax liabilities	8C	**39,282**	60,584
Derivatives	8E	**4,607**	4,256
Provisions		**12,687**	11,049
Total non-current liabilities		**204,273**	211,271
Total liabilities		**354,867**	348,977
Net assets		**176,269**	140,994
Equity			
Equity attributable to Sales de Jujuy Pte. Ltd		**166,216**	132,455
Non-controlling interests of Sales de Jujuy S.A. (8.5% ownership)		**10,053**	8,539
Total equity [1]		**176,269**	140,994
Equity attributable to Sales de Jujuy Pte. Ltd		**166,216**	132,455
Elimination of unrealised intercompany transactions		**(15,809)**	(15,809)
Carrying amount i)		**150,407**	116,646
Proportion of the Group's ownership		72.68%	72.68%
Carrying amount of the investment		**109,315**	84,778

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

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 8: INVESTMENT IN JOINT VENTURES (CONT.)

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
i) Reconciliation to carrying amount		
Balance of net assets at the beginning of year	**116,646**	79,370
Capital investment	**-**	11,364
Profit for the period	**34,055**	27,185
Other comprehensive income	**(294)**	2,383
Elimination of unrealised intercompany transactions	**-**	(3,656)
Carrying amount of net assets at the end of year	**150,407**	116,646

8A) INVENTORY

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Current		
Lithium carbonate - finished product	**9,974**	5,343
Lithium in brine - work in progress	**15,385**	12,304
Raw materials and spare parts	**13,919**	13,862
Total current	**39,278**	31,509
Non-current		
Lithium in brine - work in progress	**35,671**	34,598
Total non-current	**35,671**	34,598

8B) PROPERTY, PLANT AND EQUIPMENT

	Under construction US $'000	Plant & equipment US $'000	Total US $'000
At cost	19,920	352,316	372,236
Accumulated depreciation	-	(32,575)	(32,575)
Total as at 30 June 2018	19,920	319,741	339,661
At cost	**37,425**	**361,857**	**399,282**
Accumulated depreciation	**-**	**(38,441)**	**(38,441)**
Total as at 31 December 2018	**37,425**	**323,416**	**360,841**

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Balance at the beginning of year	**339,661**	333,682
Additions - cash	**25,339**	17,659
Additions - non-cash	**1,707**	1,024
Depreciation transferred to Inventory	**(1,431)**	(3,932)
Depreciation expense	**(4,435)**	(8,772)
Balance at the end of year	**360,841**	339,661

NOTE 8: INVESTMENT IN JOINT VENTURES (CONT.)

8C) INCOME TAX

	31 Dec 2018 US $'000	31 Dec 2017 US $'000
Deferred tax (benefit)/expense	**(21,167)**	5,419
Income tax (benefit)/expense	**(21,167)**	5,419

A reconciliation between tax (benefit)/expense and the product of accounting profit multiplied by Argentina's domestic tax rate is as follows:

	31 Dec 2018 US $'000	31 Dec 2017 US $'000
Profit before income tax	**14,430**	26,153
Tax expense at Argentinian tax rate of 30% (30 Jun 2018: 35%)	**4,329**	9,154
Exchange differences	**2,028**	419
Change in income tax rates	**(14,355)**	(14,808)
Withholding tax on net assets held in Argentina (13%) i)	**(13,060)**	10,837
Other	**(109)**	(183)
Income tax (benefit)/expense	**(21,167)**	5,419

Deferred tax

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Deferred tax assets		
Carry forward tax losses ii)	**37,303**	47,941
Financial liabilities	**8,653**	5,215
Accounts payable	**47**	83
Other non-financial liabilities	**1,641**	496
Total deferred tax assets	**47,644**	53,735
Deferred tax liabilities		
Property, plant and equipment	**(79,323)**	(92,412)
Inventories	**(7,108)**	(8,292)
Other financial assets	**(495)**	(555)
Withholding tax on net assets held in Argentina	**-**	(13,060)
Total deferred tax liabilities	**(86,926)**	(114,319)
Net deferred tax liabilities	**(39,282)**	(60,584)

i) During the half year, Orocobre, TTC and the JV gave Final Investment Decision (“FID”) approval for the Stage 2 Expansion of the Olaroz Lithium Facility. The quantum of the investment and funding arrangements put in place mean it is considered unlikely that expected repatriation of funds from Argentina will attract withholding tax for the foreseeable future and consequently the previously recognised deferred tax liability recorded during the year ended 30 June 2018 for withholding taxes has been derecognised

ii) Related to net operating losses expiring mainly between 2021 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 8: INVESTMENT IN JOINT VENTURES (CONT.)

8D) NET DEBT

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Loans and borrowings – current i)	**63,028**	59,528
Related party loans – current ii)	**54,970**	49,667
Total current debt	**117,998**	109,195
Loans and borrowings – non-current i)	**98,335**	109,805
Related party loans – non-current ii)	**47,113**	24,113
Total non-current debt	**145,448**	133,918
Total debt	**263,446**	243,113
Cash and cash equivalents	**(29,867)**	(19,465)
Financial assets - non-current	**(17,171)**	(17,171)
Net debt	**216,408**	206,477

i) Loans and borrowings

	Interest rate	Maturity	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Current				
Project loan	LIBOR + 0.80%	2019	**23,028**	23,028
Working capital facility	4.75 - 5.00%	2019	**40,000**	36,500
Total current			**63,028**	59,528
Non-current				
Project loan	LIBOR + 0.80%	2020-2024	**98,335**	109,805
Total non-current			**98,335**	109,805

ii) Related party loans

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Current		
Orocobre Ltd	**41,000**	37,250
Toyota Tsusho Corporation	**13,970**	12,417
Total current	**54,970**	49,667
Non-current		
Orocobre Ltd	**39,840**	22,590
Toyota Tsusho Corporation	**7,273**	1,523
Total non-current	**47,113**	24,113

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 8: INVESTMENT IN JOINT VENTURES (CONT.)

8E) DERIVATIVES

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Current		
Derivatives	**1,687**	1,266
Total current	**1,687**	1,266
Non-current		
Derivatives	**4,607**	4,256
Total non-current	**4,607**	4,256

8F) COMMITMENTS

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Not later than 1 year		
Exploration commitments i)	**132**	381
Operating leases	**117**	114
Contracts ii)	**29,705**	27,031
Total	**29,954**	27,526
Later than 1 year but not later than 5 years		
Exploration commitments i)	**250**	250
Operating leases	**253**	304
Contracts ii)	**35,719**	38,424
Total	**36,222**	38,978
Later than 5 years		
Contracts ii)	**1,039**	2,726
Total	**1,039**	2,726

i) The JV 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

ii) The JV has contractual commitments regarding purchasing agreements for consumables and energy at its operations, and capital commitments in relation to the Stage 2 Expansion.

NOTE 9: TRADE AND OTHER PAYABLES

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Current		
Trade payables and accrued expenses	**5,965**	7,457
Total current	**5,965**	7,457
Non-current		
Trade payables and accrued expenses	**506**	559
Total non-current	**506**	559

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 10: EQUITY AND RESERVES

10A) ISSUED CAPITAL

	31 Dec 2018 No. shares	30 Jun 2018 No. shares	**31 Dec 2018 US $'000**	30 Jun 2018 US $'000
Fully paid ordinary shares	**261,533,001**	260,710,716	**527,716**	527,364

Represents performance rights and options exercised under the Company's share-based payments plans and executive service agreements.

	31 Dec 2018 No. shares	30 Jun 2018 No. shares	**31 Dec 2018 US $'000**	30 Jun 2018 US $'000
Balance at the beginning of year	**260,710,716**	210,520,500	**527,364**	243,184
Options and performance rights exercised	**698,942**	529,488	**-**	113
Shares issued, net of transactions costs	**123,343**	49,660,728	**352**	284,067
Balance at the end of year	**261,533,001**	260,710,716	**527,716**	527,364

Represents performance rights and options exercised under the Company's share-based payments plans and executive service agreements.

10B) RESERVES

	Share-based payments US $'000	Interest rate swap hedge US $'000	Foreign currency translation US $'000	Other US $'000	Total US $'000
Balance as at 1 July 2017	2,976	(3,749)	(104,921)	(166)	(105,860)
Translation losses on foreign operations	-	-	(1,127)	-	(1,127)
Fair value taken to equity	-	337	-	200	537
Other comprehensive income/(loss)	-	337	(1,127)	200	(590)
Share-based payments	(19)	-	-	-	(19)
Balance as at 31 December 2017	2,957	(3,412)	(106,048)	34	(106,469)

	Share-based payments US $'000	**Interest rate swap hedge US $'000**	**Foreign currency translation US $'000**	**Other Note 12 US $'000**	**Total US $'000**
Balance as at 1 July 2018	**5,270**	**(2,017)**	**(110,010)**	**(166)**	**(106,923)**
Translation gains on foreign operations	**-**	**-**	**1,055**	**-**	**1,055**
Fair value taken to equity	**-**	**(214)**	**-**	**(432)**	**(646)**
Other comprehensive income/(loss)	**-**	**(214)**	**1,055**	**(432)**	**409**
Share-based payments	**866**	**-**	**-**	**-**	**866**
Other movements	**-**	**-**	**-**	**25**	**25**
Balance as at 31 December 2018	**6,136**	**(2,231)**	**(108,955)**	**(573)**	**(105,623)**

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2018

NOTE 11: FINANCIAL INSTRUMENTS

	Note	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Cash and cash equivalents		**284,220**	316,690
Financial assets at amortised cost (loans and receivables):			
Trade and other receivables - current	4	**58,611**	52,449
Trade and other receivables - non-current	4	**51,923**	34,240
Total financial assets		**394,754**	403,379
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables - current	9	**5,965**	7,457
Trade and other payables - non-current	9	**506**	559
Loans and borrowings - current		**403**	737
Total financial liabilities		**6,874**	8,753

NOTE 12: INVESTMENT IN ASSOCIATES

The Group had a 33.5% interest in AAL, a lithium explorer and developer and a publicly listed company on the Toronto Stock Exchange.

Reconciliation of the movement in investment in associates is set out below:

	31 Dec 2018 US $'000	30 Jun 2018 US $'000
Balance at the beginning of year	**19,954**	21,476
Acquisition during the year i)	**3,883**	10
Loss from equity accounted investment in associates	**(769)**	(1,532)
Fair value of asset through OCI	**(432)**	-
Balance at the end of year	**22,636**	19,954

i) During the half-year Orocobre supported AAL's private placement. In total, AAL issued 15,585,000 Common Shares at a price of C$0.77 per Common Share for gross proceeds of C$12 million. Orocobre's total investment in this capital raise was C$5 million for a net amount of 6,493,506 shares, and following completion of the placement Orocobre now holds 33.5% of AAL Common Shares.

NOTE 13: NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

AASB 15 *Revenue from Contracts with Customers*

AASB 15 *Revenue from Contracts with Customers* became applicable from 1 July 2018. The Group has applied AASB 15 using the modified retrospective approach.

The Group's new revenue accounting policy is detailed below:

NOTE 13: NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT.)

- Revenue is measured at the fair value of the consideration received or receivable, including returns and allowances, trade discounts, and volume rates.

- Revenue is recognised when control of goods passes from the seller to the buyer dictated by the Incoterms specified in the sales contract, this is the point that the performance obligation has been completed.

AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* became applicable from 1 July 2018. Other than the classification differences for certain financial assets there is no material impact of this change.

AASB 16 *Leases* (mandatory for financial year beginning 1 July 2019)

Nature of change:
AASB 16 *Leases* addresses the recognition, measurement, presentation and disclosure of leases. The Group will adopt the standard on 1 July 2019.

The adoption of AASB 16 will result in almost all non-cancellable leases with a duration beyond 12 months being recognised on the balance sheet. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The lease liability is measured at the present value of the lease payments that are not paid at the balance date and is unwound over time using either the interest rate implicit in the lease repayments or the Group's incremental borrowing rate. The right-of-use asset comprises the initial lease liability amount, and initial direct costs incurred when entering into the lease less any lease incentives received. The right-of use asset is depreciated over the term of the lease. The new standard replaces the Group's operating lease expense with an interest and depreciation expense.

Impact:
Management is continuing to assess the effects of applying the new standard on the Group's financial statements. The Group has elected to apply the "Modified Retrospective Approach" when transitioning to the new standard. Under this approach, the Group will not be required to restate the comparative information for its operating leases, as the right-of-use asset will be brought onto the balance sheet at the same time as the lease liability on transition date.

Work on understanding the impact of the new standard has progressed and includes:

- Identification of the provisions of the standard which will most impact the Group; and
- Establishing the population of lease contracts which will extend beyond 1 July 2019;

NOTE 14: COMMITMENTS

	31 Dec 2018 US$000	30 Jun 2018 US$000
Not later than 1 year		
Exploration commitments i)	**40**	9
Operating leases ii)	**58**	116
Contracts iii)	**412**	1,254
Total	**510**	1,379

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2018

NOTE 14: COMMITMENTS (CONT.)

i) The Group 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
ii) The operating leases commitment includes a non-cancellable lease on the office premises, with a 6 month term remaining at the end of the financial year (2018: US$58,140 / 2017: US$116,280). Rent is payable monthly in advance
iii) The Group has contractual commitments regarding purchasing agreements for consumables and energy at its operations.

The joint venture commitments have been disclosed in Note 8.

NOTE 15: SUBSEQUENT EVENTS

In December 2018, Orocobre and TTC signed three agreements effective post half-year end:

- Shareholders agreement allowing Orocobre to consolidate earnings from Olaroz in the reported statutory accounts. From 1 January 2019, Orocobre will consolidate the accounts of SDJ PTE and stop equity accounting. A preliminary purchase price allocation (PPA) exercise arising from the consolidation of SDJ PTE will be undertaken prior to 30 June 2019 and included in the full-year financial report. Whilst not complete, the PPA will result in a significant uplift in the carrying value of certain assets and liabilities, the recognition of goodwill and a corresponding one-off gain to the income statement

- Joint marketing agreement for production from Stages 1 and 2, where the joint partners will work together to set the strategic direction of customer arrangements and commercial terms

- Management agreement establishing a 1.5% management fee of gross revenue reported by the Olaroz joint venture payable to Orocobre from 1 July 2019.

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Independent Auditor's Review Report to the Members of Orocobre Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Orocobre Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial 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.

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 control as the directors determine is 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, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and its consolidated financial 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 the Group, 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Orocobre Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Ernst & Young

Andrew Carrick
Partner
Brisbane
22 February 2019

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

1. In the opinion of the Directors:

   a) the financial statements and notes of Orocobre Limited for the half-year ended 31 December 2018 are in accordance with the *Corporations Act 2001*, including:

      i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

      ii. complying with Accounting Standards and the Corporations Regulations 2001;

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.

Robert Hubbard	**Martín Pérez de Solay**
Chairman	Managing Director and CEO

Dated this: 22nd day of February 2019

SCHEDULE OF TENEMENTS

Project Area	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
Olaroz				
	1842-S-12	2988.17	66.5%	Argentina
	1274-P-2009	5972		Argentina
	131-I-1986	100		Argentina
	039-M-1998	98.4		Argentina
	112-S-04	100		Argentina
	117-A-44	100		Argentina
	114-S-44	100		Argentina
	40-M-1998	100		Argentina
	029-M-1996	100		Argentina
	126-T-44	100		Argentina
	393-M-44	98.4		Argentina
	112-D-44	299.94		Argentina
	25-S-44	100		Argentina
	319-T-2005	1473.97		Argentina
	056-L-1991	300		Argentina
	519-L-2006	2000		Argentina
	520-L-2006	1896.52		Argentina
	521-L-2006	2048		Argentina
	522-L-2006	2000		Argentina
	147-L-2003	1927.92		Argentina
	724-L-2007	3336.19		Argentina
	725-L-2007	2940.11		Argentina
	726-L-2007	2889.98		Argentina
	727-L-2007	3117.26		Argentina
	728-L-2007	3182.35		Argentina
	503-L-2006	6130		Argentina
	943-R-2008	563.98		Argentina
	1136-R-2009	1199.34		Argentina
	1137-R-2009	1205		Argentina
	944-R-2008	432.3		Argentina
	1134-R-2009	895.70		Argentina
	1135-R-2009	1104.47		Argentina

Project Area	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	963-R-2004	1194.84		Argentina
	964-R-2008	799.84		Argentina
	945-R-2008	428.08		Argentina
Cauchari				
	2055-R-2014	495.4	South American Salars S.A. **(SAS SA)** is the holder of all Cauchari tenements. Pursuant to the terms of the Cauchari Joint Venture SAS SA is owned as to 75% by Advantage Lithium Corporation and as to 25% by La Frontera S.A. Orocobre holds 85% of La Frontera SA.	Argentina
	2054-R-2014	444.26		Argentina
	2059-R-2014	885.10		Argentina
	2058-R-2014	1770.01		Argentina
	2053-R-2014	1997.09		Argentina
	1155-P-2009	1500		Argentina
	968 R 2008	703.34		Argentina
	1081 P 2008	1995		Argentina
	1.119-P-2009	2493.07		Argentina
	1082 P 2008	1468		Argentina
	1101 P 2008	2483.9		Argentina
	966 R 2008	117.37		Argentina
	965 R 2008	1345		Argentina
	951-R-2008	795		Argentina
	1083 P 2008	1445.68		Argentina
	1.118-P-2009	2395.70		Argentina
	1130-P-2009	1239.96		Argentina
	952-R-2008	487.58		Argentina
	1084 P 2008	1526.78		Argentina
	1156-P-2009	66.17		Argentina
	1086 P 2008	1716.63		Argentina
	1085 P 2008	1197.90		Argentina
Salinas Grandes				
	184-Z-1996	300		Argentina
	817-I-2007	1142.55		Argentina
	604-T-2006	1162.89		Argentina
	788-M-2007	1162		Argentina
	183-Z-2004	494		Argentina
	184-D-1990	100		Argentina
	19391	2411.97		Argentina
	18199	500		Argentina
	67	100		Argentina
	18834	495.82		Argentina
	17734	200		Argentina
	60	100		Argentina

Project Area	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	1104	100	LSC Lithium Inc owns the Salina Grandes Project properties. La Frontera Minerals S.A. (Orocobre 85%) holds a 2% Mine Mouth Royalty over production from Salinas Grandes.	Argentina
	13699	100		Argentina
	18808	100		Argentina
	266	100		Argentina
	18183	2778		Argentina
	12790	100		Argentina
	19891	100		Argentina
	62	100		Argentina
	17681	400		Argentina
	8170	300		Argentina
	18481	97.04		Argentina
	1112	100		Argentina
	13487	100		Argentina
	14329	100		Argentina
	57	100		Argentina
	68	100		Argentina
	17538	95.43		Argentina
	14589	100		Argentina
	18924	300		Argentina
	18925	99.94		Argentina
	19206	869		Argentina
	11577	100		Argentina
	11578	100		Argentina
	11579	100		Argentina
	11580	100		Argentina
	1111	100		Argentina
	18833	270		Argentina
	17321	186		Argentina
	53	100		Argentina
	19742	2490.07		Argentina
	19744	2499.97		Argentina
	19766	1000		Argentina
	48	100		Argentina
	203	100		Argentina
	204	100		Argentina
	54	100		Argentina
	63	100		Argentina
	50	100		Argentina
	1105	100		Argentina

Project Area	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	65	100		Argentina
	70	100		Argentina
	206	100		Argentina
	86	300		Argentina
	17744	500		Argentina
	18533	97.03		Argentina
	17580	100		Argentina
Tincalayu				
	1271	300	100% Borax Argentina S.A. (BRX SA) Galaxy Lithium SA holds an usufruct to extract brines from 1215, 5596, 13848, 1495 and 17335.	Argentina
	1215	300		Argentina
	1495	200		Argentina
	7772	471		Argentina
	5596	300		Argentina
	5435	300		Argentina
	8529	900		Argentina
	13572	647		Argentina
	13848 (Diana)	100		Argentina
	17335 (Valerio)	274.32		Argentina
Sijes				
	8587	799	100% Borax Argentina S.A. (BRX SA)	Argentina
	11800	488		Argentina
	11801	400		Argentina
	11802	3399		Argentina
	14121	10		Argentina
	5786	200		Argentina
Cauchari (Exar)				
	394	300	100% Borax Argentina S.A. (BRX SA) Exar SA holds a usufruct over all tenements for the extraction of brines.	Argentina
	336	100		Argentina
	347	100		Argentina
	354	160		Argentina
	340	100		Argentina
	444	100		Argentina
	353	300		Argentina
	350	100		Argentina
	89	100		Argentina
	345	100		Argentina
	344	100		Argentina
	343	100		Argentina
	352	100		Argentina

Project Area	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	351	100		Argentina
	365	100		Argentina
	122	100		Argentina
	221	100		Argentina
	190	100		Argentina
	116	100		Argentina
	117	300		Argentina
	389	100		Argentina
	306	24		Argentina
	402	119		Argentina
	195	100		Argentina
	220	100		Argentina
	259	100		Argentina
	43	100		Argentina
	341	100		Argentina
	42	100		Argentina
	438	100		Argentina
	160	100		Argentina
	378	100		Argentina
	339-C	100		Argentina
	377-C	100		Argentina
	191-R	100		Argentina
Diablillos				
	1175	100	100% Potasio y Litio de Argentina S.A. (PLASA) is the holder of all Diablillos tenure. Borax holds an usufruct for the extraction of borates from the Diablillos tenements. Orocobre Lithium S.A. (Orocobre 100%) holds a 1% net revenue royalty overall production by PLASA from the tenements.	Argentina
	1176	100		Argentina
	1164	100		Argentina
	1172	100		Argentina
	1165	100		
	1166	100		Argentina
	1179	100		Argentina
	1180	200		Argentina
	1182	100		Argentina
	1195	100		Argentina
	1206	100		Argentina
	1168	100		Argentina
	1163	100		Argentina
	1167	100		Argentina
	1170	100		Argentina
	1174	100		Argentina

Project Area	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	1171	100		Argentina
	7021	100		Argentina
	1181	100		Argentina
	12653	200		Argentina
	1173	100		Argentina
	1169	100		Argentina
	1178	100		Argentina
	12652	200		Argentina