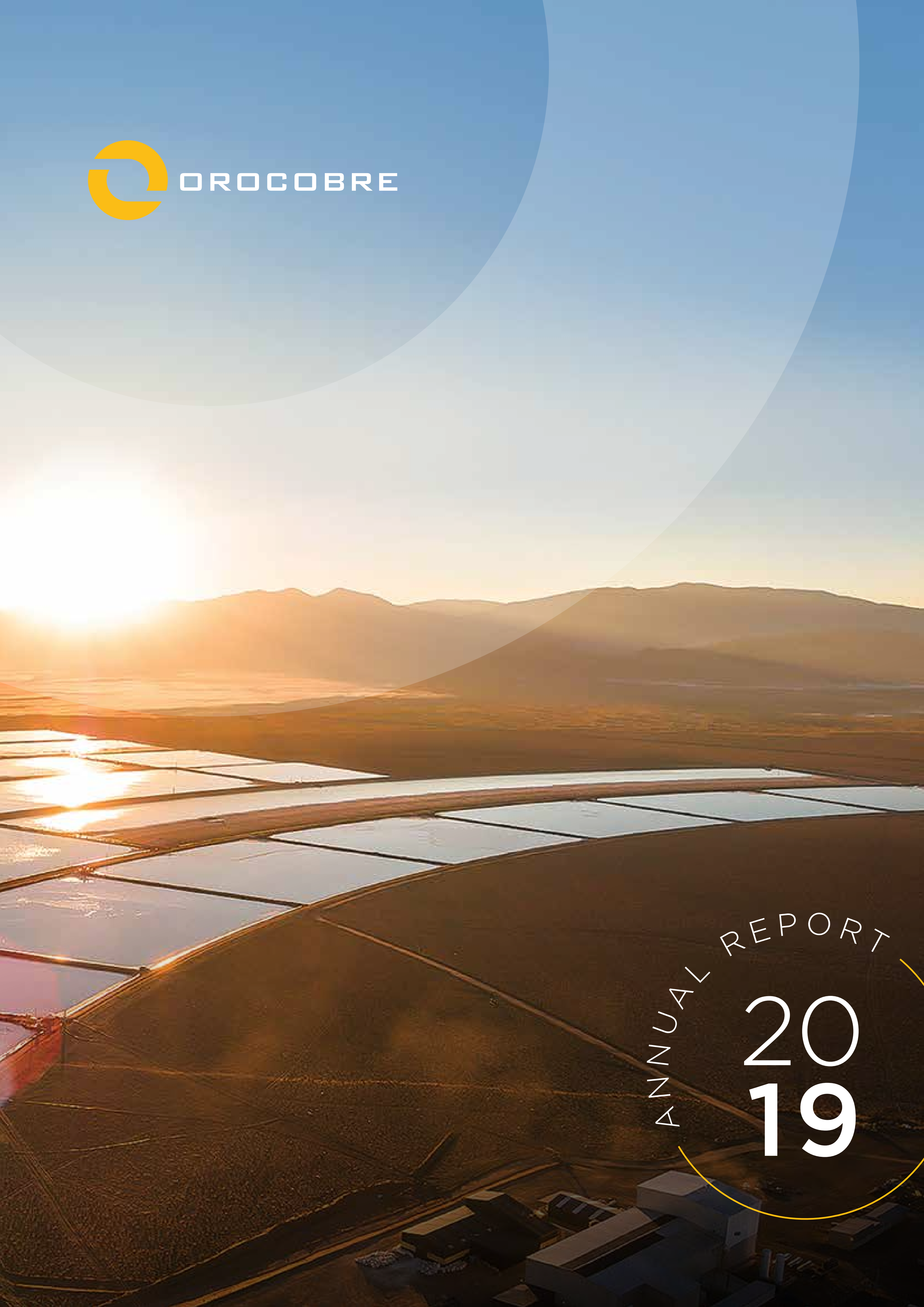

OROCOBRE
ANNUAL REPORT
2019

Contents

Highlights
2018-2019

Orocobre Limited

Fully funded multiple growth options

Olaroz Stage 2, Lithium Hydroxide + Cauchari JV

FID approved

for Naraha Lithium Hydroxide Plant with construction commenced early in H2 CY19 and commissioning to commence H1 CY21

US$280 million

cash balance available as at end FY19

Olaroz Lithium Facility

EBITDAIX of

US$60.9 million

down 35.6%

Average price received of

US$10,322

per tonne, down 18%

Gross Cash Margin of 58%, delivering

US$6,020

per tonne, down 28.2%

Third full year of production totalling

12,605 tonnes

Yearly revenue of

US$124.7 million

down 16.3%

US$40.3 million

spent on the first phase of Stage 2 Expansion activities including new ponds, liming plants and camp infrastructure

Borax Argentina S.A.

Improved profitability

and continuing to improve its year on year sales performance

Reduced production costs

continue to be controlled at, or near record lows

Expansion study to evaluate

Potential augmentation

of the Tincalayu refined borates operation is currently under internal review

Cauchari Joint Venture

Phase III drilling

confirms a 1.9 km^3 resource volume of brine at an average concentration of 476 mg/l lithium equivalent

Updated resource estimate

has increased the Cauchari resource to 4.8 million tonnes of Lithium Carbonate Equivalent Measured & Indicated Resources and 1.5 million tonnes of Inferred Resources

Orocobre invested C$5 million in Advantage Lithium's

Capital raise

increasing share of issued capital from 29% to 33.3% (34.7% after capital raise on 15 August 2019)

Pre-Feasibility Study (PFS)

underway to examine all production and processing alternatives which is expected to be completed in Q1 FY20

Letter from the Chairman & Managing Director/CEO

In January 2019 Orocobre welcomed its new Managing Director and CEO, Martín Pérez de Solay after a smooth transition period between Martín and Richard Seville. Richard remains on the Board as a Non-Executive Director to ensure his knowledge of lithium production from brine and his corporate knowledge accumulated since 2007 is readily available. Martín wasted no time undertaking a comprehensive operational review focusing on three key areas — Safety, Quality and Productivity. Martín's aim is to develop Orocobre management capability and in turn, organisational capabilities. Improvements in these areas will deliver better results on costs, customer satisfaction and shareholder value.

Dear Fellow Shareholder

It is a pleasure to be jointly addressing you for a review of the 2019 financial year (FY19). A challenging global lithium market together with a turbulent Argentine economy, has placed great demands on Orocobre (the Company or the Group). These challenges are inevitable for any resource business operating in Argentina however we are pleased with how Orocobre has responded as the Company continues on its journey to becoming a leading and sustainable global supplier of high grade, high value lithium chemicals.

> "At the close of FY19, Orocobre was in a strong financial, strategic and operational position.

The Olaroz Lithium Facility (Olaroz) produced 12,605 tonnes of lithium carbonate for the year, a marginal increase from FY18 production of 12,470 tonnes.

Orocobre recorded a net profit after tax of US$54.6 million (FY18: US$1.9 million) which was impacted by significant declines in the average price received for lithium chemicals and the introduction of new temporary export duties. Gross cash margins were down 28%, however even in this subdued price environment the margin remains strong at 45% of revenue at the end of the year.

Throughout FY19 we witnessed a softening of the lithium market and significant declines in the average price received for lithium chemicals. Several factors have driven prices down including instability within the Chinese economy, the ongoing China-US trade dispute, changes to China's New Electric Vehicles (NEV) Policy and steady growth of Chinese lithium exports which has led to increased competition in the seaborne market. This is a dynamic environment and we should expect continuing volatility as economies manage the transition from hydrocarbon fuelled transport.

Our balance sheet has remained strong with available cash of US$279.8 million (of which US$11.1 million has been set aside as a guarantee for the Naraha debt facility). Our operations continue to generate strong operating cashflow which together with our cash reserves should ensure we are funded to achieve all our growth plans.

The Company's growth initiatives have remained top priority. However, improving safety performance, maintaining effective relationships with the communities whose resources we are developing, improving production and product quality from Stage 1, developing long term customer relations, delivery of the Stage 2 Expansion, construction of the Naraha Lithium Hydroxide Plant and growing our understanding of the basin in which we operate through further resource definition and development have all been strong areas of focus.

The Stage 2 Expansion project at Olaroz achieved a number of milestones including the construction of new evaporation and harvest ponds, roads and production boreholes. The expansion of existing site infrastructure and camp accommodation continued including a new health centre for the extended work force, office space for the expansion team and warehouses for equipment. Construction of additional liming plant capacity has progressed permitting brine stocks to be increased and facilitating the rapid filling of Stage 2 ponds.

Whilst a changing climate is a driver of the move to electric vehicles the variability in climate also brings volatility into our production process with another year of below average evaporation rates. We see no change to this volatility. Therefore we continue with our strategy of managing brine quality and new pond preparation with the aim of better management and mitigation of climate impacts on our operations.

Exciting times lie ahead in FY20 as the Naraha Lithium Hydroxide Plant commences construction under the guidance of its operator and our partner Toyota Tsusho Corporation (TTC) and EPC contractor Veolia. This plant will be the first of its kind to be built in Japan and provides Orocobre invaluable product diversification. The plant will be producing low-cost battery grade lithium hydroxide at a time of growing demand.

Our Joint Venture project with Advantage Lithium Corp. (Advantage) has continued to advance throughout FY19 with commissioning of a Pre-Feasibility Study (PFS) and independent NI 43-101 Technical Report on the Cauchari Lithium Project. The PFS is scheduled to be released in September 2019 and will include a range analysis for up to 25,000 tonnes per annum of lithium production.

Borax Argentina S.A. (Borax) has again improved its year on year sales performance and is steadily developing into a profitable business unit, following a new sales strategy and cost reduction efforts.

The safety and well-being of our staff remains core to our company. Beginning with an in-depth safety audit conducted in FY18 by DuPont a 'safety improvement plan' was delivered to the Company. Throughout FY19 both Sales de Jujuy S.A. (SDJ) and Borax have continued to implement a comprehensive safety culture change plan with initiatives that include the implementation of Intelex (a cloud based environmental, health, safety and quality management system) delivering a unified reservoir of policies and procedures, safety observations, incident reporting and investigation for all employees. We are convinced that safety is the foundation to improved performance so we will continue to deliver training and programs that will deliver lasting results.

Our goals and achievements in the areas of effective environmental, social and governance performance were published in the 2018 Sustainability Report, and we will continue to provide regular updates on sustainability initiatives and outcomes to our investors and stakeholders.

As a young fast-growing company, Orocobre has a full agenda to fulfil our Sustainability objectives. Our commitment to the United Nations Global Compact is evidence of our goal to drive a strong focus on Environment, Human Rights, Labour and Anti-Corruption practices, which in-turn aids greater alignment of our core activities with the UN Sustainable Development Goals. Our participation with the UN Global Compact complements our existing involvement with the activities of the World Business Council for Sustainable Development in Argentina.

The Dow Jones Sustainability Indices are an objective platform through which both Orocobre and our shareholders can monitor, evaluate and benchmark our sustainability performance year-on-year.

> "Based on the quality of our previous years sustainability performance Orocobre was added to the Dow Jones Sustainability Australia Index early in FY19.

Stage 2 Expansion activities at Olaroz continue to generate opportunities for direct and indirect employment and we have again seen significant growth and development opportunities for our local communities. SDJ now employ over 180 people from the local communities (39% of its total workforce) with many more employed indirectly through our local contractors and suppliers. We continue to deliver support and development programs across our local communities in accordance with the five pillars of our Shared Value program: Education, Empowerment, Transparency, Natural Resources and Production, and Health. We look forward to sharing greater detail about these programs in the 2019 Sustainability Report.

The Orocobre Directors are a diverse group of individuals in terms of ethnic, cultural and business backgrounds. This is essential for an ASX company, operating in Argentina and Japan and servicing global customers. However, the Board recognises that its current composition does not benefit from sufficient gender diversity. Gender diversity is a key driver of our community shared value program and it is our intention to improve this when we appoint our next Non-Executive Director.

We would like to convey our sincere appreciation to the management teams and staff in both Australia and in Argentina, our partners, TTC and the Jujuy Government, and colleagues on the Board.
We reserve our final thanks to our shareholders for your on-going support.

Robert Hubbard
Chairman
August 2019

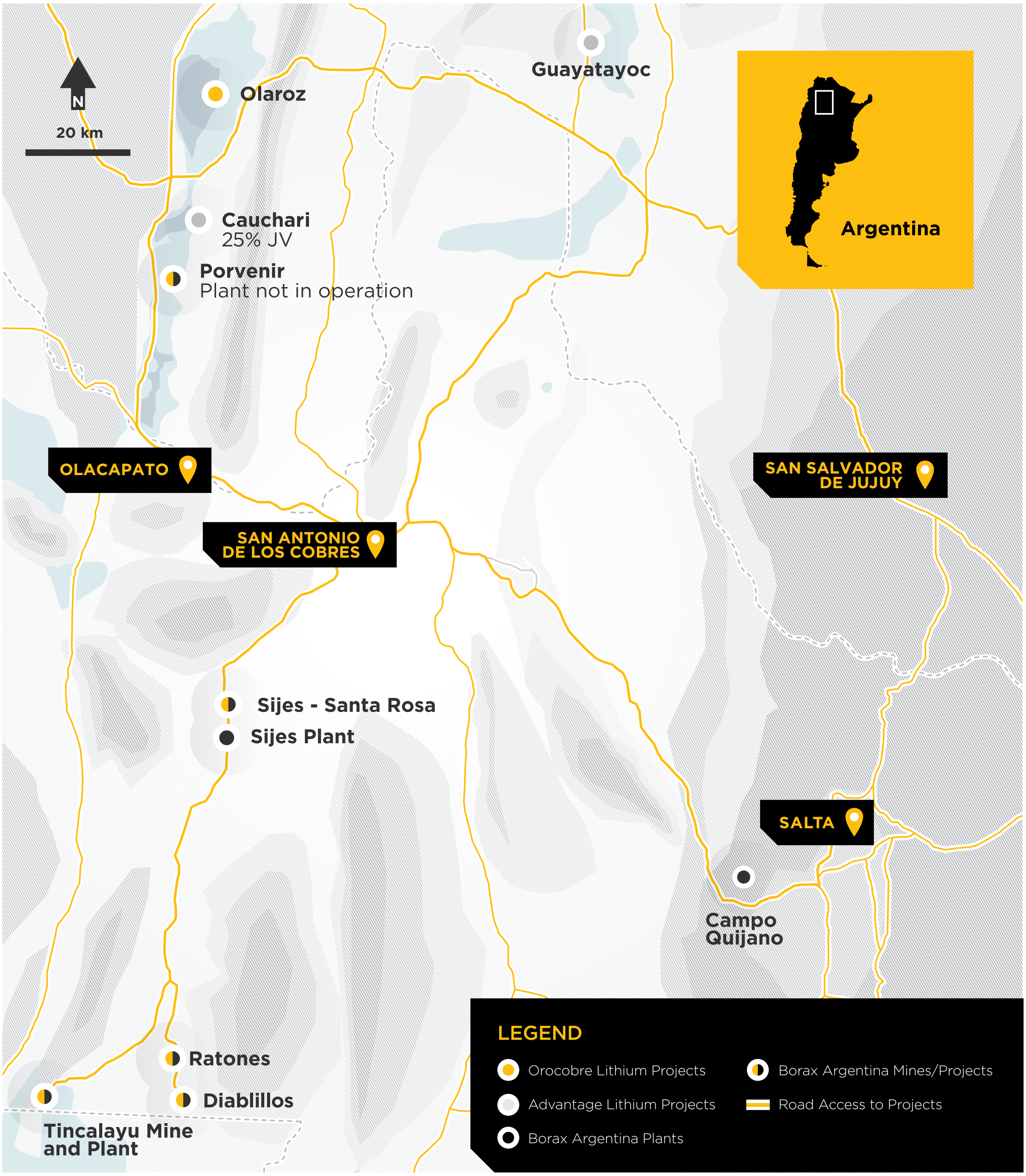
Martín Pérez de Solay
Managing Director and CEO
August 2019

Orocobre
at a Glance

Orocobre is a dynamic global lithium chemicals supplier and an established producer of boron.

The key assets of Orocobre are a 66.5% interest in Olaroz, a 25% interest in the Cauchari Lithium Project Joint Venture together with a 33.3% shareholding in Advantage, a 75% economic interest in the Naraha Lithium Hydroxide Plant and 100% of Borax.

Where We Are



N
20 km
Olaroz
Guayatayoc
Argentina
Cauchari
25% JV
Porvenir
Plant not in operation
OLACAPATO
SAN SALVADOR
DE JUJUY
SAN ANTONIO
DE LOS COBRES
Sijes - Santa Rosa
Sijes Plant
SALTA
Campo
Quijano
Ratones
Diablillos
Tincalayu Mine
and Plant
LEGEND
Orocobre Lithium Projects
Borax Argentina Mines/Projects
Advantage Lithium Projects
Road Access to Projects
Borax Argentina Plants

Sustainability

Respecting and prioritising people and the environment, Orocobre produces chemicals that enable the global transition to a clean energy future while socially and economically empowering communities in the regions where we operate.

As a signatory to the UN Global Compact Orocobre is taking proactive steps to promote the achievement of the Sustainable Development Goals (UN SDGs) through its products, environmentally and socially responsible operations and a Shared Value Program with local communities.

Orocobre's chemical products promote sustainable development through direct use in low-carbon technologies, industry and innovation and global agricultural production.

The design and location of the Company's facilities enable an environmentally low-impact approach to resource development. Adherence to ISO-certified Health Safety Environment and Quality Management System and pursuit of best practice ensures continuous improvement to operational, social and environmental performance.

Orocobre continually works to promote the social and environmental performance of its value chain.

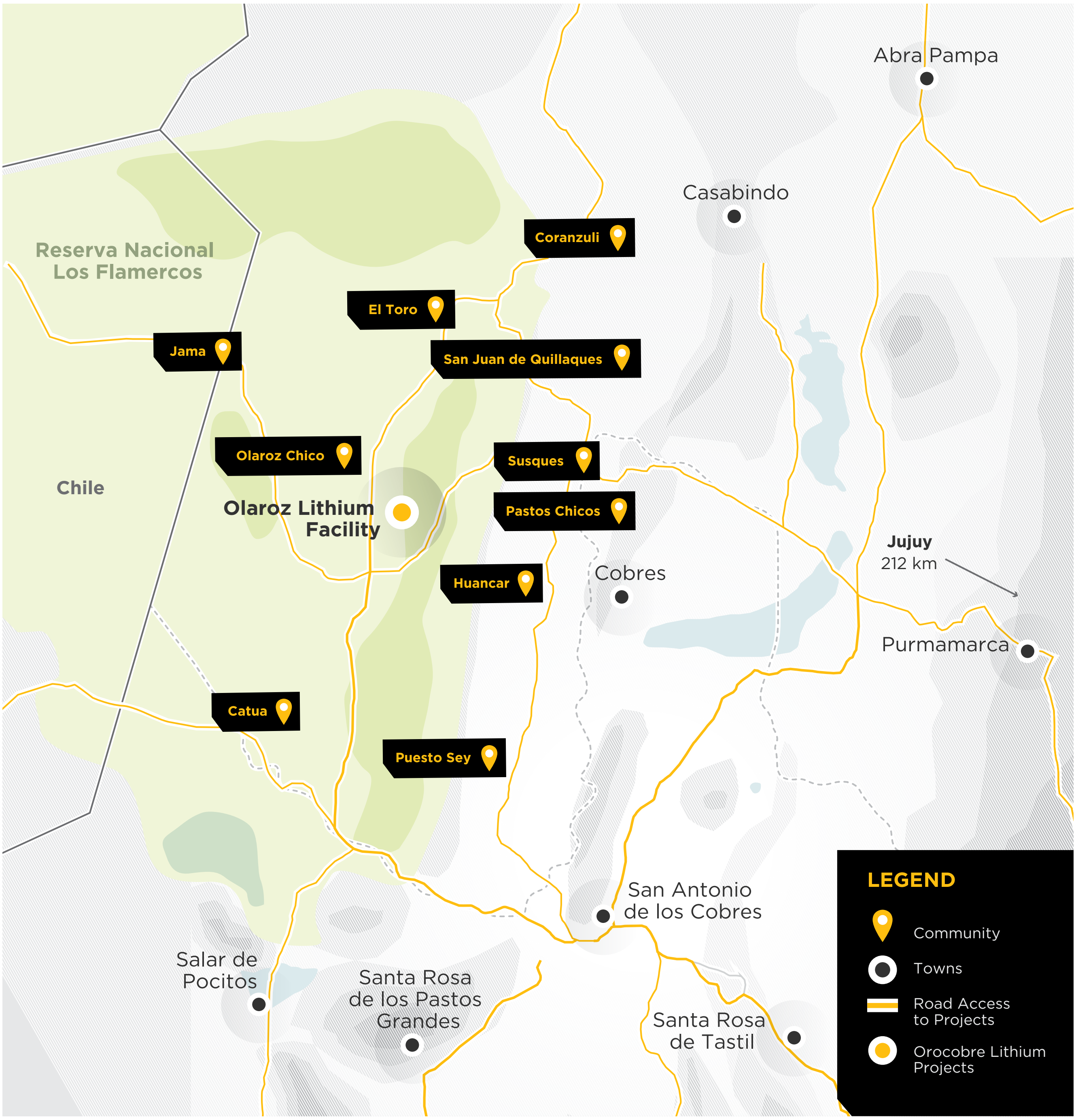
Orocobre has a unique opportunity to directly enhance the quality of life of local communities through community engagement, investment and development activities.

Orocobre has been delivering collaborative programs in local communities for many years, and has a deep respect for the people and the land around the Company's operations.

Orocobre's annual Sustainability Report provides detailed information about engagement with communities, relationship with the environment, management of natural resources, responsiveness to customers and the development, support and safety of staff, suppliers and communities.

Orocobre acknowledges the importance of promoting the achievement of the UN SDGs, and is committed to regularly reporting on programs and progress.

Our Communities



Operating & Financial Review

Financial Overview

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

Olaroz is operated through SDJ, a 91.5% owned subsidiary of Sales de Jujuy Pte Ltd (SDJ PTE), a Singaporean company owned by Orocobre (72.68%) and TTC (27.32%). The effective Olaroz equity interest is Orocobre 66.5%, TTC 25.0% and JEMSE 8.5%.

A diagram of the Olaroz structure is contained on page 18.

Until 31 December 2018, the Company has recognised its interest in a joint venture as an equity accounted investment. Under the equity method of accounting, Orocobre's interest in the joint venture was initially recognised on the balance sheet at fair value. This carrying amount was then adjusted for subsequent equity investments and Orocobre's share of profit or loss of the joint venture. Following amendments to agreements between the SDJ PTE shareholders, SDJ PTE is now a subsidiary of Orocobre. Segment earnings have been consolidated in the Group financial results from 1 January 2019.

Summary of results for the year ended 30 June 2019

	Group results		SDJ PTE (100%)	
	2019	2018	**2019**	2018
Summary of results for the year ended 30 June 2019	**US$000's**	US$000's	**US$000's**	US$000's
Revenue	**81,149**	17,379	**124,684**	148,896
EBITDAIX[1]	**17,634**	(7,900)	**60,880**	94,580
Less depreciation & amortisation	**(7,630)**	(1,782)	**(11,770)**	(8,772)
EBITIX[2]	**10,004**	(9,682)	**49,110**	85,808
Add interest	**4,047**	4,358	**(18,390)**	(12,984)
EBTIX[3]	**14,051**	(5,324)	**30,720**	72,824
Less impairment	**(637)**	(8,046)	**-**	-
Less foreign currency losses	**(6,078)**	(2,936)	**(9,012)**	(10,057)
Less share of associate losses	**(1,544)**	(1,532)	**-**	-
Add share of profit of joint ventures, net of tax	**24,752**	19,758	**-**	-
Add gain on business combination	**30,741**	-	**-**	-
Other business combination costs	**(4,987)**	-	**(4,987)**	-
Segment profit/(loss) for the year before tax	**56,298**	1,920	**16,721**	62,767
Income tax	**(1,712)**	-	**19,455**	(31,935)
Net profit/(loss) after tax	**54,586**	1,920	**36,176**	30,832

	Group results		SDJ PTE (100%)	
	2019	2018	**2019**	2018
	US$000's	US$000's	**US$000's**	US$000's
Other financial metrics				
Cash and cash equivalent	**279,798**	316,690	**29,925**	19,465
Net assets	**734,696**	502,104	**317,762**	140,994

		SDJ PTE (100%)	
	Unit of measurement	**2019**	2018
Key operational results			
Lithium carbonate produced	tonnes	**12,605**	12,470
Lithium carbonate sold	tonnes	**12,080**	11,837
Realised lithium carbonate price	US$/tonne	**10,322**	12,578
Gross cash margin Lithium	US$/tonne	**6,020**	8,384
Cash operating costs Lithium carbonate	US$/tonne	**4,302**	4,194

[1] 'EBITDAIX' is 'Earnings before interest, tax, depreciation and amortisation, impairment, foreign currency gains/(losses), share of associate losses, share of profit of joint ventures, gain and other costs on business combination'.

[2] 'EBITIX' is 'Earnings before interest, tax, impairment, foreign currency gains/(losses), share of associate losses, share of profit of joint ventures, gain and other costs on business combination'.

[3] 'EBTIX' is 'Earnings before tax, impairment, foreign currency gains/(losses), share of associate losses, share of profit of joint ventures, gain and other costs on business combination'.

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

Group Profit Overview

The Group produced a net profit after tax of US$54.6 million (2018: US$1.9 million).

Included in the Group's net profit was a one-off non-cash gain on business combination of US$30.7 million and amortisation of US$3.7 million net of tax on fair value uplift for finished goods as a result of Orocobre gaining control of SDJ PTE from 1 January 2019.

During the year the Group also recognised share of net profit of Joint Venture US$24.8 million (2018: US$19.8 million) prior to gaining control of SDJ PTE, which is inclusive of an income tax benefit, as detailed below in SDJ PTE's performance.

The specific events mentioned above affected the overall performance of the Group's net profit.

The net assets of the Group increased to US$734.7 million as at 30 June 2019 (2018: US$502.1 million), including cash balances of US$279.8 million (2018: US$316.7 million). The main reasons for the increase in net assets are the consolidation of SDJ PTE and the fair value uplift of SDJ PTE net assets at the date of consolidation.

Group exploration and evaluation expenditure for the year totalled US$6 million (2018: US$6.5 million).

SDJ PTE Performance

SDJ PTE produced net profit after tax of US$41.2 million before business combination (2018: US$30.8 million) due to the positive impact from a reversal of deferred tax liabilities.

Revenues of US$124.7 million (2018:US$148.9 million) were achieved on sales of 12,080 tonnes of lithium carbonate (2018: 11,837 tonnes) at an average price of US$10,322/tonne (2018: US$12,578).

EBITDAIX of US$60.9 million (2018: US$94.6 million) and margins of 58% (2018: 67%) were mainly as a result of unfavourable price reduction year on year of 18% and the introduction of export duties of US$7.5 million during the year (2018: nil).

Foreign currency losses for the period were US$9 million (2018: US$10 million) and mainly generated by the effect of a 47% devaluation of the Argentinean Peso (ARS) on the Value Added Tax (VAT) receivables balance which is ARS based.

Income tax benefit of US$19.5 million (2018: US$31.9 million income tax expense) resulted from the reversal of deferred tax liabilities recognised in FY18 for withholding tax on future profit distributions of US$13.1 million and US$13.5 million due the further reduction of income tax rate in Argentina for deferred tax 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$7.1 million.

Assets
Overview

Olaroz Lithium Facility
(66.5%)

Third full year of production...

A low cost, high margin brine based lithium carbonate producer

Focus on quality, productivity and safety

High growth industry, with improving fundamentals

Forecasted Demand Growth 2018 – 2025 of 17 to 20% CAGR

Realised price of >US$10,000/t Lithium Carbonate Equivalent (LCE) and an average Gross Cash Margin of 58% in FY19

World class brine resource capable of supporting multiple phases of expansion

FID approval to more than double lithium carbonate capacity at Olaroz with a lithium hydroxide plant to be built in Naraha, Japan

Stage 2 Expansion underway with new ponds and site infrastructure under construction

Olaroz is located in the Jujuy Province of northern Argentina, 230 kilometres northwest of the capital city Jujuy. Operations are at an altitude of approximately 3,900 metres above sea level and produce lithium carbonate. Olaroz is unique as it incorporates a large-scale purification circuit and the ability to produce battery grade lithium carbonate on site.

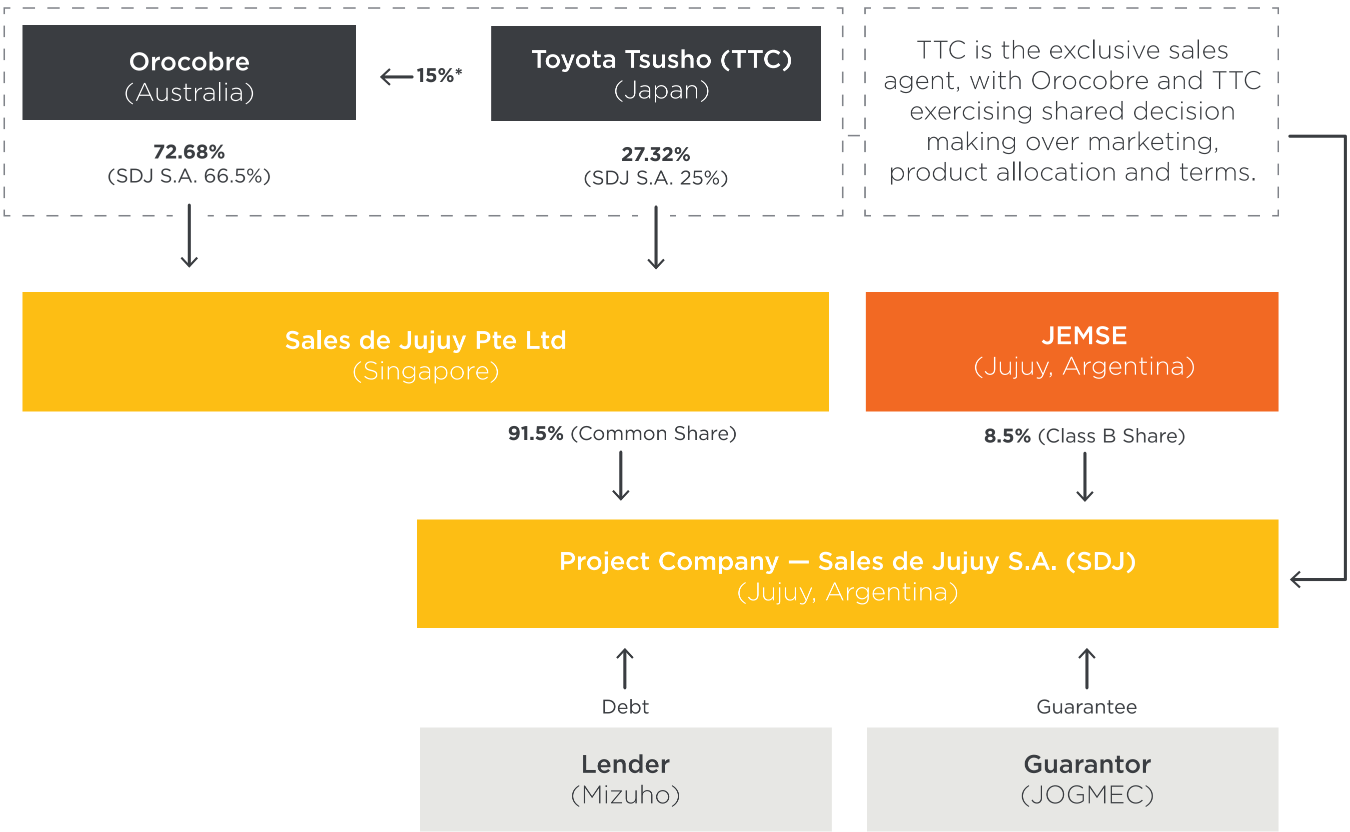
Olaroz has been operating since early 2015 and produces a range of highly sought-after lithium carbonate products that are sold into global markets.

Consumer electronics provide significant underlying demand, but it is the comprehensive adoption of both electric vehicles (EV) by global auto manufacturers and commercial grade Energy Storage Systems (ESS) that will continue to drive this unprecedented growth in lithium demand over the coming decades.

During Q3 FY19 Olaroz cumulative production reached 40,000 tonnes of lithium carbonate since operations commenced in 2015. This milestone is testament to the efforts of the operational team at Olaroz who have constructed, commissioned and operated the first large scale brine-based operation in more than 20 years. These development and operating skills provide an on-going competitive advantage for Orocobre as the Company progresses through the Stage 2 Expansion at Olaroz.

Olaroz Structure

Olaroz is managed through the operating company, SDJ. The shareholders are SDJ PTE and JEMSE, a mining investment company owned by the provincial government of Jujuy, Argentina.



*TTC – 15% equity holding in Orocobre

Olaroz Update

The operational strategy for Olaroz during FY19 focused on safety, productivity and quality. Special attention has been devoted to improving the lithium concentration of brine feedstock — "brine quality". Improved and more stable brine concentration has multiple benefits including higher lithium recoveries, lower cost of production and increased product quality and consistency.

Quality and productivity improvement projects for Olaroz commenced in FY19 included:

- delivery of product packaging enhancements, addressing customer requests
- a review of plant equipment availability with the aim of decreasing plant downtime due to unplanned maintenance
- a review of soda ash use identified opportunities to reduce consumption through more detailed and frequent monitoring of soda ash dosage during processing
- a carbon dioxide recovery circuit built by ASCO was installed and successfully commissioned during Q1 FY19.

Throughout the year the strategy of managing brine concentration, ponds and new pond preparation has continued with the aim of better management and mitigation of climate impacts on our operations.

Operations in FY19 were impacted by higher than average seasonal rainfall which led to a dilution of brine feedstock. The significant rainfall events experienced during the March quarter, where total rainfall exceeded that which occurred in 2017 and 2018, were followed by lower than average evaporation rates in the June quarter.

Subject to the seasonal variations in weather and the impact of these abnormal events the pond system has continued to operate in a stable manner.

Sales revenue for FY19 was US$124.7 million, a 16% decrease on the prior year with marginally higher production volumes and lower average prices. Sales volumes increased 2% from 11,837 tonnes in FY18 to 12,080 tonnes in FY19.

The EBITDAIX for FY19 was US$60.9 million versus US$94.6 million in FY18. Cash cost per tonne in FY19 increased by approximately 2.5% when compared to the previous year due to higher sales volumes of purified product and increased ARS dominated costs (e.g. labour, camp).

Olaroz intends to establish a suitable mix of short and long-term contracts with diversity of both geography and market segments to develop a sustainable customer base for the future and is currently in the process of developing sustainable long term arrangements with strategic customers.

Agreements with TTC

During FY19 the Shareholders Agreement between Orocobre and TTC, the Sales and Marketing Agreement for Olaroz and the Orocobre Management Agreement were amended and updated.

These amendments allowed Orocobre to consolidate earnings from Olaroz in reported statutory accounts effective from 1 January 2019.

The amended Sales and Marketing Agreement allowed for joint marketing arrangements from both Stage 1 and 2; with the joint partners working together to set the strategic direction of customer arrangements and commercial terms. TTC remains responsible for logistical and contractual arrangements with customers and execution of the agreed sales strategy.

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

Highly Competitive Industry Position

Olaroz produced lithium carbonate at an average operating cash cost of US$4,302/t in FY19, resulting in the Company being one of the world's lowest cost producers.

Ongoing process optimisation of recovery, reagent usage and logistics aim to further improve the cost structure of the business.

Product Specifications

Olaroz sells primary and micronised and non micronised purified lithium carbonate to a diverse customer base of approximately 100 customers in Asia, Europe and North America.

The main markets for primary grade product are the ceramic, chemical and glass markets, with purified grade typically sold to cathode manufacturers for use in the production of batteries.

Salt Harvesting

At FY19 year end the first cycle of salt harvesting since production began was nearing completion with seven of the eight Stage 1 harvest ponds cleared of harvestable salt which precipitated through the evaporation process.

Salt harvesting from the ponds enables the recovery of brine that is retained in the salts which can then be processed in the plant. With the increase in pond area from Stage 2, future salt harvesting will become a continuous process where ponds are harvested on a rotational basis over a three-year cycle.

Stage 2 Expansion

On 28 November 2018, the Company announced that Orocobre and TTC had approved the Final Investment Decision (FID) for the Stage 2 Expansion of Olaroz (see ASX announcement 28 November 2018).

The revised total capital expenditure for the Stage 2 of 25,000 tonnes of primary grade lithium carbonate is expected to be US$295 million including US$25 million contingency. This estimate excludes the evaporator project which would operate for both Stage 1 and Stage 2 on which feasibility studies are currently underway.

The Stage 2 Expansion of Olaroz is fully funded with shareholder's loans and a US$180 million debt facility. Under the terms of the January 2018 placement TTC and Orocobre agreed to provide non cash-backed guarantees in favour of Mizuho Bank for the finance facility. Also, under the placement terms, Orocobre agreed with TTC to hold US$135 million of cash in a separate reserve account whilst that guarantee is in place. The cash will be held in an interest-bearing term deposit by Orocobre and may be utilised for cost overruns and other defined events should they occur.

Upon formal completion of the Stage 2 Expansion, 82.35% of the TTC/Orocobre guarantee will be replaced by a guarantee from the Japan Oil, Gas and Metals National Corporation (JOGMEC) and that proportion of the US$135 million cash will then be available for Orocobre corporate purposes.

As at 30 June 2019 approximately US$40.3 million had been spent on expansion activities including the construction of new roads, vegetation clearing, construction of new evaporation and harvest ponds, a secondary liming plant to cater for additional brine in our expanding pond system and the drilling of seven additional production boreholes commencing, with one of these boreholes now pumping brine.

The expansion of existing site infrastructure continued throughout FY19 including construction of a new health centre for the extended work force, new accommodation facilities capable of housing 100 additional staff, new catering facilities, increased office space for the Stage 2 Expansion team and additional warehouses for equipment.

Over the past 12 months seven new harvest ponds were completed and are now operational. Three additional evaporation ponds are now operational with four more under construction as at 30 June 2019 (see Pond Comparison images opposite).

The Stage 1 Pond system covers 4.5 km^2. Once complete, the Stage 2 Expansion will see an additional 9 km^2 of pond surface area added, increasing the overall pond surface area to more than 13 km^2.

As at 30 June 2019, Stage 2 Expansion construction had added approximately 1.3 km^2 of pond surface area to the Olaroz pond system.

Pond Comparison: 1 July 2018 | 1 July 2019

During Q4 FY19 an invitation to tender was sent out for the design, construction and related earthworks for several new buildings (carbonation/solid liquid separation, polishing heat exchanger and a soda ash handling facility) required for the Stage 2 Expansion. All tenders are under final review and will be awarded during Q1 FY20.

Negotiations for the Engineering, Procurement, Construction and Management (EPCM) contract with Worley, an international construction company are close to being completed. An international engineering company has been awarded the Engineering, Procurement and Supply (EPS) contract related to the technical package, with laboratory test works and the preparation of basic and detailed engineering now underway.

The Stage 2 Expansion budget and timeline is being continuously reviewed as the project advances.

Naraha Lithium Hydroxide Plant

Orocobre and TTC have commenced building the 10,000 tpa Naraha Lithium Hydroxide Plant in Japan with commissioning to commence during H1 CY21.

The Naraha Joint Venture will be overseen by a Joint Technical Committee during construction and commissioning. The Joint Technical Committee will comprise both TTC and Orocobre representatives. TTC is the manager of the Naraha Joint Venture and Orocobre will hold a 75% economic interest in the project

During the December quarter Orocobre and TTC approved the FID and construction commenced in August 2019.

Feedstock for the 10,000 tpa Naraha Lithium Hydroxide Plant will be sourced from the Olaroz Stage 2 Expansion that will produce primary grade (>99.0% Li_2CO_3) lithium carbonate.

The location is well situated near potential customers which reduces the common risks of caking and degradation of quality when lithium hydroxide is transported and exposed to humidity. A cathode manufacturing plant is already in operation in the immediate vicinity and plans have been announced to develop a battery manufacturing facility nearby.

Operating costs (excluding lithium carbonate feedstock) for the lithium hydroxide plant are estimated to be approximately US$1,500/tonne.

Veolia, a global leader in optimised resource management, was selected as the preferred contractor to deliver the project's Engineering, Procurement & Construction (EPC) Contract.

The total EPC contract value is expected to be approximately JPY8.6 billion (US$77.6 million[1], excluding VAT) following detailed engineering studies and significant automation of the process. The Joint Venture will be entitled to a Japanese government subsidy of JPY3 billion (US$27.1 million[1]) which will reduce net capital costs to JPY5.6 billion (US$50.5 million[1], excluding VAT).

Sales of lithium hydroxide will be managed by TTC as exclusive sales agent under a similar joint marketing arrangement to that operating for lithium carbonate from Olaroz. Most of the production is expected to be delivered to the Japanese battery industry.

The Naraha Lithium Hydroxide Plant will be funded through a combination of JPY9.1 billion (US$82.1 million[1]) of term/bridging loans and JPY1.0 billion (US$9.0 million[1]) of shareholder equity. Orocobre has contributed JPY750 million (US$6.8 million[1]) equity and TTC has contributed JPY250 million (US$2.3 million[1]).

Two project loans have been provided by Japanese banks at effective interest rates of <1%. All the financing is non-recourse to Orocobre.

Term Loan	**JPY6.1 billion**	**US$55.0 million**
Subsidy Bridge Loan	JPY3.0 billion	US$27.1 million[1]
Equity	JPY1.0 billion	US$9.0 million[1]
Total	**JPY10.1 billion**	**US$91.1 million[1]**

In addition, a JPY0.8 billion (US$7.2 million[1]) VAT Bridging Loan has been established to cover the period between VAT payment and VAT refunds on project expenditure.

The subsidy of approximately JPY3.0 billion (US$27.1 million[1]) from the Japanese government is expected to be received in H1 CY21 once the project reaches mechanical completion.

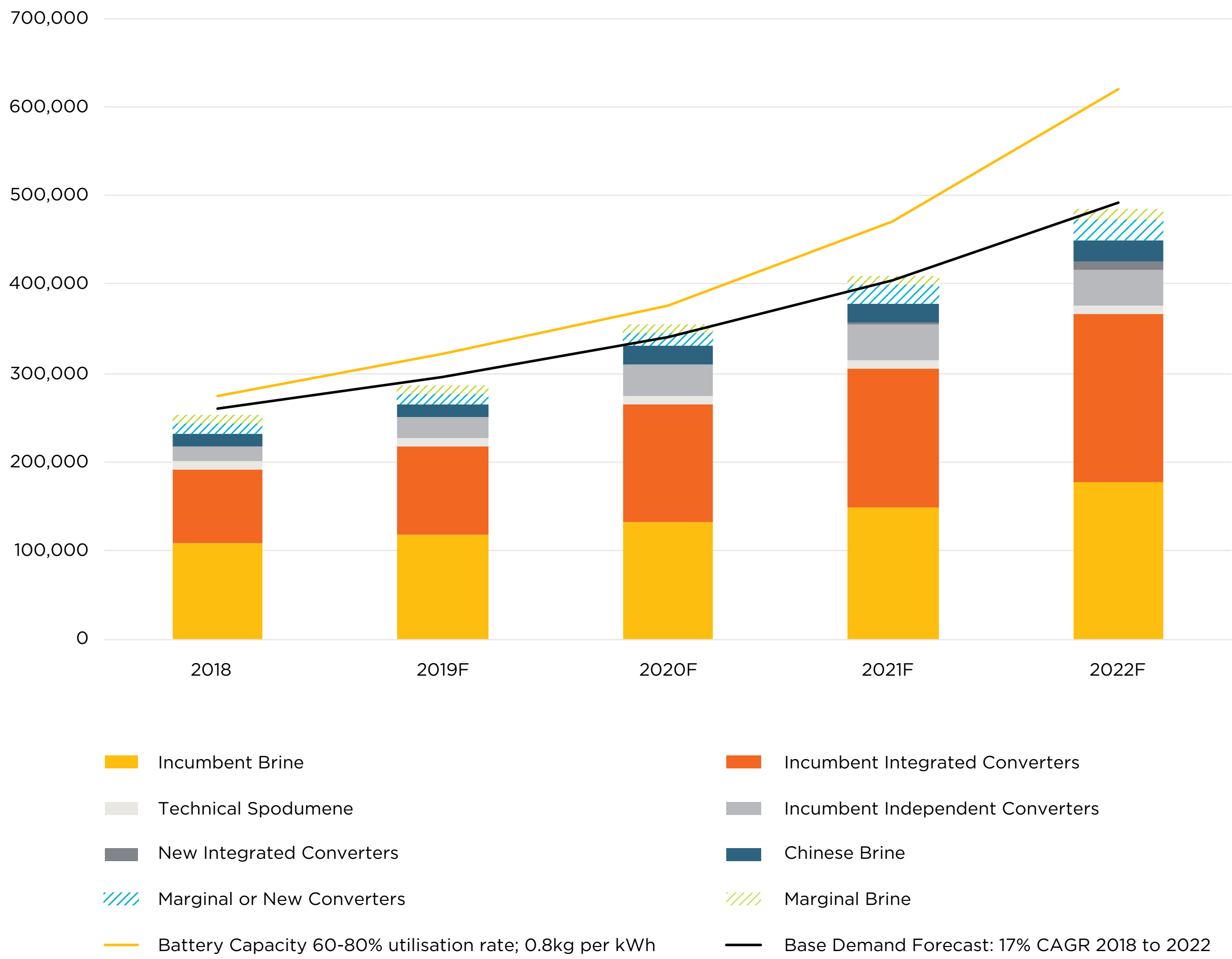
The Term Loan will be repaid from operating cash flow with a maximum term of seven years. The Subsidy Bridge Loan will be repaid upon receipt of Subsidy payments and the VAT Bridge Loan will be repaid from VAT refunds.

[1] The EPC contract and all financing is denominated in Japanese Yen (YEN) and has been converted at a JPY/US$ exchange rate of 110.9.

The Lithium Market

The Company remains focused on strong long-term demand fundamentals driven by continued growth in the electric vehicle (EV) segment and a recovery in the energy storage system (ESS) segment. As a result, Orocobre maintains long-term demand forecasts in line with the consensus of other major lithium producers, in the range of 17% to 20% CAGR between 2018 and 2025.

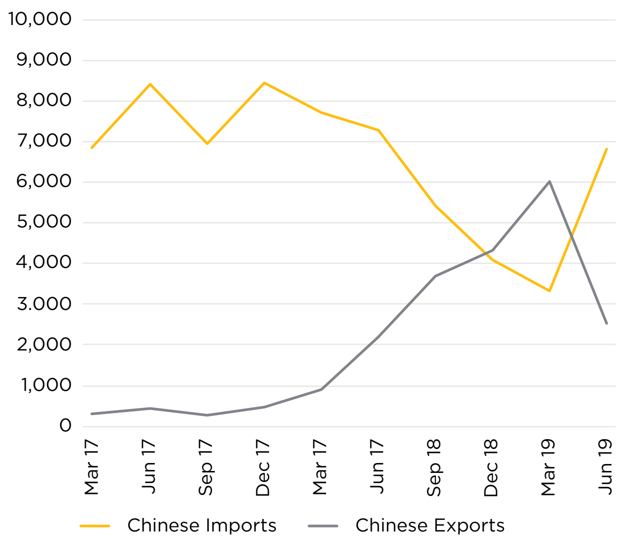
Orocobre Supply & Demand Forecast (LCE t)



Supply

Over the course of FY19 lithium chemical prices in the seaborne market and the Chinese domestic market converged as China's decreased demand and macro-economic factors began to impact the global lithium and battery supply chain markets. China's domestic lithium prices started to decline during the March and June FY18 quarters as demand from the Chinese battery supply chain softened in response to a more stringent Chinese EV policy supporting higher battery energy density and range. In addition to these market-related factors a deceleration of China's economic growth and escalating trade tension with the US raised concerns of a current account deficit due to trade imbalances. With these concerns in mind, the Chinese battery supply chain and domestic suppliers began to destock in the first quarter of FY19.

Chinese Carbonate Imports/Exports (LCE t)

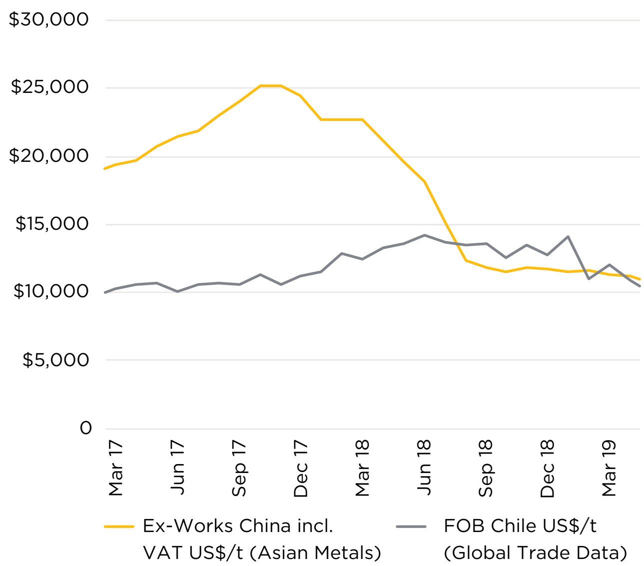


Source: GTIS

Traditionally, large Chinese producers of lithium carbonate focused on the domestic market on account of its accelerating growth and a costly 16-17% VAT and export tax. During the December quarter China had become a net exporter of lithium carbonate for the first time in over eight years, further encouraged by a price arbitrage toward the seaborne market and a reduction in the VAT from 16% to 13%. Chinese suppliers initially targeted the largest ex-China battery markets of South Korea and Japan, while supplying Europe with both battery and technical grades. However these markets were already well-served by Chilean producers who had built a solid long-standing market share. As a result Chinese suppliers offered competitive pricing to encourage sales to ex-China markets. By the March FY19 quarter there were widespread reports of high inventory levels amongst ex-China customers as a result of an optimistic forecast of cathode and battery demand which had a subsequent impact on lithium carbonate demand.

As a result ex-China customers have had to manage elevated inventory levels which has had an impact on demand. Some seaborne suppliers actively avoided the Chinese market when prices began declining, however with key traditional markets experiencing high inventory levels seaborne suppliers recommenced shipments to China at significantly discounted price levels in order to meet domestic market price levels in China. Accordingly, the China CIF price converged with the China spot price during the June FY19 quarter closing the price arbitrage and returning China to its more traditional role of net importer of lithium carbonate.

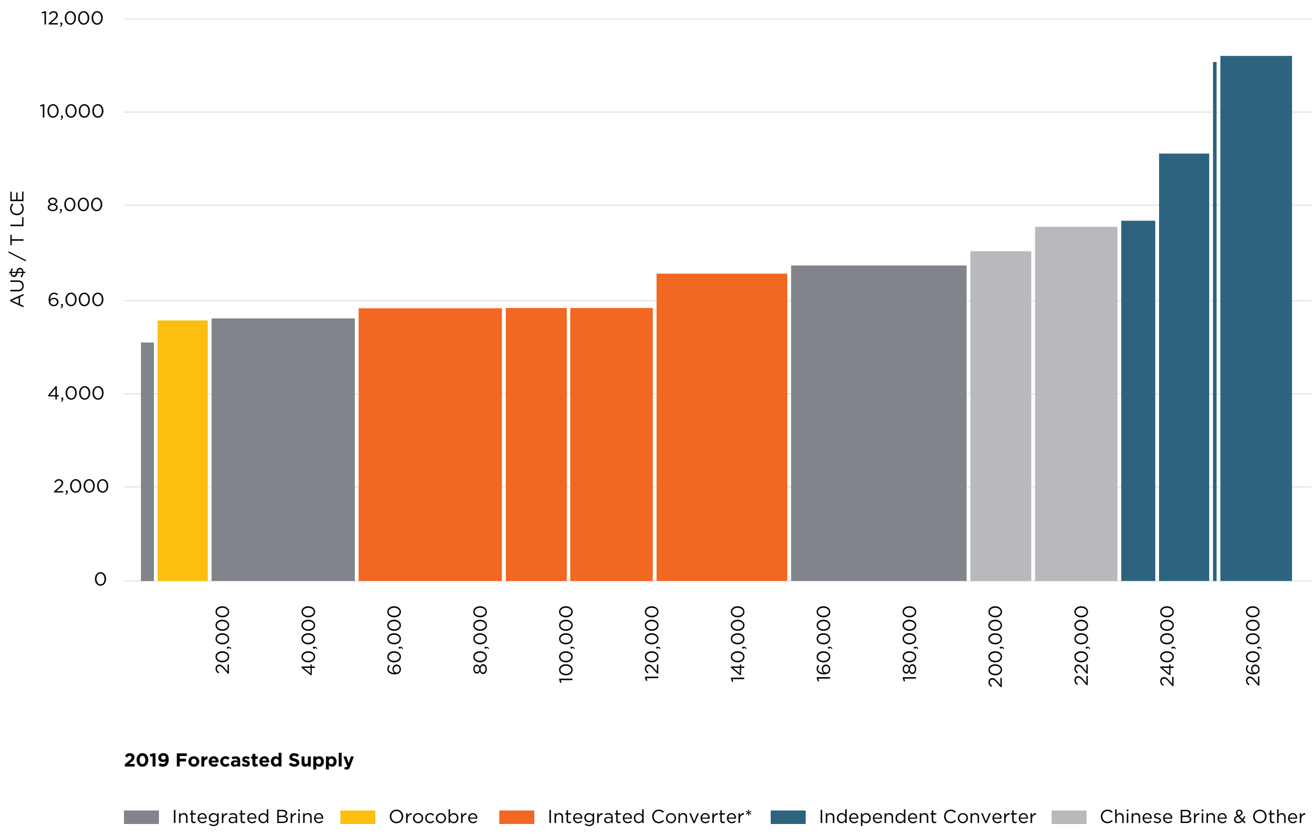
China Domestic Carbonate Market Price vs. Seaborne Market (US$/t)



The return of lithium chemical imports to the Chinese market and declining prices created more challenging conditions for the Chinese conversion industry which struggled to compete with marginal prices. While spodumene prices had declined significantly during FY19, many Chinese conversion plants were still holding inventory of earlier-higher priced shipments. Chinese conversion plants responded by seeking to destock, requiring Australian hard rock concentrate producers to immediately delay shipments, restructure offtake agreements and moderate planned production for Q1 FY20 to manage inventories at the mine site and local warehouse facilities.

HSBC estimates ~50% of new supply to 2025 is uneconomic below market prices of US$9k/t[1], which could possibly result in supply rationalisation during FY20 and a correction to the lithium market balance.

Carbonate Cost Curve, Post-Taxes & Royalties (US$/t)



* Excludes technical grade spodumene supply to glass and ceramics customers.

Demand

Lithium demand growth during FY19 moderated to reflect the impact of China's updated EV policy. More advanced battery performance requirements favouring nickel-based cathodes generated a prompt hydroxide supply response that was greater than demand. Chinese battery manufacturers were slow to commercialise advanced nickel-based formats which utilise lithium hydroxide. As a result, Chinese battery manufacturers refocused on producing LFP or earlier generation nickel-based cathodes that allow for greater use of carbonate.

Despite the challenges faced by the Chinese EV industry in FY19, China's new energy vehicle industry remains a strategic priority for the country and several supportive strategies were initiated during FY19.

After removing the 50% limit on foreign ownership of Chinese EV joint ventures in April 2019, the Chinese Government extended this approach further upstream by removing the approved battery suppliers list which opened the industry to foreign firms. The list was originally developed to support local Chinese participants in the battery industry with government subsidies.

In addition to encouraging foreign participation in China's EV industry, the Chinese Government increased penalties for the manufacture and use of internal combustion engines (ICE) through higher taxes, the continued use of an ICE registration lottery system, and the implementation of new vehicle emission standards in provincial regions. These new vehicle emission standards require vehicles sold and registered to meet benchmark global standards. Late in FY19 China's emissions standards were lifted from level five to level six, which is anticipated to have a notable impact on ICE production.

Like China, the European Union (EU) remains focused on continued reductions to CO_2 emissions, announcing current penalties will be increased in CY21. This announcement came late in FY19 but is anticipated to encourage EV manufacturers to accelerate investment in EV manufacturing facilities and engage with upstream partners including battery, cathode and raw material suppliers. Based on CY18 CO_2 emissions data, Macquarie Bank estimates that it will be ~70% more expensive to maintain 2018 ICE sales volumes compared to investing in the necessary capacity and technology for EV production[2].

Outside of the EU and China, many countries have continued to increase support for the EV industry, most notable in FY19 was the Indian Government's commitment of a US$1.5 billion budget over three years to develop a battery supply chain. Meanwhile the US and Australian Governments remain highly engaged in discussions to develop domestic battery supply chains.

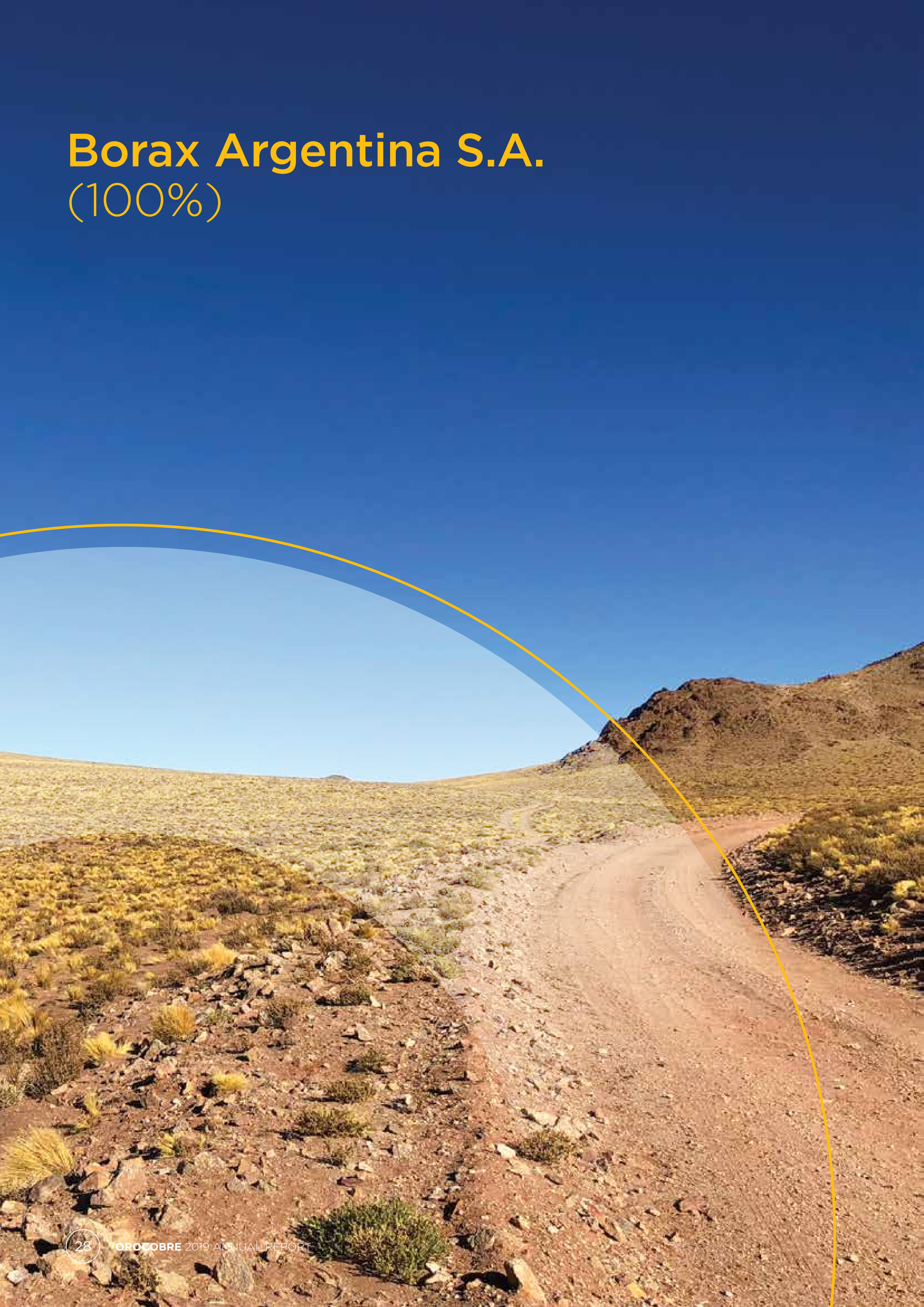
Widespread government commitment to EV adoption strategies and incentives, combined with ~1,228 GWh of announced battery capacity by 2028[3], underpins Orocobre's view that long-term demand fundamentals remain strong. While current weak market conditions have persisted longer than anticipated, a recovery is expected as the battery supply chain reaches more manageable inventory levels.

[1] Source: HSBC, 'Lithium: Down, but not out'.

[2] Macquarie Bank, 'Korea EV batteries', July 2019.

[3] Source: Benchmark Minerals.

Borax Argentina S.A.
(100%)



Borax Argentina S.A. has operated in the Salta-Jujuy region for over 50 years and its operations include two open pit mines, concentrators, refining capacity and significant land holdings. The mining operations are located in Tincalayu and Sijes.

Borax products can be divided into three groups; minerals, refined products and boric acid. The minerals historically produced are ulexite, colemanite and hydroboracite. Ulexite has traditionally been used as a feedstock to produce boric acid, however hydroboracite is now the primary feedstock allowing for a lower cost of production and a product with a lower chloride content. Hydroboracite and colemanite are supplied into the ceramic market with hydroboracite also supplied into agricultural and oil and gas markets.

> "Sales revenue increased by 14.8% from the prior year due to higher sales volumes compared to FY18.

The refined products are comprised of borax decahydrate, borax pentahydrate and borax anhydrous. These refined products have applications in a wide range of markets from agriculture, ceramics, glass, insulation fibreglass, textile fibreglass, smelting fluxes and a number of other specialty applications.

14.8% increase in sales revenue in FY19 from FY18

GDP growth in Latin America is expected to improve from 2% in 2019 rising to 2.6% in 2020

Combined Product Sales Volume Year on Year*

Financial Year	Combined Product Sales (tonnes)
June 2014	40,098
June 2015	34,091
June 2016	35,482
June 2017	41,777
June 2018	36,553
June 2019	**42,635****[**]**

* Combined product sales volumes include borax chemicals, boric acid and boron minerals and does not include sales of tincal ore of 4,021 tonnes in September 2014 quarter, 4,225 tonnes in the December 2014 quarter and 2,061 tonnes in the June 2015 quarter, for a total of 10,307 tonnes.

** Excludes 2,312 tonnes of low value mineral product.

Operations

Borax has continued on a path of restructuring and transformation to become a sustainable operational and financial business unit. The focus has been on key areas which include production cost efficiency and optimisation and sales. Financial performance has improved through an emphasis on business with higher value, more profitable products and the development of products with sound value propositions for customers that have attractive and sustainable financial metrics.

Production rates across the operations have been in line with expectations and increased sales has reduced inventory levels from their peak to planned long-term levels. Some inventory build was necessary in order to drive plant efficiencies, lower unit costs, improve responsiveness to customer requirements and to support sales and market growth initiatives.

The strategy of shifting to a product mix that will drive higher average pricing, improved margins and reducing unit costs at full production rates has demonstrated traction with steadily improving sales results and a return to profitability in FY19.

Sales revenue, which is US$ denominated, increased by 14.8% from the prior year due to higher sales volumes compared to FY18. EBITDAIX was US$231,000 versus FY18 US$44,000.

During FY19 Borax undertook a comprehensive market study which has reinforced their ongoing strategy to focus predominantly on Southern Cone[1] markets. This strategy is driven by the location of Borax, the value proposition to customers and the projected market growth profile of South American markets.

The return of Borax to operational profitability in FY19 is a significant achievement in the journey of improvement and growth demonstrating that the business can deliver locally generated improvements in a very challenging market and economic environment at the bottom of the price cycle.

Operating Environment

Market prices have not shown any signs of improvement however, the focus on sales growth through development of relationships with customers, continuous improvement in service levels and new product development has delivered sustained sales growth.

[1] The Southern Cone is a geographic and cultural region composed of the southernmost areas of South America, south of and around the Tropic of Capricorn.

Refined Borates Expansion Study

An expansion study continues to evaluate a potential expansion of the Tincalayu refined borates operation from its current production capacity of 30,000 tpa to 100-120,000 tpa borax decahydrate equivalent and a 40,000 tpa boric acid plant. It is anticipated that the potential expansion will significantly increase efficiencies in the production of refined borates at Tincalayu and contribute to providing a step change improvement in unit costs.

Customers

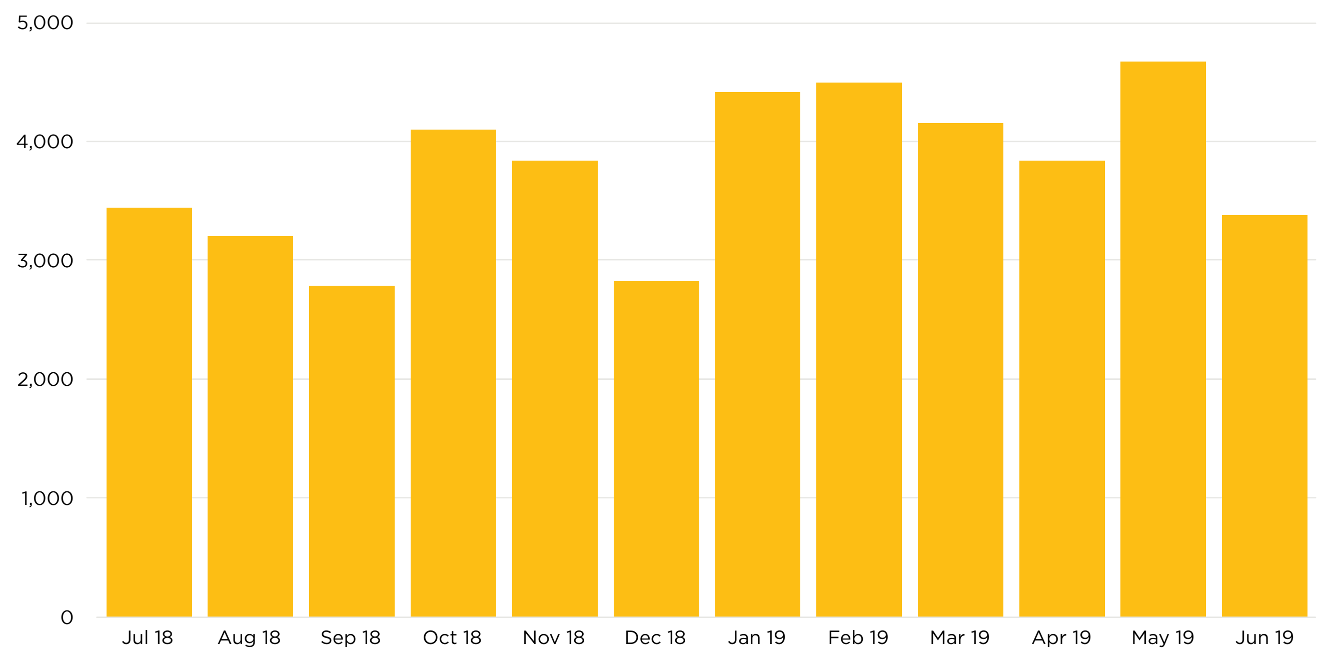
Borax is the only South American based boron producer with a wide range of refined products and relatively unique mineral products.

The value proposition to customers is that it is a local high-quality manufacturer and supplier of boron products well positioned to provide value particularly in the form of security of supply to businesses predominantly in South America and to the operations of these companies and other key customers offshore.

Sales volumes for the year were 44,947 tonnes which were 23.1% up on the previous year with a revenue increase of 14.8%, with a weighted average price decrease of 6.8%.

GDP growth in Latin America is projected to be 2.0% in 2019 rising to 2.6% in 2020. This bodes well for continued sales growth.

Borax Sales Volume (tonnes)



The Borates Market

The global borates market is over 2 million tonnes of B_2O_3 equivalent with the key traditional industries being glass, ceramics, modern medicines, agriculture and detergents.

A comprehensive market study commissioned by Borax during FY19 highlighted a number of positive forecast market trends:

- The global borate market is expected to grow at 3% CAGR for the next five years to reach 2.65 million tonnes (Mt) B_2O_3 equivalent by CY23.

Demand Outlook B_2O_3 000 Mt

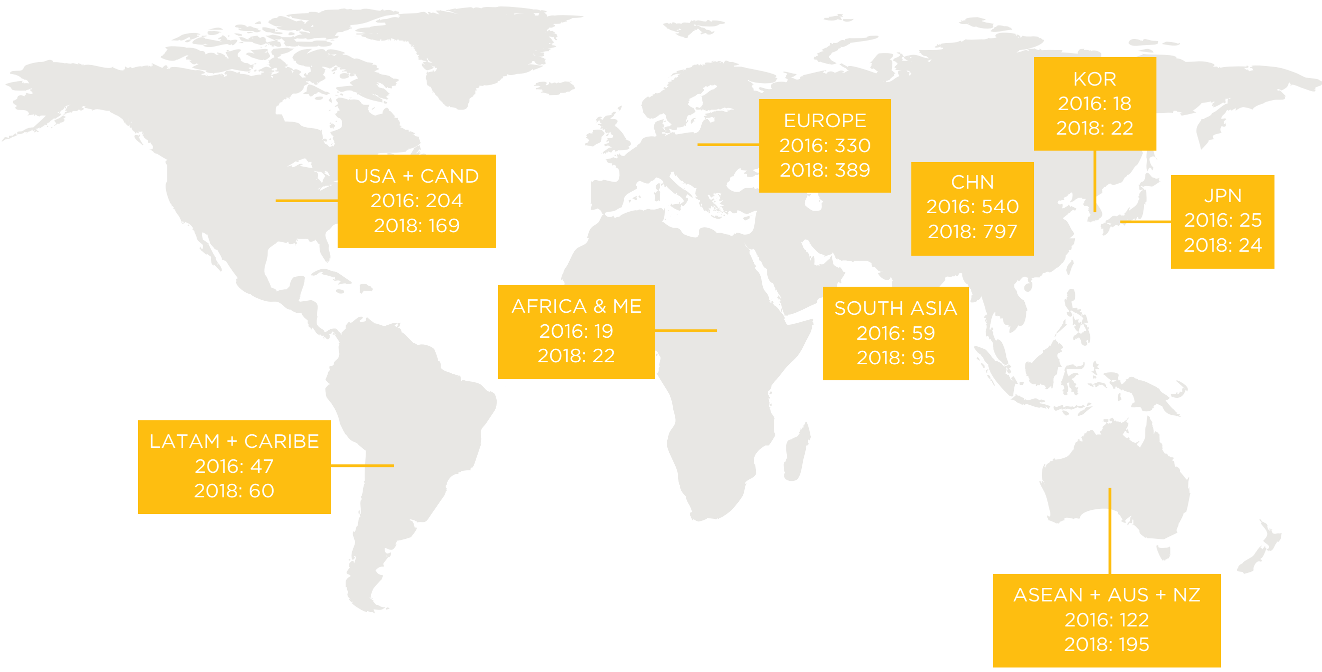
End use	2018	2023	CAGR
Borosilicate Glass	534	650	4%
Insulation Fibre Glass	370	409	2%
Textile Fibre Glass	324	390	4%
Ceramics Frits	323	374	3%
Agriculture	324	394	4%
Other	415	436	1%
Total	**2,290**	**2,653**	**3.0%**

Global trade of Borax Penta + Deca (000 Mt)

This increase in demand of refined borates is equivalent to 344,000 Mt of Borax Pentahydrate and 201,000 Mt of Boric Acid, a very substantial amount. Trade of Borax Pentahydrate and Decahydrate have grown by 30% in the past two years from 1,371 Kilo Metric Tonnes (KMT) in CY16 to 1,781 KMT in CY18.

Product	2016 (000 Mt)	2017 (000 Mt)	2018 (000 Mt)	Growth 2018/2016
Boric Acid / Boric Oxide	723	757	880	21.7%
Borax Penta / Deca	1.371	1.679	1.781	29.9%
Minerals	971	1.124	1.143	17.7%
Anhydrous Borax	99	88	90	(9.1%)

- In the studied scenario for 2018–2023, where market tightness will be felt more promptly by Na borates, prices are likely to achieve and exceed the high price levels of CY10. An increase of $200-250/Mt over current price levels is not an unrealistic expectation.



Key demand drivers in the borates market are growth in urbanisation (global housing market), global population, sustainable food supply and energy production.

Rio Tinto Borates in the US (~30%) and ETi MADEN of Turkey (>50%) account for approximately 80% of total global market share.

Borates increase the mechanical strength of glass, as well as their resistance to thermal shock, chemicals and water. Glass manufacturing is a key market for borates accounting for more than 50% of global consumption, predominantly comprised of fibreglass (both insulation and electronics) and borosilicate glasses.

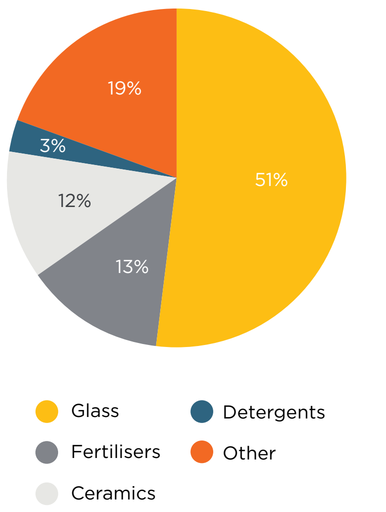
Borates have been an essential ingredient in ceramic and enamel glazes for centuries, integral to affixing glazes or enamels, and enhancing their durability. Borates continue to gain acceptance as an essential ingredient in ceramic tile bodies, allowing manufacturers to use a wider range of clays, heightening productivity and decreasing energy usage during production.

Agricultural markets account for a significant share (~15%) of the total global consumption. At the cellular level, boron is integral to a plant's reproductive cycle. Boron controls flowering, pollen production, germination, and seed and fruit development. As a non-substitutable micronutrient, boron also acts as a plant's fuel pump, helping move sugars from older leaves to new growth areas and root systems.

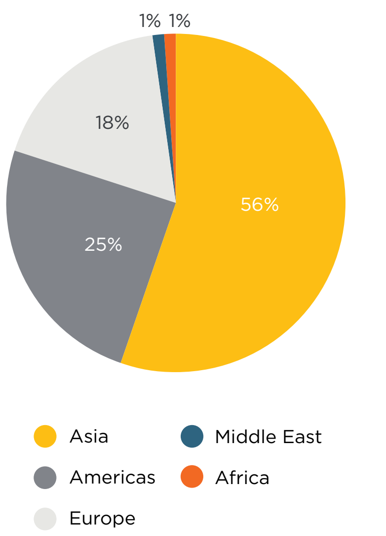
Every continent of the world suffers diminished crop yields due to insufficient boron concentrations in the soil. These deficiencies can be corrected using borate fertilisers.

Asia maintains its position as the largest regional consumer of borates, accounting for more than 50% of total global consumption.

Borates Consumption by Industry



Borates Consumption by Region



Source: ETi Maden, Company Research.

Advantage Lithium
& Cauchari JV

Advantage Lithium Corp. (TSXV:AAL) manages a portfolio of high quality assets in Argentina, including the Cauchari Joint Venture (in which Orocobre holds a 25% interest) and a 100% interest in four other lithium properties that were previously held by Orocobre.

As at the date of this report Orocobre holds approximately 34.7% of Advantage's issued capital.

Operational Update

FY19 was again a highly productive year for Advantage as it continued to rapidly advance the Cauchari JV property through exploration and towards development.

The Phase III drilling program was successfully completed during the December quarter, culminating in a 30 day constant rate pumping test on production well CAU07 (see Figure 1) at a rate of 22 l/s with a drawdown of 40 m. Assays received for the 30 days of the test averaged 650 mg/l Li and 4,970 mg/l K, with a Mg/Li ratio of 2.2:1. Brine samples were collected at regular intervals during the test and showed no significant variation over the test, with concentrations of between 642 and 659 mg/l lithium.

Results from these pumping tests, together with the intensive and successful drilling campaign completed in Q2 FY19 were utilised in an updated resources estimate (see ASX announcement 7 March 2019) that delineated Cauchari's resources as Measured and Indicated (M&I) categories.

This updated resource estimate saw the LCE JORC Resources more than double, with the resource volume increasing to 1.9 km^3 of brine at an average concentration of 476 mg/l lithium equivalent for 4.8 Mt of LCE in the M&I categories. The Inferred resource estimate increased to 0.6 km^3 of brine at an average grade of 473 mg/l lithium equivalent for 1.5 Mt of LCE.

The subsequent filing of an NI 43-101 Technical Report (see ASX announcement 24 April 2019) defined the resource estimate in six different geological units which are classified between Measured, Indicated and Inferred resources, with the classification reflecting differences in the level of available sample information. The resource estimate is presented in Table 1.

Table 1: Cauchari Project Lithium Resource Estimate

	Measured (M)	Indicated (I)	M+I	Inferred
Aquifer volume (km^3)	9.7	20.9	30.7	10.7
Mean specific yield	6%	6%	6%	6%
Brine volume (km^3)	0.6	1.2	1.9	0.6
Li mean grade (g/m^3)	35	26	29	27
Li mean concentration (mg/l)	527	452	476	473
Resource (tonnes)	345,000	550,000	900,000	209,000
LCE	1,850,000	2,950,000	4,800,000	1,500,000

Notes:
1 JORC and CIM definitions were followed for mineral resources.
2 The Qualified Person for this Mineral Resource estimate is Murray Brooker, RPGeo, MAIG.
3 Lithium is converted to lithium carbonate (Li2CO3) with a conversion factor of 5.32.
4 Numbers may not add due to rounding.

Results of the brine chemistry analysis carried out as part of the updated resource estimate confirmed the Cauchari brine is similar in composition to the brine in the adjacent Olaroz Salar from which Orocobre successfully produces lithium carbonate using conventional lithium processing technology. There is a reasonable prospect that the Cauchari brine could be successfully processed using technology similar to Olaroz. Table 2 below provides a summary of the Cauchari brine characteristics:

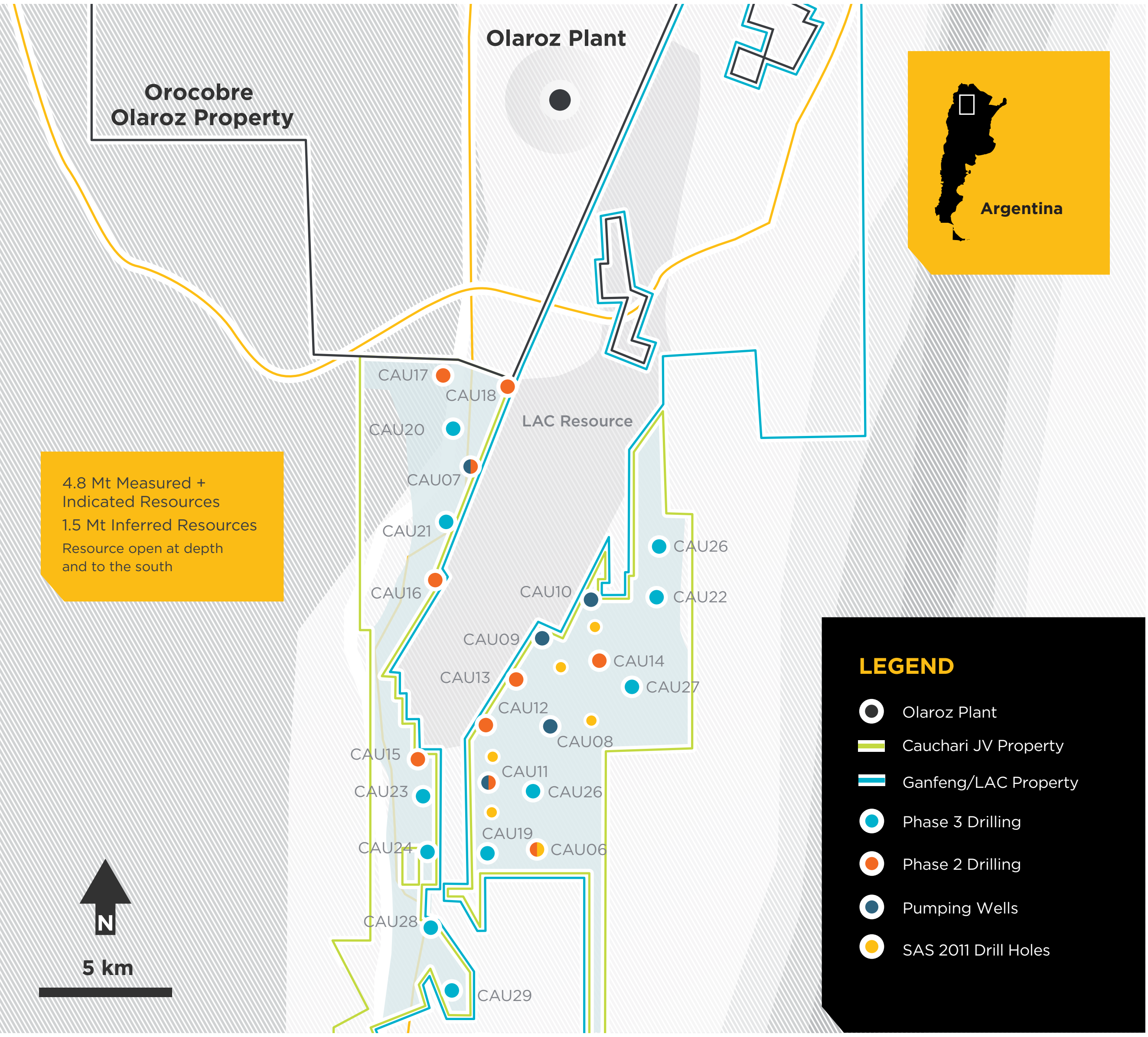
Subsequent to the release of the updated resource estimate, during Q4 FY19 Advantage announced the engagement of WorleyParsons Chile S.A. who, in conjunction with independent resource consultants FloSolutions S.A.C., will complete a Pre-Feasibility Study (PFS) on the Cauchari Joint Venture project. The purpose of the PFS is to examine all production and processing alternatives and recommend an optimal way forward.

The PFS will include a range analysis of production volumes and is scheduled to be completed during Q1 FY20.

Table 2: Cauchari Brine Chemistry Characteristics

Samples Ratio	Archibarca Fan	Clay	East Fan	Halite	Deep Sand	West Fan
Mg/Li	2.3	2.5	1.6	2.7	2.5	3.2
SO_4/Li	26.2	39.7	88.7	44.3	38.1	38.4

Figure 1: Location of the Cauchari Drill Holes



Health, Safety & Commmunity

Health & Safety

The health and safety of employees and project contractors remains a priority focus for Orocobre, particularly with a new stage of concurrent operations and development at Olaroz through the Stage 2 Expansion.

Orocobre fosters a 'zero harm' approach with a 'safety first' mantra driving a comprehensive safety culture change program at SDJ and Borax.

Given the exponential increase in activities with construction at Olaroz, a slight increase in incident frequency rates has been recorded. An increased risk of incidents occurring during the construction phase of the Stage 2 Expansion and SDJ remains focused on managing and mitigating these risks as effectively as possible through augmented training, engagement and control systems for employees and project contractors.

Orocobre is committed to reducing workplace risks and incidents, and over the past year has reviewed and implemented an enhanced safety management and reporting system. The Safety Leadership and Culture program undertaken with Dupont over the past 12 months has generated stronger ownership of safety responsibility across all levels of the business.

SDJ and Borax have fully embraced the implementation of this Safety Leadership and Culture program with key safety risks and priorities being addressed via initiatives that included the implementation of Intelex (a cloud based environmental, health, safety and quality management system) delivering a unified reservoir of policies and procedures, safety observations, incident reporting and investigation for all employees.

Both SDJ and Borax continue to strengthen employee safety with thorough risk assessment and training courses helping to reinforce the importance of a robust safety culture. In addition, a central safety committee and five subcommittees (training, operational discipline, audit, risk management and incident investigations) have been created to provide better control and follow up of safety issues.

The Total Recordable Injury Frequency Rate (TRIFR) for SDJ and Borax are presented below.

	Employees		Contractors	
	TRIFR		TRIFR	
	FY19	FY18	**FY19**	FY18
Borax Argentina S.A.	**3.8**	2.7	**0.0**	0.0
Sales de Jujuy S.A.	**3.5**	3.3	**2.6**	3.5

As at 30 June 2019, SDJ had achieved 111 days without a Lost Time Injury (LTI).

As at 30 June 2019 the Borax Sijes mine had achieved 137 days without an LTI, Tincalayu had achieved 795 days without an LTI and Campo Quijano had achieved 89 days without an LTI.

SDJ and Borax both achieved ISO accreditation recertification for ISO 9001 Quality Management Systems, ISO 14001 Environmental Management, and OHSAS 18001 Occupational Health and Safety Standard in FY18. The certifiable ISO Standard for Health and Safety (45001) will be adopted as part of recertification Audit to be conducted in FY21.

Community

Orocobre acknowledges the importance of empowering and involving local communities in the creation of long-term Shared Value. Orocobre's Shared Value philosophy extends beyond that of philanthropy and social responsibility, and seeks to deliver sustained, long-term value for both communities and our operations.

Regular engagement with local communities aids in developing a deeper understanding of community views. This engagement includes land access negotiations and development agreements developed in strict accordance with the International Labour Organization's Indigenous and Tribal Peoples Convention (C169).

Acknowledging and respecting the culture and traditions of local communities is paramount to Orocobre achieving its vision of becoming a leading and sustainable global supplier of high grade, high value lithium chemicals.

Orocobre demonstrates this respect through ongoing interactions and activities. Community engagement centres on the five pillars of the Shared Value program: Education, Empowerment, Transparency, Natural Resources and Production, and Health.

Working in partnership with all relevant local stakeholders, including the Jujuy Provincial Government and the University of Jujuy, Orocobre strives to deliver quality educational infrastructure and programs for local communities and employees. In FY19 this included the inauguration of the Olaroz Technical School in collaboration with the provincial government, as well as the construction of a Music Hall and Chemistry Laboratory providing additional cultural and technical educational facilities for the local community.

Capacity building initiatives that promote long term revenue-generating activity empower communities. These include both project-related (employment and supply contracts) and non-project-related (traditional livelihoods and local business development) opportunities.

Interaction and communication with communities includes regular disclosure of socio-economic impacts and community involvement in participatory environmental monitoring activities that help to evaluate local environmental performance. During Q1 FY19 the participatory environmental monitoring program was selected as a representative case study by the UN Development Program.

Extensive engagement and consultation was undertaken with all our communities discussing the update to our Environmental Impact Assessment, which was subsequently approved by UGAMP — the provincial government's environmental authority.

Local production is promoted via tailored programs that leverage traditional livelihoods and natural resource availability in the region, allowing sustainable development. During FY19 a key focus was the development of a fiber spinning project at Huancar, which is providing local women with the technology, skills and market access to transform their traditional artisanal work with llama fiber into a more profitable and sustainable revenue-generating activity.

Health and safety is promoted in the local communities through targeted awareness campaigns, and equipment and infrastructure donations for local health institutions who provide dentistry, ophthalmology, cardiology and paediatric services.

As signatories to the UN Global Compact, Orocobre is committed to helping achieve the UN SDGs through targeted community initiatives, responsible operations and the enabling of a low-carbon future.

Further information about Health, Safety and Community performance, including contributions to the UN SDGs is available in the annual Sustainability Report, available for download via the Company website www.orocobre.com.

Directors' Report

The Company's Directors have significant public company management experience, together with a strong background in exploration, project development, operations management, financial markets, accounting and finance. Their experience covers many industry sectors within Australia and internationally.

Company Directors

Robert Hubbard

BA (Hons), FCA

Non-Executive Chairman

Robert was appointed a Director in November 2012 and appointed Chairman in July 2016. Robert was a partner at PricewaterhouseCoopers for over 20 years until 2013. During his time as a PwC partner, he served as Auditor and adviser for some of Australia's largest resource companies with activities throughout Australia, Papua New Guinea, West Africa and South America.

Robert is a Non-Executive Director of Bendigo and Adelaide Bank Limited and Chairman of Healius Limited (formerly Primary Health Care Limited). Robert is currently Chair of the Remuneration and Related Party Committees.

Directorships held in other ASX listed companies in the last three years:

- Bendigo and Adelaide Bank Limited (Apr 2013 – Present)
- Healius Limited (December 2014 – Present)
- Central Petroleum Limited (December 2013 – May 2018)

Martín Pérez de Solay

(I.ENG)

Managing Director & Chief Executive Officer

Martín was appointed to the Orocobre Board as Managing Director on 18 January 2019. At the same time, Martín formally commenced his duties as Chief Executive Officer.

Martín is a qualified industrial engineer with a career spanning engineering, operational improvement, banking, finance and executive management. Prior to joining Orocobre, Martín was the President and CEO of Petróleos Sudamericanos, an oil and gas producer operating in Argentina and Colombia. Martín joined Petróleos Sudamericanos in 2011 and since that time has established new operations, acquired assets, led major stakeholder management initiatives and was responsible for implementing a significant operational improvement programme responding to the falling oil price.

Prior to 2011, Martín was CFO and head of Corporate Development of GeoPark, a successful oil and gas operator with assets in Argentina and Chile. Martín was a key member of the Geopark executive team that established its asset base and subsequently listed the company on the Alternative Investment Market (AIM).

Martín joined Geopark from Citigroup where he had spent a decade in the institutional, corporate and restructuring activities of the bank, importantly through the difficult economic times at the turn of the century.

Martín is a qualified industrial engineer from the Instituto Tecnológico de Buenos Aires and has completed management programmes at the Kennedy School of Government, Harvard and Austral University, Argentina.

Directorships held in other ASX listed companies in the last three years: Nil

Company Directors

Richard Seville

BSc (Hons) Mining Geology, MEngSc Rock Engineering, MAusIMM, ARSM

Non-Executive Director

Richard is a mining geologist and geotechnical engineer and has over 35 years' experience in the resources sector including 25 years as either Managing Director or Executive Director of various ASX, TSX or AIM listed companies.

After 12 years at the helm Richard recently stepped down from the position of Orocobre's Managing Director & CEO in January 2019, a position he had held since pre-IPO. He remains on the Board as a Non-Executive Director.

He is a graduate of Imperial College London and James Cook University in North Queensland and holds a Bachelor of Science degree with Honours in Mining Geology and a Master of Engineering Science in Rock Engineering.

In June 2019 Richard was appointed Chairperson of Agrimin Limited, an Australian fertiliser development company.

Richard is a member of the Related Party Committee.

Directorships held in other listed companies in the last three years:

- Advantage Lithium (Feb 2017 – Present)
- Agrimin Limited (August 2019 – Present)

Federico Nicholson

LLB

Non-Executive Director

Federico was appointed a Director in September 2010. Federico has been a member of the Board of Ledesma, a diversified Argentine agro-industrial producer since 1991 until September last year, also serving as Executive Director until June 2014.

He was Chairman of CEADS (Consejo Empresario Argentino para el Desarrollo Sustentable), an Argentinian local division of WBCSD (World Business Council for Sustainable Development), President of Argentine North Regional Center and President of Chacra Experimental Agricola Santa Rosa for 19 years respectively, Vice President of the Argentine Pulp and Paper Association, Deputy Secretary of the Food Industries Association, and Vice President of the Argentine Corn Starch and Syrups Chamber, Vice President of the Argentine Industrial Union (UIA) for fourteen consecutive years (1999 – 2013), and President of the National Industrial Movement.

He is currently President and main shareholder of La Payana SA, a company that produces cattle, grains and pigs in the Province of Buenos Aires.

Federico is a lawyer graduated from the National University of Buenos Aires.

Federico is a member of the Remuneration Committee and the Related Party Committee.

Directorships held in other ASX listed companies in the last three years: Nil

Company Directors

Fernando Oris de Roa

MPA, Harvard Kennedy School of Government

Non-Executive Director

Fernando was appointed a Director in June 2010. Fernando is a highly successful business leader with a history of developing and operating large enterprises within Argentina and has a reputation for upholding integrity and social responsibility in his business practices. He began his career in 1970 with large trading company Continental Grain, working in the USA, Spain, Switzerland, Brazil and Argentina eventually rising through the ranks to be responsible for all of Latin America. As Chief Executive of S.A. San Miguel, Fernando was widely credited with turning the company into the largest and most profitable lemon products company in the world. The process of restructuring included listing S.A. San Miguel on the Buenos Aires Stock Exchange in 1997.

Fernando was Chief Executive and significant shareholder of Avex S.A. from 2004 to 2012. He has also held the role of Director of Patagonia Gold Ltd. He holds a Masters of Public Administration from The Kennedy School of Government at Harvard University.

Fernando is a member of the Audit Committee and the Related Party Committee.

Directorships held in other ASX listed companies in the last three years: Nil

John W. Gibson, Jr.

BSc Geology, MSc Geology

Non-Executive Director

John was appointed a Director in March 2010. John is a recognised leader in the energy technology and services industry with more than 25 years of global energy experience. John is currently Chairman, Energy Technology for Tudor, Pickering, Holt & Company — an energy focused investment and merchant bank headquartered in Houston, Texas.

John was previously the Chief Executive Officer of Tervita Corporation, a major Canadian environmental and oil field services company. Prior to joining Tervita, John served as Chief Executive Officer of an enterprise software solutions company serving oil and gas industry clients and has held senior positions with the Halliburton Group of Companies, most recently as President of Halliburton's Energy Services Group. John is a Director for Bluware Inc. and serves on the Boards of Directors of Blue Spark Energy Inc. and I-Pulse Inc. He is a member of the University of Houston Energy Advisory Committee, visiting committee of the University of Texas Bureau of Economic Geology, and the National Board of KickStart Kids.

John holds a Bachelor of Science from Auburn University and a Master of Science from the University of Houston and is a member of several professional societies.

John is a member of the Audit Committee and the Related Party Committee.

Directorships held in other ASX listed companies in the last three years: Nil

Company Directors

Leanne Heywood

BBUS MBA CPA AICD

Non-Executive Director

Leanne was appointed a Director in September 2016. Leanne is an executive and leader with over 25 years corporate experience in the mining sector, including 10 years with Rio Tinto. Her experience includes strategic marketing, business finance and compliance and she has led organisational restructures, disposals and acquisitions.

Additionally, she has had significant experience in complex cross-cultural negotiations and international customer and stakeholder relationship management (including governments, communities and investment partners). Leanne holds a Bachelor of Business (Accounting) from Charles Sturt University and an MBA from the Melbourne Business School, University of Melbourne. She is a member of the Australian Institute of Company Director's and CPA Australia.

Leanne is a Non-Executive Director for Midway Limited, Quickstep Holdings Limited, the Australian Meat Processor Corporation and is a member of the NSW Council for Women's Economic Opportunity. Leanne was named 2019 NSW Business Woman of the Year.

Leanne is Chair of the Audit Committee and a member of the Related Party Committee and Remuneration Committee.

Directorships held in other ASX listed companies in the last three years:

- Midway Limited (March 2019 – Present)
- Quickstep Holdings Limited (February 2019 – Present)

Masaharu Katayama

BA (ME)

Non-Executive Director

Masaharu was appointed a Director in April 2018 following the strategic placement of Orocobre shares to TTC, under the terms of which TTC is entitled to appoint a representative to the Orocobre Board of Directors.

Masaharu's experience includes risk management, resource development and marketing strategy development with exposure to a variety of industries throughout India, Canada, Morocco, France, Vietnam and Japan.

Masaharu holds a Bachelor of Mechanical Engineering from Kobe University. He has been working for TTC since 2005 and is currently COO for Metal Resources SBU Metal Division.

Directorships held in other ASX listed companies in the last three years: Nil

Company Secretaries

Neil Kaplan

BAcc, CA

Chief Financial Officer & Joint Company Secretary

Neil was appointed Chief Financial Officer in January 2013 and Company Secretary in July 2013. Neil is a Chartered Accountant and brings a wealth of knowledge to the Company with over 25 years of experience in managerial and finance positions obtained on four different continents.

Neil's experience in the resources sector was attained working in executive financial roles for Glencore and formerly TSX listed company Coalcorp Mining, both based in Colombia. Neil holds a Bachelor of Accountancy degree from the University of the Witwatersrand in South Africa and is a member of both the Chartered Accountants Australia & New Zealand (CA ANZ) and South African Institute of Chartered Accountants (SAICA).

Rick Anthon

BA LLB

Corporate Development Manager, General Counsel & Joint Company Secretary

Rick joined Orocobre in 2015. Rick is a lawyer with over 30 years' experience in both corporate and commercial law practicing exclusively in the resource sector. He has worked both as a Director and adviser to numerous resource companies and has extensive project planning, acquisition and development, capital raising and corporate governance skills.

Dividends

No dividend has been proposed or paid since the start of the year.

Directors' interests as at the date of this report and Share Options

The relevant interest of each Director held directly or indirectly in shares, performance rights issued by the Company at the date of this report is as follows:

Directors	Shares
Martín Pérez de Solay	20,000
Richard P. Seville	5,742,609
Fernando Oris de Roa	100,000
Federico Nicholson	121,500
Robert Hubbard	75,293
John W. Gibson	37,900
Leanne Heywood	14,050
Masaharu Katayama	-

Unissued Shares

As at 30 June 2019 there were 1,659,899 unissued ordinary shares relating to performance rights (PR). Since the end of the financial year, there have been no unissued ordinary shares under performance rights or options that have lapsed in accordance with the terms of their grant.

Refer to the Remuneration Report for further details of the options outstanding and to Additional Information for further details on the unissued ordinary shares under options and the corresponding lapse dates. Option and PR holders do not have any right, by virtue of the instrument, to participate in any share issue of the Company or any related body corporate.

Shares Issued as a Result of the Exercise of Options and Performance Rights

During the financial year, employees and executives exercised 844,015 performance rights.

Directors

The Directors of the Company at any time during or since the end of the financial year are listed below. During the year there were 10 Board meetings. The Board and Committee meetings attended by each Director were:

	Board		Audit Committee		Remuneration Committee		Related Party Committee	
Directors	Meetings	Attendance	Meetings	Attendance	Meetings	Attendance	Meetings	Attendance
Martín Pérez de Solay	4	4	-	-	-	-	-	-
Richard Seville	10	9	-	-	-	-	3	3
John Gibson	10	10	5	5	-	-	3	3
Courtney Pratt	4	4	-	-	1	1	2	1
Fernando Oris de Roa	10	8	-	-	-	-	3	3
Federico Nicholson	10	10	-	-	1	1	3	3
Masaharu Katayama	10	10	5	4	-	-	-	-
Robert Hubbard	10	10	-	-	1	1	4	4
Leanne Heywood	10	10	5	5	-	-	5	5

Committee Membership

At the date of this report the Company has an Audit Committee, a Remuneration Committee, and a Related Party Committee. Members are as follows:

Audit Committee	Remuneration Committee	Related Party Committee
J. Gibson	C. Pratt	R. Hubbard (C)
L. Heywood (C)	R. Hubbard (C)	L. Heywood
M. Katayama[1]	F. Nicholson	C. Pratt[2]
F. Oris de Roa	L. Heywood	J. Gibson
		F. Nicholson
		F. Oris de Roa
		R. Seville

[1] Mr. Masaharu Katayama stepped down from the Audit Committee on 30 June 2019, with Mr. Fernando Oris de Roa joining the Committee on 30 June 2019.

[2] Mr. Courtney Pratt retired from the Orocobre Board of Directors on 23 November, 2018.

Indemnification of Officers

During the financial year the Company paid an insurance premium in respect of a contract insuring the Company's past, present and future Directors, secretary or officers of the Company against liabilities arising as a result of work performed in their capacity as Director, secretary or officers of the Company. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of Directors and officers liability insurance contracts as such disclosure is prohibited under the terms of the contract. The Company Constitution also contains an indemnity provision in favour of each Director, Company Secretary and executive officers (or former officers) against liability incurred in this capacity, to the extent permitted by law.

Indemnification of Auditors

The Company's auditor is Ernst & Young. The Company has agreed with Ernst & Young, as part of its terms of engagement, to indemnify Ernst & Young against certain liabilities to third parties arising from the audit engagement. The indemnity does not extend to any liability resulting from a negligent, wrongful or wilful act or omission by Ernst & Young. During the financial year, the Company has not paid any premium in respect to any insurance for Ernst & Young or a body corporate related to Ernst & Young and there were no officers of the Company who were former partners or Directors of Ernst & Young, whilst Ernst & Young conducted audits of the Company.

Principal Activities

The principal activities of the Group during the year were the exploration, development and production of lithium at the Company's flagship Olaroz Lithium Facility and the operation of Borax.

Operating & Financial Review

The operations, financial position, business strategies and prospects for future financial years of the consolidated entity are detailed in the Operating and Financial Review section of this Annual Report, on pages 12 to 37, and in the Financial Report section, on pages 67 to 113.

Significant Changes in the State of Affairs

Other than matters mentioned in this report, there were no significant changes in the state of affairs of the Company during the financial year.

Significant Events after Balance Sheet Date

Subsequent to the balance sheet date, Orocobre, SDJ PTE and SDJ entered into finance documentation related to US$180 million project finance for the Stage 2 Expansion.

Advantage issued 4,153,903 Common Shares at a price of C$0.41 per common share for gross proceeds of C$1,703,100 with Orocobre's total investment in the capital raise being C$1,536,025 (US$1,177,392) for a net amount of 3,746,403 shares. Following the completion of the placement Orocobre now holds 34.7% of Advantage's issued capital.

Likely Developments & Expected Results

Refer to the Operating and Financial Review for information on likely developments and future prospects of the Group.

Risk Management

Orocobre's business faces certain risks that could affect the success of the strategies and the outlook for future financial years.

At Olaroz these risks include, but are not limited to:

- the continued growth in the demand for electric vehicles
- the development and adoption of new battery technologies that may rely on inputs other than lithium
- the current size of the Mineral Resource at Olaroz and the current lack of Reserves (as defined under the JORC Code)
- the continuing development and improvement of good operating practices
- the optimisation of plant performance and the associated production rate ramp-up
- the successful construction and commissioning of the Stage 2 Expansion of Olaroz
- production of product within the specification required by customers
- the achievement of the design production rates for Stage 1 and Stage 2
- the brine grade and quality of the brine feedstock
- the expected operating costs including fluctuations in the energy and reagent cost and the comparison of these costs to the operating costs of our competitors
- the ongoing working relationship between SDJ and the Province of Jujuy (JEMSE)
- increasing competition from competitors and the prices for the commodities sold by the Company
- the meeting of all relevant banking covenants in respect to the operation of Olaroz.

With respect to Borax the risks associated with the business include:

- weaknesses in the Company's traditional markets
- strong competition from other producers in these markets
- challenges in developing new markets
- the implementation of unit cost reduction measures.

Other risks applicable to all of Orocobre's operations include:

- Argentina sovereign risk both at a national and provincial level and the political and financial risks typically associated with developing countries including reliance on government for the grant and renewal of mining concessions and water access rights
- changes in government taxes, levies, regulations, policies or legislation
- fluctuations or decreases in product prices and currency
- the impact of high rates inflation on local costs
- the ongoing impact of devaluation of the ARS
- risks associated with adverse weather patterns resulting from climate change and consequent potential negative impacts on production rates
- labour disputes and the retention of key employees.

The Company has in place risk management policies and systems to mitigate these risks wherever possible, including monitoring ongoing exploration results, monthly review of operational results for SDJ and Borax and continued discussions with Orocobre's partners and the government of Argentina. Within its operations in Argentina, the company is aligning with Risk Management standard ISO 31000 as part of its Integrated Management System, to enable a comprehensive approach to risk across all areas of activity.

During FY19 the Company commissioned an external risk management review, formulating a comprehensive enterprise-wide risk management framework based on the principles ISO 31000. The structure facilitates continuous improvement of Orocobre's risk management capability, with roles and responsibilities of varying degrees of accountability at all levels of the organisation.

Orocobre considers risk an inherent component of all business activities that can be minimised with effective identification and management strategies. The framework was developed on the basis that everyone involved with the Company's activities (e.g. employees, contractors, partners etc.) should be risk-aware, identify and manage sources of risk, and communicate incidents. Where risk presents itself as an opportunity or is connected to an opportunity, the business follows a structured risk process to determine the risk versus reward relationship.

Standalone risk assessments will continue to be conducted in accordance with existing policies, and in areas requiring specific methodological approaches such as climate risk and human rights risk, but all will be considered in conjunction with this enterprise risk management framework.

Environmental Regulation & Performance

The Company has operations in two provinces in Argentina, Jujuy and Salta. In Salta there are Provincial and National environmental regulations: Provincial Constitution (art. 30, 81, 82 y 83), Environmental Protection Provincial Law No. 7070 and Provincial Decree No 3097/00 and 1587/03, Law No. 7017 of Waters Code of Salta Province and its regulatory decree No. 1502/00, 2299/03, among others, Provincial Law No 7141 of the Mining Procedure Code, National Constitution (art 41 and 124 among others), General National Environmental Law No. 25.675 and National Law 1919 of Mining Code and Law No. 24.585 that modifies the Mining Code and National Law Dangerous Residues Regulation No. 24.051. The applicable authority in Salta is the Mining Secretary of the Province of Salta, the Environmental Secretary of the Province of Salta. In Jujuy there are both provincial and national environmental regulations: Provincial Constitution (art.22), Water Code of Jujuy, Law 3820 Wildlife Reserve of Fauna & Flora, Decree No. 6002 Dangerous Residues Regulation, Decree 5772-P-2010, Provincial Environmental Law No. 5063, National Constitution (art 41), General National Environmental Law No. 25.675, National Law 24.585 and National Law Dangerous Residues Regulation No. 24.051.

The applicable authority in Jujuy is the Provincial Department of Mining and Energy Resources (Dirección Provincial de Mineria y Recursos Energeticos) and the Provincial Department of Environmental Quality (Dirección Provincial de Calidad Ambiental).

There have been no reportable environmental events under the regulations in Jujuy or Salta due to the Company's activities. There were only two spot issues, without affecting any environmental aspect; these are a claim in Campo Quijano about water spillage (due to intense rainstorms), and a ground-filled area in Tincalayu in which a fuel leakage made some ground to be polluted (this area is already cleaned, and the polluted ground was removed to be delivered to a hazardous waste management company).

Within its' operations in Argentina, the Company has instituted ISO 31000, Risk Management. This complements ISO 9001, Quality Assurance, ISO 14001 Environmental Management and OHSAS 18001 Occupational Health and Safety Management System which had already been implemented in FY12. Borax is already accredited under ISO 9001 and ISO 14001 plus SALTA ECOSELLO regarding environmental management.

Non-Audit Services

The Group's auditor, Ernst & Young, did not undertake any non-audit services for Orocobre during the current or prior year.

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 Independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is contained within this report.

Verification of Reports

Orocobre undertakes internal verification of all reporting and announcements other than financial reporting that is verified by the Company's auditors. The internal verification process involved a review of all relevant reports or announcements by the executive management team and where appropriate the Board of Directors. This process ensures that all information released in the public domain is accurate and correct.

Internal Audit

The Company does not have a formal internal audit function, however many of the responsibilities of internal audit are undertaken by Orocobre corporate staff under the supervision of relevant managers.

Remuneration Report
Letter from the Chair

Dear Shareholder,

Welcome to this year's remuneration report. We were very pleased with over 96.8% yes vote for last year's report and hope that this year's report will elicit equally strong support for our remuneration philosophy, plans and practices.

The Board continues to be strongly committed to remuneration philosophy, policies and practices that are fair, competitive, effective and responsible and to their transparent and clear communication. We also believe in the need to design bespoke remuneration structures reflecting the strategies of Orocobre, motivational to management and aligned to investor objectives.

Orocobre has changed significantly since our last remuneration report with opportunities for significant expansion and diversification becoming a reality. We have therefore implemented the leadership and remuneration changes necessary to retain and motivate our key executives, respond to the growth in size and scope of our operations and incentivise achievement of our growth objectives.

The FY20 STI structure recognises the ongoing need for optimisation of Olaroz Stage 1 with improved sales and marketing, improved product quality and volume. In addition, the STI structure includes the need to complete Olaroz Stage 2 financing of the Naraha project, continuation of Stage 2 construction and the development of the Naraha Lithium Hydroxide Plant in Japan. As such the STI as a percentage of TFR has been increased from 10 to 20% in FY19 and to 30% for FY20 with the objective of aligning Orocobre's executive team with these short term corporate targets.

During the year, Mr. Richard Seville resigned as Managing Director & CEO and then was appointed to the Board as a Non-Executive Director in January 2019. Whilst some may consider this move as somewhat unusual the scarcity of available experience in lithium production from brine and Richard's corporate and commercial knowledge accumulated over twelve years made this a most sensible decision. Mr. Martín Pérez de Solay was appointed to the Board in January 2019 as Managing Director & CEO after joining the company as joint CEO from 12 November 2018. Mr. Courtney Pratt resigned as a Non-Executive Director in November 2018. There were no other changes to our Key Management Personnel during the year.

Mercer Consulting was re-appointed as remuneration consultant to our Board. On the basis of their review of KMP remuneration, the Chief Financial Officer (CFO) and Corporate Development Manager (CDM) received increases in fixed remuneration of 7.7% and 3% respectively for the period January to June 2019 and then a further 2% from 1 July 2019 for the 2020 financial year, to bring their fixed remuneration in line with our philosophy. The reason for a second increase is to now bring the assessment of KMP's remuneration onto the financial year versus the calendar year which has been the case in the past.

We continue to be committed to communicating Executive KMP and Non-Executive Director remuneration arrangements in a simple, clear and transparent manner and believe that KMPs should receive total remuneration at approximately the median level for similar sized companies in comparable businesses.

We once again assure you that the responsibility for governance and remuneration rests solely with the Board, supported by the Remuneration Committee. The objectives of this governance approach continue to ensure that the practices and processes of the Group are sound and are driven by our guiding principles to deliver a world class, low cost industrial minerals and chemicals company for the benefit of our shareholders and other stakeholders.

Rob Hubbard
Chairman
Chairman, Remuneration Committee

Remuneration Report (Audited)

This Remuneration Report outlines the overall remuneration strategy, framework and practices adopted by the Company. It has been Audited in accordance with Section 308(C) of the Corporations Act 2001.

In addition to the statutory requirements, additional sections summarising remuneration for the year ended 30 June 2019 have been included where appropriate.

Courtney Pratt resigned from the Orocobre Board on 23 November 2018 at which time Robert Hubbard (Chairman) assumed the role as Chair of the Remuneration Committee. At the same date, Leanne Heywood was appointed to the Remuneration Committee, joining Federico Nicholson.

At the most recent Annual General Meeting held on 23 November 2018, 96.8% of votes cast at the meeting were in favour of the adoption of the Remuneration Report.

Orocobre's Remuneration Report is divided into the following sections:

A. Directors and Executives
B. Role of the Remuneration Committee
C. Remuneration Framework
D. Relationship of incentives to Orocobre's Operating and Financial Performance
E. Take home pay
F. Service agreements
G. Details of Remuneration
H. Share-based compensation issued to the Non-Executive Directors and Executive KMPs
I. Shareholdings of KMPs

Remuneration information for KMPs is reported in US Dollars (US$) (consistent with the remainder of the report) although the contractual arrangements are in Australian Dollars (AU$) for KMPs other than the MD/CEO whose contractual arrangement is in US$.

Remuneration Report (Audited)

A. Directors & Executives

In addition to the Non-Executive Directors, Executive KMPs are members of the leadership team who have the authority and responsibility for planning, directing and controlling the activities of Orocobre, directly or indirectly, during the year ended 30 June 2019. KMPs of the Company for the financial year ended 30 June 2019 are as follows:

Name	Position	
Robert Hubbard	Non-Executive Chairman	Appointed Chairman July 2016 (Director November 2012)
Martín Pérez de Solay	Managing Director & Chief Executive Officer (CEO)	Appointed January 2019
Richard Seville	Managing Director & Chief Executive Officer (CEO) Non-Executive Director	Appointed April 2007 (Resigned January 2019 as Managing Director & Chief Executive Officer and continues as a Non-Executive Director)
John Gibson	Non-Executive Director	Appointed March 2010
Courtney Pratt	Non-Executive Director	Appointed March 2010 (Resigned November 2018)
Fernando Oris de Roa	Non-Executive Director	Appointed June 2010
Federico Nicholson	Non-Executive Director	Appointed September 2010
Leanne Heywood	Non-Executive Director	Appointed September 2016
Masaharu Katayama	Non-Executive Director	Appointed April 2018
Neil Kaplan	Chief Financial Officer (CFO)/ Joint Company Secretary	Employed January 2013
Rick Anthon	Corporate Development Manager (CDM)/ Joint Company Secretary	Employed January 2015
Dr Alex Losada[1]	Chief Operating Officer (COO)	Employed May 2016

[1] Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

B. Role of the Remuneration Committee

In accordance with best practice, the Remuneration Committee is comprised of Non-Executive Directors of which a majority are independent. It is chaired by the Independent Non-Executive Chairman. The membership of the committee is comprised of Mr. Robert Hubbard — Committee Chair, Ms. Leanne Heywood and Mr. Federico Nicholson as detailed in the Directors' Report.

The Remuneration Committee's role and interaction with the Board, internal and external advisors, is determined by its Charter.

The Board reviews, applies judgment and, as appropriate, approves the Remuneration Committee's recommendations.

The Remuneration Committee operates under the delegated authority of the Board. The Remuneration Committee is able to source internal resources and to obtain independent professional advice it considers necessary to enable it to make recommendations to the Board on the following:

- Remuneration policy, strategy, quantum and mix of remuneration for executive KMP
- Remuneration policy and quantum for Non-Executive Directors
- People and talent management, policies and practices
- Superannuation arrangements
- Performance target setting and measurement for executive KMP
- Design and approval of employee and executive short and long-term incentive programs.

For each annual remuneration review cycle, the Remuneration Committee considers whether to appoint a remuneration consultant and, if so, their scope of work. During the year the remuneration consultant Mercer Consulting (Australia) Pty Ltd was re-appointed. Remuneration recommendations and other related remuneration advice were provided by Mercer to the Remuneration Committee, including market benchmarking.

The Board and Mercer are satisfied that the advice received from Mercer is free from undue influence from the KMPs to whom the remuneration recommendations apply. Mercer was paid a total of US$8,992 (AU$12,500) (2018: US$10,800 / AU$13,000) for remuneration related services.

C. Remuneration Framework

Remuneration for the Executive KMPs is determined by reviewing what is paid for similar roles in Argentina, Australia and internationally for a company that has global operations in South America in order to provide a holistic view of Orocobre's market for executive talent. The Company's remuneration philosophy is articulated in Orocobre's Corporate Governance Charter Section D — Remuneration Committee Charter which provides that the Remuneration Committee will in accordance with clause D4 (a) of this Charter, ensure that the remuneration policies:

1. Motivate Directors and Management to pursue the long- term growth and success of the Group within an appropriate control framework; and
2. Demonstrate a clear relationship between key executive performance and remuneration.

Under clause D3 (b) paragraph (1) and (3) the Charter also states that:

1. Management should be remunerated at an appropriate balance of fixed remuneration and performance-based remuneration; and
2. Any performance-based remuneration should be clearly linked to specific performance targets which are aligned to the Group's short and long-term performance objectives.

The Remuneration Committee has once again undertaken a detailed evaluation of its remuneration practices to ensure it remains contemporary and meets the objectives set out above. Orocobre endeavours to adopt a fair and equitable approach to all remuneration decisions, mindful of the complexities of retaining and motivating an experienced team operating across diverse geographies, different time zones and in a complex operating environment.

In implementing this philosophy, Orocobre needs to consider many variables, including:

1. The remuneration paid by the Group's peers (by reference to industry, market capitalisation and relevant geographic location);
2. The Group's performance over the relevant period;
3. How to link remuneration to successful implementation of the Group's strategy, including the annual targets which need to be achieved to implement that strategy;
4. Internal relativities and differentiation of pay based on performance;
5. The demands placed on certain executives to work considerable periods of time overseas and outside normal working hours;
6. The size, scale, location and complexity of the operations of the Group; and
7. Market developments and changes in remuneration practices.

Non-Executive Directors

The maximum aggregate remuneration of Non-Executive Directors is determined by the shareholders at a general meeting. The current aggregate fee pool is AU$850,000 (US$607,704) (2018: AU$850,000 (US$659,120) which was established and approved at the 2017 AGM.

Non-Executive Directors receive reimbursement for any costs incurred directly related to Orocobre business on an approved basis.

The Non-Executive Directors are not entitled to any equity based remuneration or termination benefits and do not participate in the PROP in accordance with ASX Corporate Governance guidelines.

Remuneration Report (Audited)

Annualised fees (including Superannuation) for the relevant periods were as follows:

	30 June 2019[1]		30 June 2018[1]	
	US$	**AU$**	US$	AU$
Position – Non-Executive Directors	-	-	-	-
Chairman	**134,052**	**187,500**	145,394	187,500
Other Non-Executive Directors	**71,495**	**100,000**	77,543	100,000

[1] Average exchange rates as at date of payment used for the conversion from AU$ to US$ are as follows:
July 2018 – June 2019 – 1 US$: 1.3987 AU$
July 2017 – June 2018 – 1 US$: 1.2896 AU$

Managing Director

During the year the Company undertook a global search to replace the retiring Managing Director/CEO. The process was conducted by Egon Zehnder with CEO selection criteria reflecting the growth agenda of Orocobre and future size and scope of activities post expansion projects with experience as a CEO in operational improvement, capital projects, engineering and to be based in Argentina. Candidates were considered from across the globe and as such the compensation package on offer reflected global expectations. Ultimately, Martín Pérez de Solay was selected and offered the role based in Buenos Aries, Argentina. The market for quality Argentine based CEO's is significantly different to Australia and remuneration packages focus on cash due to the immature Argentine equity markets. As such the remuneration package offered to the new Managing Director/CEO responds to local Argentina market conditions and the Orocobre growth agenda.

Other Executive KMPs

Orocobre intends to provide an appropriate mix of remuneration components balanced between fixed and 'at risk' components. During the financial year, the Remuneration Committee commenced a review of the balance of short term incentives (STIs) and long-term incentives (LTIs) to appropriately motivate its Executive KMPs and align their interests with key short term goals set by the incoming Managing Director/CEO. This review concluded that with current strategic priorities and competition for skills by peer companies the STI component of remuneration should be increased from 10% to 20% for FY19 and then 30% for FY20. Successful completion of the growth projects and improving the operating performance of Stage 1 in the next 2 to 3 years are important drivers of future value and hence the need to increase the STI %. Overall the Non-Executive Directors believe shareholders would benefit from greater alignment between Executive KMP reward and short term organisational goals during a period of significant company growth and expansion.

The planned remuneration and composition can be illustrated as follows:

	Fixed Remuneration[2]		STI		LTI	
Name/Position	**2019**	2018	**2019**	2018[3]	**2019**	2018
Martín Pérez de Solay (CEO) (Appointed Jan 2019)[4]	**50%**	0%	**18%**	0%	**32%**	0%
Richard Seville (CEO) (Resigned Jan 2019)[5]	**41%**	41%	**11%**	11%	**48%**	48%
Other Executives						
Neil Kaplan (CFO)	**45%**	47%	**9%**	5%	**46%**	48%
Rick Anthon (CDM)	**45%**	47%	**9%**	5%	**46%**	48%
Dr Alex Losada[1] (COO)	**45%**	47%	**9%**	5%	**46%**	48%

	Fixed Remuneration[2]		STI		LTI	
	2019	2018	**2019**	2018[3]	**2019**	2018
Name/Position	**US$**	US$	**US$**	US$	**US$**	US$
Martín Pérez de Solay (CEO) (Appointed Jan 2019)[4]	**700,000**	-	**250,000**	-	**450,000**	-
Richard Seville (CEO) (Resigned Jan 2019)[5]	**496,887**	521,480	**124,222**	134,732	**596,264**	604,839
Other Executives						
Neil Kaplan (CFO)	**317,096**	322,106	**65,775**	33,115	**328,875**	331,149
Rick Anthon (CDM)	**278,203**	284,332	**56,481**	29,719	**282,403**	297,185
Dr Alex Losada[1] (COO)	**301,403**	308,846	**60,281**	32,690	**301,403**	326,904

Average exchange rates used for the conversion from AU$ to US$ are as follows:
July 2018 – June 2019 – 1 US$: 1.3987 AU$
July 2017 – June 2018 – 1 US$: 1.2896 AU$

[1] Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

[2] Salary increases effective 1 January 2019 For FY19 Executive KMP's were paid 50% of 2018 and 50% of 2019 from the above fixed remuneration.

[3] Excluding discretionary additional bonus described within STI's section C.

[4] Martín's LTI for FY19 is subject to the approval of the shareholders at the AGM.

[5] Richard having resigned did not receive any LTI in 2019.

Fixed remuneration (summary of contracts)

The Remuneration Committee approved increases to fixed remuneration during the year, as shown below, to reflect the growing complexity and size of Orocobre's activities. These increases were based on external benchmarking by Mercer of listed companies of similar market capitalisation, complexity and stage of development to Orocobre. In considering the extent of the increases the Committee has placed most attention on the future complexity of Orocobre, its development objectives and the demands placed upon the executive team. The Committee appreciates that whilst market capitalisation is one factor, lithium price expectations are a major driver of this, and this is outside of management's control. Consequently, share price has been a secondary factor in deriving fixed remuneration.

Remuneration Report (Audited)

Name/Position	% Increase in AU$[1]	Fixed Remuneration FY19 US$[2]	FY19 AU$	FY18 US$[2]	FY18 AU$
Martín Pérez de Solay (CEO) (Appointed Jan 2019)	**0%**	**700,000**	**979,096**	-	-
Richard Seville (CEO) (Resigned Jan 2019)	**0%**	**496,887**	**695,000**	538,927	695,000
Neil Kaplan (CFO)	**8%**	**328,875**	**460,000**	331,149	427,050
Rick Anthon (CDM)	**3%**	**282,403**	**395,000**	297,185	383,250
Alex Losada[3] (COO)	**0%**	**301,403**	**421,575**	326,904	421,575

[1] Salary increases were effective from 1 January 2019.

[2] Average exchange rates for the conversion from AU$ to US$ are as follows:
July 2018 – June 2019 – 1 US$: 1.3987 AU$
July 2017 – June 2018 – 1 US$: 1.2896 AU$

[3] Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

Short term incentives

For all Executive KMPs the maximum pool available for STI in FY19 was US$340,755 or a maximum of 35% pro rata (CEO) and 20% (KMP) of fixed remuneration. The STI has been increased to 20% in FY19 and 30% in FY20 to more substantively reflect the strategic corporate objectives of Orocobre and the transformational projects that are underway within the business. The complexity of the business is increasing significantly and this will bring additional challenges and responsibilities for KMPs which initially will be reflected in the increased STI. The advantage to the company is that management are incentivised to deliver key growth projects, but these increases are not locked into fixed remuneration. The Remuneration Committee is of the view that when these projects are successfully delivered and the value is reflected in the business, then fixed remuneration will be reassessed.

Individual goals are also included in the assessment of the STI and include items such as successful implementation of the Olaroz Stage 2 Expansion, delivery of the Naraha Lithium Hydroxide Plant, specific sales and marketing improvements and business growth initiatives, efficient management of related party shareholder interests and stakeholder relationships. Individual executive goals are defined and measurable. The award of STIs based on achievement of these individual goals is also viewed in the context of the overall operating and financial performance of Orocobre. Performance against the annual business plan and budget have been considered in the areas of annual production, quality, unit cost and sustainability goals in relation to safety, environment and social performance.

Whilst in 2019 the production and cost goals were not achieved, partly due to the adverse weather conditions suffered in early 2019, the business continued to improve systems, operational expertise and process understanding. Each KMP has individual KPIs relevant to their area of responsibility and some that are common such as overall operational and financial performance. A key management focus included the sustainability goal which was largely reached as the company continued to build a strong culture. The Company's reporting on sustainability issues has been recognised as "Leading" by the Australian Council of Superannuation Investors when compared across the ASX200.

Significant progress was also made on the expansion projects including the Stage 2 Expansion, Naraha Lithium Hydroxide Plant and associated financing which will lay the foundation for ongoing near and medium-term production and revenue growth.

Position	FY	STI Opportunity US$[1,2]	STI Opportunity % of FR	STI Accrued /Paid US$[1,2,3]	% Achieved	% Forfeited
Martín Pérez de Solay (CEO) (Appointed Jan 2019)[6]	**2019**	**158,219**	**36%**	**-**	**0%**	**0%**
	2018	-	0%	-	0%	0%
Richard Seville (CEO) (Resigned Jan 2019)[4]	**2019**	**124,222**	**25%**	**34,717**	**28%**	**72%**
	2018	134,732	25%	36,913	27%	73%
Neil Kaplan (CFO)	**2019**	**65,775**	**20%**	**56,620**	**80%**	**20%**
	2018	33,115	10%	15,121	46%	54%
Rick Anthon (CDM)	**2019**	**56,481**	**20%**	**45,185**	**80%**	**20%**
	2018	29,719	10%	13,570	46%	54%
Dr Alex Losada[5] (COO)	**2019**	**60,281**	**20%**	**24,112**	**40%**	**60%**
	2018	32,690	10%	14,927	46%	54%

1 Average exchange rates for the conversion from AU$ to US$ are as follows:
July 2018 – June 2019 – 1 US$: 1.3987 AU$
July 2017 – June 2018 – 1 US$: 1.2896 AU$

2 Based on salary including Superannuation contributions.

3 Excludes discretionary bonus described below.

4 STI paid reflects pro-rata for services performed from 1 July 2018 to 17 January 2019.

5 Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company. His FY19 STI was agreed as part of his leaving the Company. No STI will be paid in relation to FY20.

6 The CEO, Martín Pérez de Solay's STI will be assessed on the first anniversary of his employment in November 2019.

Discretionary additional bonus

The Executive KMPs mentioned below were not allocated a one-off discretionary bonus in FY19. In FY18 a one-off bonus was awarded for the strategic placement to TTC. These amounts have been included in the STI disclosure in Section G.

Name/Position	FY19 US$[1]	FY19 AU$	FY18 US$[1]	FY18 AU$
Richard Seville (CEO) (Resigned Jan 2019)	-	-	86,310	109,500
Neil Kaplan (CFO)	-	-	51,785	65,700
Rick Anthon (CDM)	-	-	103,570	131,400

1 Average exchange rate as at date of payment used of the conversion from AU$ to US$ was US$1: AU$1.2687 as at February 2018.

Long term incentives

For FY19, the Company provided the LTI to Executive KMPs, other than the MD/CEO whose LTI are detailed below and need to be approved at a General Meeting, through the Performance Rights and Option Plan (PROP). This plan was approved by shareholders at the 2018 Annual General Meeting. There are no options outstanding at 30 June 2019.

For the newly appointed MD/CEO an LTI up to the value US$450,000 representing 64% of TFR, to be tested at the commencement date. Performance testing and vesting are to be in accordance with the Orocobre PROP. For the year ending 30 June 2019 the number of Performance Rights (PR) is 87,524.

Remuneration Report (Audited)

The LTI is subject to the terms and conditions of the approved Orocobre PROP.

The MD/CEO was offered Commencement and Retention Rights partly in recognition of incentives foregone.

Tranche 1 — US$250,000 of PR vesting and based on the share price on the first anniversary of employment with Orocobre. Tranche 2 — US$250,000 performance rights vesting and based on the share price on the second anniversary of employment with Orocobre.

In the first two years of employment unvested Commencement and Retention Rights will vest in full in the event of a change of control, or in the event if redundancy, loss of employment due to death and disability, or termination by Orocobre other than for cause.

All of the PRs are subject to shareholder's approval at the next AGM in November 2019.

The objective of the grant of PR is to provide an incentive to Executive KMPs which promotes both the long-term performance and growth of the Group and encourages the retention of the Company's executives and the attraction of new executives to the Company.

The remuneration table in Section H provide details of LTI grants to executive KMPs. The tables also detail the vesting periods and lapsing of Performance Rights.

The following table summarises the key features of the Performance Rights issued to the executive KMPs for the year ended 30 June 2019.

Performance Rights	
Description	It is a contemporary risk equity long term incentive plan which allows the Company to provide Performance Rights to eligible and invited employees, subject to the terms of the plan. PR are supported by the Orocobre Employee Share Scheme Trust which has been established to facilitate and manage the issue or acquisition of shares on the settlement of vested Rights, if any.
Grant date	The Rights were granted on 11 June 2019 for the 2019 Financial Year.
Performance period/ Exercise price	There is a 3-year vesting period which commenced on 31 August 2018. The vesting date for the performance rights is the later of 31 August 2021 or date of release of the Group's financial results for the 2021 financial year. Vesting of the 2019 Performance Rights are subject to the matrix of outcomes. The shares acquired on vesting of Performance Rights, if any, will be at no cost to the KMPs as long as they meet the conditions. Whether the Company settles Rights from a new issue or by on-market purchase will usually be determined by the Board, at the time of vesting and exercise.
Retesting	Performance conditions will be tested at the vesting date and if the performance conditions have not been met, the Rights will lapse.
Forfeited	Unless the Board otherwise determines, the Rights will lapse on the earlier of: The cessation of the employment of the participant. The vesting conditions are not achieved or are incapable of being achieved by the participant. The Board determines that the vesting conditions have not been met prior to the expiry date. The expiry date (last exercise date).
Dividends	Performance Rights are not entitled to dividends or other distributions. Shares acquired on vesting and exercise of Performance Rights will be ordinary securities and entitled to dividends, if any. No dividends apply before vesting and exercise.
Restrictions	Participants cannot secure, mortgage or create a lien in respect of their interests in PROP. All executive KMPs have been advised that under section 206J of the Corporations Act it is an offence for them to hedge unvested grants made under the PROP.
Change of control	In the event of a takeover or change of control, any unvested Performance Rights will vest immediately.
Dilution	The issue of shares under the PROP can have a small dilutionary impact. Currently, the number of Performance Rights or Options granted under this Plan must not exceed, when aggregated with any shares issued during the previous 5 years pursuant to any other employee share scheme operated by the Company, a maximum of 5% of the total issued capital of the Group at the time of the grant, excluding unregulated offers. Offers made, that rely on Class Order 14/1000 (effective from October 2014) will not exceed 5% of shares on issue as a result of any offers made during the previous 3 year period.

The performance conditions applicable to each grant are summarised as follows:

TSR Hurdle: Absolute (50% of LTI Grant)		FY19 results	TSR Hurdle: Relative (50% of LTI Grant)		FY19 results
TSR performance over the Measurement Period and subject to meeting the following compound annual rate thresholds:			TSR performance over the Measurement Period relative to the constituent companies of the ASX300 Resources Index subject to the following thresholds:		
Target return per annum	**% Vesting**	**% Achieved 2016 PR[1]**	**Target percentile**	**% Vesting**	**% Achieved 2016 PR**
Greater than 12.5%	100%	Starting at 1.67	Greater than 75th	100%	Per Independent Third Party calculation, 67th percentile was achieved
Greater than 10.0%	75%	Adding 12.5% Year 1: 1.88	Equal to or greater than 50th	50%	
At least 7.5%	50%	Year 2: 2.12	Less than 50th	0%	
Less than 7.5%	0%	Year 3: 2.38			
Interpolated vesting on a straight line where the return per annum is between 7.5% and 12.5%.		**Achieved: 4.25 or 100%**	**Interpolated vesting on a straight line between the 50th and 75th percentile.**		**Achieved: 84.6%**

[1] The starting position for the Absolute TSR Hurdle is the VWAP of the shares for the 5 day period immediately following the release of the Annual Report:
FY17 — 3.7500
FY18 — 3.944

Long term equity incentive grants to selected key executives, including executive KMPs, are considered on an annual basis. They are subject to a three-year performance period. The value granted of LTI grants are calculated on a set percentage of fixed remuneration.

	FY	Number of PR granted[1]	Face value[2]	Face value[3]	Fair Value of LTI Granted during the year[4]
Name/Position			**AU$**	**US$**	**US$**
Martín Pérez de Solay[6] (CEO) (Appointed Jan 2019)	**2019**	**-**	**-**	**-**	**-**
	2018	-	-	-	-
Richard Seville (CEO) (Resigned Jan 2019)	**2019**	**-**	**-**	**-**	**-**
	2018	197,769	780,000	604,839	756,996
Neil Kaplan (CFO)	**2019**	**107,477**	**460,000**	**328,875**	**108,241**
	2018	108,278	427,050	331,149	386,317
Rick Anthon (CDM)	**2019**	**92,290**	**395,000**	**282,403**	**92,946**
	2018	97,173	383,250	297,185	346,697
Dr Alex Losada[5] (COO)	**2019**	**98,499**	**421,575**	**301,403**	**99,198**
	2018	106,890	421,575	326,904	381,365

[1] The 2019 number of rights granted is equal to the LTI value divided by the Company's 5 day VWAP of the Company's Shares of AU$4.28 for the 5 day VWAP immediately following the release of the 2018 results.

[2] Face value represents the LTI amount achieved used to calculate the number of PR's granted.

[3] Converted at the same average rate consistent with other tables.

[4] The value at grant date calculated in accordance with AASB 2 Share-based Payment of awards granted during the year as part of remuneration. More information is available in section H.

[5] Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

[6] Martín is entitled to PRs, but the PRs are not granted as they require shareholder's approval at the AGM in November 2019.

Remuneration Report (Audited)

D. Relationship of incentives to Orocobre's Operating & Financial Performance

The fundamental aim of Orocobre is to create value for shareholders by establishing operations that produce high quality products from relatively low capital and low operating cost operations. The Group is equally committed to achieving excellence in sustainability practices ensuring the safety, health and wellbeing of its employees, and responsibly managing the impacts to the communities and the environment within which it operates. Accordingly, remuneration is linked to sustainability performance at all levels of the organisation to reinforce sustainability as a core value.

In terms of Orocobre's performance over the course of FY19, other than the strategic corporate objectives and the annual business plan and budget, the individual goals, as detailed under STI on page 55, are also viewed in the context of the overall operating and financial performance of Orocobre. Performance against the annual business plan and budget has been considered in three broad areas of annual production, unit cost and sustainability goals in relation to safety, environment and social performance.

The table below shows the actual proportion of the total remuneration that is linked to performance and the proportion that is fixed:

	Fixed remuneration		At risk – STI		At risk – LTI		Total	
	2019	2018	**2019**	2018[1]	**2019**	2018	**2019**	2018
Name/Position	**%**	%	**%**	%	**%**	%	**%**	%
CEO/Managing Director								
Martín Pérez de Solay (CEO) (Appointed Jan 2019)	**100%**	0%	**0%**	0%	**0%**	0%	**100%**	0%
Richard Seville (CEO) (Resigned Jan 2019)	**76%**	57%	**8%**	4%	**16%**	39%	**100%**	100%
Other executive KMP								
Neil Kaplan (CFO)	**60%**	65%	**9%**	3%	**31%**	32%	**100%**	100%
Rick Anthon (CDM)	**59%**	62%	**9%**	3%	**32%**	35%	**100%**	100%
Dr Alex Losada[2] (COO)	**63%**	70%	**5%**	3%	**32%**	27%	**100%**	100%

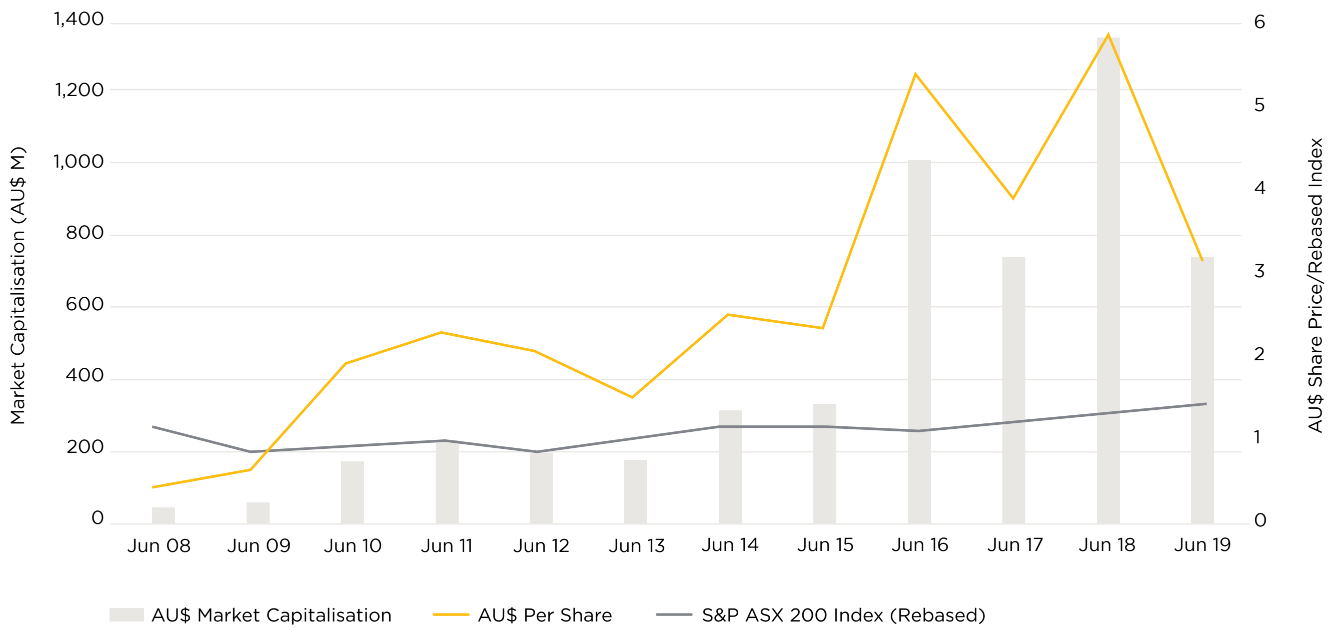
[1] Excluding the discretionary additional bonus described in section C.

[2] Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

The graph below shows the complete historical movement in the share price and market capitalisation against the evolution of the ASX 200 Index.

Year	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018	**30 June 2019**
AU$ per share	$2.26	$2.10	$4.79	$3.47	$5.17	**$2.82**
US$ market capitalisation ('000)	$280.94	$244.85	$746.49	$561.91	$1,348.00	**$516.40**
Basic Earnings / Loss Per Share (EPS) (US cents)*	$(4.03)	$(0.59)	$(11.91)	$9.19	$0.83	**$20.90**
US$ profit/(loss) ('000)	$(5,093)	$(845)	$(21,913)	$19,439	$1,920	**$54,586**
S&P ASX 200	5396	5459	5233	5722	6195	**6619**

Orocobre Historical Share Price, Market Capitalisation and S&P ASX 200 Index (Rebased):



E. Take Home Pay (non-IFRS)

The table below has not been prepared in accordance with accounting standards but has been provided to ensure shareholders are able to clearly understand the remuneration outcomes for Executive KMP. Executive remuneration outcomes, which are prepared in accordance with the accounting standards, are provided in Section G.

The remuneration outcomes identified in the table were paid/payable in relation to FY19, and are linked to the Group performance described in Section D. The actual STI is dependent on Orocobre and individual performance as described in Section C.

The actual vesting of the LTI is dependent on Orocobre's performance and the outcomes are further described in Section H.

	Fixed Remuneration[1]	STI[2]	LTI Vested[3]	Actual FY19 Remuneration outcome
	US$	US$	US$	US$
Martín Pérez de Solay (CEO) (Appointed Jan 2019)	445,269	-	-	445,269
Richard Seville (CEO) (Resigned Jan 2019)	479,946	34,717	1,052,894	1,567,557
Neil Kaplan (CFO)	318,384	52,620	319,665	690,669
Rick Anthon (CDM)	279,438	45,185	524,454	849,077
Dr Alex Losada[4] (COO)	302,820	24,112	-	326,932

[1] Fixed Remuneration comprises base salary and Superannuation contributions.

[2] FY19 STI which will be paid in September 2019 other than Richard Seville whose STI was paid in April 2019.

[3] Represents Rights issued during the 2016 financial year that have vested under the LTI Plan during the 2019 financial year. It also represents the rights issued in the 2017 and 2018 financial year relating to Richard Seville which vested during the 2019 financial year. The value of the Rights has been determined based on the share price at the close of business on the vesting dates of AU$4.22 and AU$3.59.

[4] Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

Remuneration Report (Audited)

F. Service Agreements

Remuneration and other key terms of employment for the CEO and other executive KMPs are formalised in a service agreement. The table below provides a high-level overview of conditions relating to the term of the contract, the notice period to terminate and the termination benefit.

Name/Position	Term of Agreement	Notice Period by either Party	Termination Benefit
Martín Pérez de Solay (CEO) (Appointed January 2019)	Open	9 months	9 months fixed remuneration
Neil Kaplan (CFO)	Open	6 months	6 months fixed remuneration
Rick Anthon (CDM)	Open	6 months	6 months fixed remuneration
Dr Alex Losada[1] (COO)	Open	6 months	6 months fixed remuneration

[1] Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

Terms of agreement and associated benefits were agreed at the time the executive KMP commenced with Orocobre or upon promotion. Termination benefits are voided and no incentives are eligible to vest when termination arises due to breach of agreement, serious misconduct, criminal offence or negligence.

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment which details remuneration arrangements.

G. Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP is as follows:

Name		Short-Term Employee Benefits				Post-Employment Benefits	Long-Term Employee Benefits	Equity Settled Options	
		Directors' Fees/Base Salary	Annual Leave movement	Short Term Incentive[1]	Non-monetary Benefits	Super-annuation	Long service leave	Share-based Payments[2]	Total Remuneration
		US$	US$	US$	US$	US$	US$	US$	US$
Non-Executive Directors									
Richard Seville (Appointed Jan 2019)	**2019**	**14,251**	**-**	**-**	**-**	**-**	**-**	**-**	**14,251**
	2018	-	-	-	-	-	-	-	-
Courtney Pratt (Resigned Nov 2018)	**2019**	**28,896**	**-**	**-**	**-**	**-**	**-**	**-**	**28,896**
	2018	69,053	-	-	-	-	-	-	69,053
John Gibson	**2019**	**70,665**	**-**	**-**	**-**	**-**	**-**	**-**	**70,665**
	2018	69,053	-	-	-	-	-	-	69,053
Fernando Oris de Roa	**2019**	**70,665**	**-**	**-**	**-**	**-**	**-**	**-**	**70,665**
	2018	84,987	-	-	-	-	-	-	84,987
Federico Nicholson	**2019**	**70,665**	**-**	**-**	**-**	**-**	**-**	**-**	**70,665**
	2018	69,053	-	-	-	-	-	-	69,053
Masaharu Katayama (Appointed 12 April 2018)	**2019**	**70,665**	**-**	**-**	**-**	**-**	**-**	**-**	**70,665**
	2018	16,219	-	-	-	-	-	-	16,219
Robert Hubbard	**2019**	**132,496**	**-**	**-**	**-**	**-**	**-**	**-**	**132,496**
	2018	118,241	-	-	-	11,233	-	-	129,474
Leanne Heywood	**2019**	**64,389**	**-**	**-**	**-**	**6,275**	**-**	**-**	**70,664**
	2018	63,062	-	-	-	5,991	-	-	69,053
Total Non-Executive Directors	**2019**	**522,692**	**-**	**-**	**-**	**6,275**	**-**	**-**	**528,967**
	2018	489,668	-	-	-	17,224	-	-	506,892
CEO/Managing Director									
Martín Pérez de Solay (CEO) (Appointed Jan 2019)	**2019**	**445,269**	**35,523**	**-**	**-**	**-**	**7,655**	**-**	**488,447**
	2018	-	-	-	-	-	-	-	-
Richard Seville[4] (CEO) (Resigned Jan 2019)	**2019**	**382,500**	**9,370**	**34,717**	**1,292**	**18,126**	**-**	**65,842**	**511,847**
	2018	501,972	15,154	123,222	1,933	19,518	19,267	379,566	1,060,632
Other Executive KMP									
Neil Kaplan (CFO)	**2019**	**300,331**	**(4,054)**	**52,620**	**2,202**	**18,053**	**9,249**	**172,478**	**550,879**
	2018	302,661	6,973	66,906	2,918	19,471	8,847	161,373	555,203
Rick Anthon (CDM)	**2019**	**261,413**	**7,741**	**45,185**	**1,056**	**18,025**	**6,152**	**157,706**	**497,278**
	2018	264,798	7,312	117,141	2,879	19,504	7,767	171,588	590,989
Dr Alex Losada[3] (COO)	**2019**	**284,770**	**3,181**	**24,112**	**764**	**18,051**	**5,742**	**162,071**	**498,691**
	2018	289,282	4,599	14,927	889	19,487	7,929	123,106	460,219
Total Managing Director & Other Exec. KMP	**2019**	**1,674,283**	**51,761**	**156,634**	**5,314**	**72,255**	**28,798**	**558,097**	**2,547,142**
	2018	1,358,714	20,092	322,196	8,619	77,979	43,810	835,633	2,667,043

‡ The average exchange rates used for the conversion from AU$ to US$ are as follows:
July 2018 – June 2019 – 1 US$: 1.3987 AU$
July 2017 – June 2018 – 1 US$: 1.2896 AU$

1 For the breakdown of the Short Term Incentives, please see Section C for details.

2 The value for Long Term Incentives presented in the table above is calculated in accordance with AASB 2 Share Based Payment and represents instruments granted under the LTI equity plans that have been expensed during the current year. The fair values of LTIs have been calculated by an independent third party.

3 Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

4 Richard's salary excludes US$69,949 of long services leave, paid to Richard upon resignation.

Remuneration Report (Audited)

H. Share-based compensation issues to the Executive KMPs

The table below highlights the movement in Rights for the Executive KMP in 2019.

				Movement during the year				
	Grant Date	Vesting Date	Balance at 1 July 2018	Rights granted[3]	Rights exercised[1]	Rights lapsed	Balance at 30 June 2019	Unvested[4] As at 30 June 2019
Richard Seville (CEO) (Resigned January 2019)	06/11/2015	31/08/2018	244,380	-	(225,563)	(18,817)	-	-
	23/11/2016	31/08/2019	118,721	-	(79,150)	(39,571)	-	-
	24/11/2017	31/08/2020	197,769	-	(65,924)	(131,845)	-	-
	Total Number		**560,870**	**-**	**(370,637)**	**(190,233)**	**-**	**-**
	Total value US$[2,3]		**1,208,730**	**-**	**(218,089)**	**(962,271)**	**-**	**-**
Neil Kaplan (CFO)	06/11/2015	31/08/2018	114,791	-	(105,952)	(8,839)	-	-
	31/03/2017	31/08/2019	56,800	-	-	-	56,800	56,800
	02/03/2018	31/08/2020	108,278	-	-	-	108,278	108,278
	11/06/2019	31/08/2021	-	107,477	-	-	107,477	107,477
	Total Number		**279,869**	**107,477**	**(105,952)**	**(8,839)**	**272,555**	**272,555**
	Total value US$[2,3]		**523,330**	**108,241**	**(92,390)**	**(8,702)**	**508,153**	**508,153**
Rick Anthon (CDM)	06/11/2015	31/08/2018	188,330	-	(173,829)	(14,501)	-	-
	31/03/2017	31/08/2019	50,400	-	-	-	50,400	50,400
	02/03/2018	31/08/2020	97,173	-	-	-	97,173	97,173
	11/06/2019	31/08/2021	-	92,290	-	-	92,290	92,290
	Total Number		**335,903**	**92,290**	**(173,829)**	**(14,501)**	**239,863**	**239,863**
	Total value US$[2,3]		**546,262**	**92,946**	**(151,578)**	**(14,277)**	**451,279**	**451,279**
Dr Alex Losada[5] (COO)	31/03/2017	31/08/2019	54,795	-	-	-	54,795	54,795
	02/03/2018	31/08/2020	106,890	-	-	-	106,890	106,890
	11/06/2019	31/08/2021	-	98,499	-	-	98,499	98,499
	Total Number		**161,685**	**98,499**	**-**	**-**	**260,184**	**260,184**
	Total value US$[2,3]		**413,021**	**99,198**	**-**	**-**	**492,760**	**492,760**

[1] Rights exercised during the current financial year at a nil exercise price.

[2] Total value in US$ is based on grant date fair value, not current market value. The value at grant date reflects the fair value of the Right multiplied by the number of Rights granted during the period converted using the exchange rate at the date of grant.

[3] The fair values of long term incentives have been calculated by an independent third-party valuer.

[4] All Rights become exercisable upon the vesting date. There are no vested and exercisable rights as at 30 June 2019.

[5] Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

The table below summarises the details of the grants and assumptions that were used in determining the fair value of Rights on the grant date. A Monte Carlo Simulation is used to value the Performance Rights.

Input Variable						
Grant Date	31/03/17	31/03/17	2/03/18	2/03/18	11/06/19	11/06/19
Vesting Date	31/08/19	31/08/19	31/08/20	31/08/20	31/08/21	31/08/21
Expiry Date	30/09/19	30/09/19	30/09/20	30/09/20	30/09/21	30/09/21
Exercise Price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Share Price (Date terms agreed)	$2.78	$2.78	$5.88	$5.88	$3.23	$3.23
Expected Life (Days)	1,095	1,095	1,095	1,095	1,095	1,095
Expected Volatility	47%	47%	47%	47%	47%	47%
Expected Dividend Yield	0%	0%	0%	0%	0%	0%
Expected Risk Free Rate	1.82%	1.82%	2.01%	2.01%	1.06%	1.06%
Performance Conditions	Market (TSR Absolute)	Market (TSR Relative)	Market (TSR Absolute)	Market (TSR Relative)	Market (TSR Absolute)	Market (TSR Relative)
Fair Value (Average)	$1.03	$1.42	$4.85	$4.35	$1.78	$1.14

I. Shareholdings of KMP

Minimum shareholding guidelines

The Board has no approved minimum shareholding guidelines for Non-Executive Directors at the date of this Report. However, generally Non-Executive Directors have appropriate shareholdings and the Board will continue to review investor expectations in relation to this matter. The Company does not have a formal policy requiring Executive KMP's to own shares. However, the Directors regularly monitor investor expectations in this regard.

	Opening Balance 1 July 2018	Rights Converted	Acquired/(Sold)	Closing Balance 30 June 2019
Martín Pérez de Solay	-	-	20,000	**20,000**
Richard P. Seville	5,371,972	370,637	-	**5,742,609**
John W. Gibson	37,900	-	-	**37,900**
Fernando Oris de Roa	100,000	-	-	**100,000**
Federico Nicholson	121,500	-	-	**121,500**
Robert Hubbard	70,293	-	5,000	**75,293**
Leanne Heywood	14,050	-	-	**14,050**
Masaharu Katayama	-	-	-	**-**
Neil Kaplan	279,327	105,952	-	**385,279**
Rick Anthon	825,008	173,829	(68,838)	**929,999**
Dr Alex Losada[1]	3,717	-	-	**3,717**
Total	**6,823,767**	**650,418**	**(43,838)**	**7,430,347**

[1] Alex Losada, Chief Operating Officer, has taken leave effective 14 August 2019 (AEST) for the duration of his contractual notice period ending 14 February 2020 (AEST) at which time he will formally leave the Company.

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia GPO
Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Building a better working world

Auditor's Independence Declaration to the Directors of Orocobre Limited

As lead auditor for the audit of the financial report of Orocobre Limited for the financial year ended 30 June 2019, 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 audit; and

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

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

Ernst & Young

Ernst & Young

Andrew Carrick
Partner
23 August 2019

Corporate Governance Statements

The Company's Corporate Governance Statements are summarised below. All of these documents can be downloaded via the Company's website: www.orocobre.com.

Corporate Governance Statement

The Company's Corporate Governance Statement is structured with reference to ASX Limited (ASX) Corporate Governance Council's "Corporate Governance Principles and Recommendations, 4th Edition".

Corporate Code of Conduct

Orocobre's Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, shareholders and the broader community.

Disclosure Policy

Orocobre is listed on the ASX and Toronto Stock Exchange (TSX) and must comply with the Corporations Act, the ASX Listing Rules and the TSX Rule Book and Policies.

Trading Policy

The Orocobre Trading Policy is intended to ensure that Directors and persons who are discharging managerial responsibilities do not abuse, and do not place themselves under suspicion of abusing Inside Information that they may be thought to have, especially in periods leading up to an announcement by the Company.

Communications with Investors

The Company is committed to (subject to commercial and confidentiality constraints) providing transparent, timely and accurate communications with all shareholders and encouraging their participation at general meetings.

Corporate Ethics Policy

To assist Directors in discharging their duty to the Company in compliance with the relevant laws to which they are subject, the Company has adopted a Corporate Ethics Policy.

Diversity Policy

The Policy reflects and codifies the Company's value and respect for the competitive advantage of diversity (which includes but is not limited to gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity), and the benefit of its integration throughout the Company.

Board Performance Evaluation Policy

The Chair in conjunction with the lead independent Director evaluates the performance of the Board by way of ongoing review with reference to the composition of the Board and its suitability to carry out the Company's objectives. The Chair reports back to the Board as to its performance at least annually.

Anti-Bribery & Corruption Policy

Honesty, integrity and fairness are considered integral to the way Orocobre operates. Conduct associated with bribery and corruption is inconsistent with these values. Orocobre is committed to operating in a manner consistent with the laws of the jurisdictions in which its businesses operate, including laws relating to bribery and corruption.

Whistleblower Policy

Orocobre is committed to ensuring that its employees and business partners can raise concerns regarding bribery, corruption or other 'Improper Conduct' without being subjected to victimisation, harassment or discriminatory treatment, and to have such concerns properly investigated.

Sustainable Development Policy

The Sustainable Development Policy records Orocobre's commitment to the achievement of the UN Global Compact's Sustainable Development Goals relevant to the Company's operations and the regular reporting on the Company's programs and progress.

Corporate Governance Statements

Human Rights Policy

Orocobre is a signatory to the UN Global Compact and adheres to the UN Guiding Principles on Business and Human Rights. The policy acknowledges the responsibility to respect human rights and sets out methodologies to achieve positive human rights outcomes.

Environmental Policy

Orocobre is committed to ensuring the ongoing vitality of the local environment and the integrity of the ecosystems in which it operates. Orocobre operates in compliance with local and national environmental legislation and employs robust environmental management practices to ensure minimal impact on the local environment.

Community Policy

Orocobre operates in north-west Argentina and acknowledges the importance of local community involvement and empowerment in the creation of long-term shared value. The Community Policy seeks to reflect the Company's ongoing commitment to the local communities through our activities and interactions.

Orocobre Limited Board Charter

Orocobre's Board Charter sets out the main principles adopted by the Board of Directors of the Company to implement and maintain a culture of good corporate governance both internally and in its dealings with outsiders. The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

Audit & Risk Management Committee Charter

The Audit & Risk Management Committee Charter sets out the role, responsibilities, composition, authority and membership requirements of the Committee.

Remuneration Committee Charter

The Orocobre Remuneration Committee Charter sets out the role, responsibilities, composition, authority and membership requirements of the Remuneration Committee.

Related Party Committee Charter

Orocobre's Related Party Committee Charter defines the purpose, authority and responsibility of the Orocobre Related Party Committee.

Financial Report

for the year ended 30 June 2019

Contents

Consolidated statement of profit or loss

for the year ended 30 June 2019

	Note	2019 US$'000	2018 US$'000
Revenue	1	**81,149**	17,379
Cost of sales		**(43,800)**	(12,665)
Gross profit		**37,349**	4,714
Other income		**75**	389
Corporate & administrative expenses	2a	**(16,815)**	(13,659)
Selling expenses	2b	**(7,962)**	(1,779)
Depreciation & amortisation expense	8,9	**(7,630)**	(1,782)
Gain on business combination	18	**30,741**	-
Impairment of assets	3	**(637)**	(8,046)
Gain on sale of assets	10	**-**	2,435
Share of net gains of joint ventures	11	**24,752**	19,758
Share of net losses of associates	22	**(1,544)**	(1,532)
Foreign currency loss	2c	**(6,078)**	(2,936)
Profit before interest and income tax		**52,251**	(2,438)
Finance income	2d	**11,220**	4,904
Finance costs	2e	**(7,173)**	(546)
Profit before income tax		**56,298**	1,920
Income tax expense	4	**(1,712)**	-
Profit for the year		**54,586**	1,920
Profit for the year attributable to:			
Owners of the parent entity		**54,616**	1,920
Non-controlling interests		**(30)**	-
Profit for the year		**54,586**	1,920
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share (cents per share)	5	**20.90**	0.83
Diluted earnings per share (cents per share)	5	**20.79**	0.83
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company			
Basic earnings per share (cents per share)	5	**20.90**	0.83
Diluted earnings per share (cents per share)	5	**20.79**	0.83

These statements should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

for the year ended 30 June 2019

	Note	2019 US$'000	2018 US$'000
Profit for the period		**54,586**	1,920
Other comprehensive income/(loss)			
(Items that may be reclassified subsequently to profit or loss)			
Translation gains/(losses) on foreign operations — subsidiaries	14b	**1,059**	(5,089)
Translation gains on foreign operations — associates	14b, 22b	**240**	-
Net gains/(losses) on revaluation of derivatives		**(2,223)**	1,732
Movement in reserves from business combination	18	**74,588**	-
Net losses on revaluation of financial assets — associates	22a	**(456)**	-
Other comprehensive profit / (loss) for the year, net of tax		**73,208**	(3,357)
Total comprehensive income / (loss) for the year, net of tax		**127,794**	(1,437)
Total comprehensive income / (loss) attributable to:			
Owners of the parent entity		**128,235**	(1,437)
Non-controlling interests		**(441)**	-
Total comprehensive income / (loss) for the year, net of tax		**127,794**	(1,437)

These statements should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 30 June 2019

	Note	2019 US$'000	2018 US$'000
Current assets			
Cash and cash equivalents	15	**279,798**	316,690
Trade and other receivables	6	**22,510**	52,303
Inventory	7	**45,620**	6,506
Prepayments	6	**14,946**	146
Total current assets		**362,874**	375,645
Non-current assets			
Other receivables	6	**13,194**	34,240
Inventory	7	**34,537**	700
Other financial assets	15	**17,171**	-
Property, plant and equipment	8	**643,730**	73
Intangible assets	9	**920**	-
Exploration, evaluation and development assets	10	**11,833**	7,428
Investment in joint ventures	11	**-**	84,778
Investment in associates	22	**28,779**	19,954
Total non-current assets		**750,164**	147,173
Total assets		**1,113,038**	522,818
Current liabilities			
Trade and other payables	12	**31,506**	7,457
Derivative financial instruments	16	**1,797**	-
Loans and borrowings	15	**76,695**	737
Provisions	13	**923**	630
Total current liabilities		**110,921**	8,824
Non-current liabilities			
Other payables	12	**1,919**	559
Derivative financial instruments	16	**5,658**	-
Loans and borrowings	15	**103,387**	-
Deferred tax liability	4	**129,121**	-
Provisions	13	**27,336**	11,331
Total non-current liabilities		**267,421**	11,890
Total liabilities		**378,342**	20,714
Net assets		**734,696**	502,104
Equity			
Issued capital	14a	**527,716**	527,364
Reserves	14b	**(32,176)**	(106,923)
Retained earnings		**136,279**	81,663
Equity attributable to the owners of Orocobre		**631,819**	502,104
Equity attributable to non-controlling interests		**102,877**	-
Total equity		**734,696**	502,104

These statements should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2019

	Note	Issued capital US$'000	Retained earnings US$'000	Reserves US$'000	Total US$'000	Non-controlling interests US$'000	Total US$'000
Balance as at 1 July 2017		243,184	79,743	(104,907)	218,020	-	218,020
Profit for the year		-	1,920	-	1,920	-	1,920
Other comprehensive loss for the year	14b	-	-	(3,357)	(3,357)	-	(3,357)
Total comprehensive profit/(loss)		-	1,920	(3,357)	(1,437)	-	(1,437)
Shares issued during the year	14a	284,180	-	-	284,180	-	284,180
Share-based payments		-	-	1,341	1,341	-	1,341
Balance as at 30 June 2018		527,364	81,663	(106,923)	502,104	-	502,104
Balance as at 1 July 2018		**527,364**	**81,663**	**(106,923)**	**502,104**	**-**	**502,104**
Business combination	18	**-**	**-**	**-**	**-**	**103,340**	**103,340**
Profit/(loss) for the year		**-**	**54,616**	**-**	**54,616**	**(30)**	**54,586**
Other comprehensive profit/(loss) for the year		**-**	**-**	**73,619**	**73,619**	**(411)**	**73,208**
Total comprehensive profit/(loss)		**-**	**54,616**	**73,619**	**128,235**	**(441)**	**127,794**
Shares issued during the year	14a	**352**	**-**	**-**	**352**	**11**	**363**
Share-based payments	14b	**-**	**-**	**1,082**	**1,082**	**-**	**1,082**
Other movements		**-**	**-**	**46**	**46**	**(33)**	**13**
Balance as at 30 June 2019		**527,716**	**136,279**	**(32,176)**	**631,819**	**102,877**	**734,696**

These statements should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2019

	Note	2019 US$'000	2018 US$'000
Cash flows from operating activities			
Receipts from customers		**82,676**	14,313
Payments to suppliers and employees		**(76,699)**	(28,901)
Interest received		**8,189**	1,304
Interest paid		**(5,678)**	(690)
Net cash generated from/(used in) operating activities	24	**8,488**	(13,974)
Cash flows from investing activities			
Cash inflow from business combination	18	**29,867**	-
Net payments for exploration, evaluation and development expenditure	10	**(5,985)**	(6,499)
Proceeds from sale of assets, net of transaction costs		**1,000**	3,325
Purchase of property, plant and equipment	8	**(35,580)**	(1,609)
Investment in associates	22	**(10,605)**	(10)
Investment in joint ventures	11	**-**	(8,258)
Net cash used in investing activities		**(21,303)**	(13,051)
Cash flows from financing activities			
Release of standby letters of credit on behalf of joint ventures		**-**	9,792
Proceeds from issue of shares	14a	**352**	287,009
Transaction costs on issuance of shares		**-**	(2,829)
Proceeds from borrowings		**9,250**	750
Repayment of borrowings		**(12,199)**	(967)
Loan to joint venture partners		**-**	(1,046)
Loan to joint ventures		**(21,000)**	(484)
Net cash (used in)/provided by financing activities		**(23,597)**	292,225
Net (decrease)/increase in cash and cash equivalents		**(36,412)**	265,200
Cash and cash equivalents, net of overdrafts, at the beginning of the period		**316,681**	51,627
Effect of exchange rates on cash holdings in foreign currencies		**(471)**	(146)
Cash and cash equivalents, net of overdrafts, at the end of the period	15	**279,798**	316,681

These statements should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the year ended 30 June 2019

About this report

Orocobre is a company limited by shares, incorporated in Australia and is a for-profit entity for the purposes of preparing the financial statements. The financial statements are for the consolidated entity consisting of Orocobre (the 'Company' or the 'Parent') and its subsidiaries and together are referred to as the 'Group' or 'Orocobre'.

The registered office and principal place of business is: Level 35, 71 Eagle Street, Brisbane, Queensland 4000, Australia. The financial statements were authorised for issue on 23 August 2019 by the Directors of the Company.

The financial statements are general purpose financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB),
- Have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value,
- Are presented in US Dollars, with all amounts in the financial report being rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 to the nearest thousand dollars, unless otherwise indicated,
- Where necessary, comparative information has been restated to conform with changes in presentation in the current year,
- Adopt all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2018, and
- Equity accounting for joint ventures and associates listed in Notes 11 and 22.

On 1 January 2019, Orocobre gained control of SDJ PTE, following the signing of a new shareholders agreement with TLP a subsidiary of TTC. SDJ PTE is now consolidated by virtue of Orocobre's contractual rights which permit it to exercise control over certain policies and activities of SDJ PTE. As at 30 June 2019, the Group's interest in SDJ PTE is as a subsidiary.
Refer to Note 18 for details on the business combination.

A joint marketing agreement for production from stages 1 and 2 was also signed. The partners will work together to set the strategic direction of customer arrangements and commercial terms. A 1.5% management fee of gross revenue reported by Olaroz will be payable to Orocobre effective from 1 July 2019.

Significant and other accounting policies that summarise the measurement basis used and that are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements and in Note 27.

Significant judgements and estimates

The Group has identified a number of critical accounting policies under which significant judgements, estimates and assumptions are made. Actual results may differ for these estimates under different assumptions and conditions. This may materially affect financial results and the carrying amount of assets and liabilities to be reported in the next and future periods. Additional information relating to these critical accounting policies is embedded within the following notes:

Note	Critical accounting policy
3	Impairment
4	Deferred taxation
7	Inventory
13	Provision for rehabilitation
18	Business combination
19	Share-based payments

Reserve estimates

Reserves are estimates of the amount of product that can be economically and legally extracted, processed and sold from the Group's properties under current and foreseeable economic conditions. The Group determines, and reports ore reserves under the standards incorporated in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (the JORC Code).

The determination of ore reserves includes estimates and assumptions about a range of geological, technical and

About this report (continued)

economic factors, including: quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Changes in ore reserves impact the assessment of recoverability of exploration and evaluation assets, property, plant and equipment, the carrying amount of assets depreciated on a units of production basis, provision for site restoration and the recognition of deferred tax assets, including tax losses.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore or brine bodies to be determined by analysing geological data. This process requires complex and difficult geological judgements to interpret the data. Additional information on the Group's reserves and resources can be viewed on page 122. This information is unaudited and does not form part of these Financial Statements.

Reserve impact on financial reporting

Estimates of reserves may change from period to period as the economic assumptions used to estimate reserves change and additional geological data is generated during the course of operations. Changes in reserves may affect the Group's financial results and financial position in a number of ways, including:

- asset carrying values may be affected due to changes in estimated future production levels,
- depreciation, depletion and amortisation charged in the statement of profit or loss may change where such charges are determined on the units of production basis, or where the useful economic lives of assets change,
- decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities,
- the carrying amount of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

Foreign currency translation

The functional currency of the entities within the Group is US$, with exception of Borax Argentina S.A. (ARS), Advantage Lithium Corp. (Canadian Dollars (C$)) and Toyotsu Lithium Corporation (YEN). 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:

	30 June 2019	30 June 2018	Movement (%)
Spot Rates			
ARS -> US$ 1	**42.4630**	28.8500	(47.19%)
C$ -> US$ 1	**1.3100**	1.3220	0.91%
YEN -> US$ 1	**107.7142**	-	-
Average Rates			
ARS -> US$ 1	**38.0037**	19.4817	(95.07%)
C$ -> US$ 1	**1.3100**	1.2694	(3.20%)
YEN -> US$ 1	**108.0724**	-	-

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

Notes to the consolidated financial statements

for the year ended 30 June 2019

Note 1: Segment reporting and revenue

The Group operates primarily in Argentina. The Group's primary focus is on operation of the lithium business 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 segments:

For the year ended 30 June 2019

	Corporate	**Borax**	**Olaroz** [i]	**Total Underlying**	**Elimination & equity accounting add back** [i]	**Total Group**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Revenue	**-**	**19,945**	**124,684**	**144,629**	**(63,480)**	**81,149**
EBITDAIX [1]	**(6,999)**	**231**	**60,880**	**54,112**	**(36,478)**	**17,634**
Less depreciation & amortisation	**(85)**	**(117)**	**(11,770)**	**(11,972)**	**4,342**	**(7,630)**
EBITIX [2]	**(7,084)**	**114**	**49,110**	**42,140**	**(32,136)**	**10,004**
Less interest income/(costs)	**11,448**	**111**	**(18,390)**	**(6,831)**	**10,878**	**4,047**
EBTIX [3]	**4,364**	**225**	**30,720**	**35,309**	**(21,258)**	**14,051**
Less impairment	**(157)**	**(480)**	**-**	**(637)**	**-**	**(637)**
Foreign currency losses	**(851)**	**(3,043)**	**(9,012)**	**(12,906)**	**6,828**	**(6,078)**
Add share of loss of associates, net of tax	**(1,544)**	**-**	**-**	**(1,544)**	**-**	**(1,544)**
Add share of profit of joint ventures, net of tax	**-**	**-**	**-**	**-**	**24,752**	**24,752**
Segment profit for the year before tax	**1,812**	**(3,298)**	**21,708**	**20,222**	**10,322**	**30,544**
Income tax expense	**-**	**-**	**19,455**	**19,455**	**(21,167)**	**(1,712)**
Total profit for the year pre business combination	**1,812**	**(3,298)**	**41,163**	**39,677**	**(10,845)**	**28,832**
Gain on business combination	**30,741**	**-**	**-**	**30,741**	**-**	**30,741**
Other business combination costs	**-**	**-**	**(4,987)**	**(4,987)**	**-**	**(4,987)**
Total profit for the year	**32,553**	**(3,298)**	**36,176**	**65,431**	**(10,845)**	**54,586**

[i] The Olaroz Project represents the results of the SDJ at 100% as this reflects how the COD reviews the results. As it was equity accounted for the period 1 July 2018 – 31 December 2018, this period is eliminated from the Group results.

[1] 'EBITDAIX' is 'Segment earnings before interest, tax, depreciation and amortisation, impairment, foreign currency gains/(losses), share of associate losses, share of profit of joint ventures, gain and other costs on business combination'.

[2] 'EBITIX' is 'Segment earnings before interest, tax, impairment, foreign currency gains/(losses), share of associate losses, share of profit of joint ventures, gain and other costs on business combination'.

[3] 'EBTIX' is 'Segment earnings before tax, impairment, foreign currency gains/(losses), share of associate losses, share of profit of joint ventures, gain and other costs on business combination'.

For the year ended 30 June 2018

	Corporate	Borax	Olaroz	Total underlying	Elimination & equity accounting add back	Total Group
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue	-	17,379	148,896	166,275	(148,896)	17,379
EBITDAIX [1]	(7,944)	44	94,580	86,680	(94,580)	(7,900)
Less depreciation & amortisation	(33)	(1,749)	(8,772)	(10,554)	8,772	(1,782)
EBITIX [2]	(7,977)	(1,705)	85,808	76,126	(85,808)	(9,682)
Less interest	5,032	(674)	(12,984)	(8,626)	12,984	4,358
EBTIX [3]	(2,945)	(2,379)	72,824	67,500	(72,824)	(5,324)
Less impairment	-	(8,046)	-	(8,046)	-	(8,046)
Add foreign currency gains/(losses)	(1,680)	(1,256)	(10,057)	(12,993)	10,057	(2,936)
Add share of loss of associates, net of tax	(1,532)	-	-	(1,532)	-	(1,532)
Add share of profit of joint ventures, net of tax	-	-	-	-	19,758	19,758
Segment profit for the year before tax	(6,157)	(11,681)	62,767	44,929	(43,009)	1,920
Income tax	-		(31,935)	(31,935)	31,935	-
Total profit for the year	(6,157)	(11,681)	30,832	12,994	(11,074)	1,920

Note 1: Segment reporting and revenue (continued)

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

For the year ended 30 June 2019

	Note	Corporate US$'000	Borax US$'000	Olaroz i) US$'000	Elimination & Elimination of Olaroz US$'000	Total Group US$'000
Assets						
Segment assets		424,618	18,481	802,983	(133,044)	1,113,038
Liabilities						
Segment liabilities		(10,288)	(15,876)	(485,222)	133,044	(378,342)
Other disclosures						
Investment in associates	22	28,779	-	-	-	28,779
Capital and development expenditure	8,9,10	7,294	1,166	34,419	-	42,879

i) The Olaroz Project represents the asset and liabilities of the company at 100% as this reflects how the COD reviews them. From 1 January 2019, the Olaroz Project has been consolidated.

For the year ended 30 June 2018

	Note	Corporate US$'000	Borax US$'000	Olaroz ii) US$'000	Elimination of Olaroz US$'000	Elimination US$'000	Total Group US$'000
Assets							
Segment assets		507,926	16,482	489,971	(489,971)	(1,590)	522,818
Liabilities							
Segment liabilities		(4,820)	(17,484)	(348,978)	348,978	1,590	(20,714)
Other disclosures							
Investment in joint ventures	11	84,778	-	-	-	-	84,778
Investment in associates	22	19,954	-	-	-	-	19,954
Capital and development expenditure	8,9,10	6,525	1,583	-	-	-	8,108

Segment accounting policies are consistent with those adopted in the annual financial statements of the Group.

Revenue accounting policy

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 adoption of AASB 15 did not result in any material change to the timing of revenue recognition, or the measurement of revenue. Accordingly, the comparative in formation has not been restated, and has no adjustment to the opening balance of retained earnings was recorded upon initial application.

Revenue is measured at the fair value of the consideration received or receivable, including returns and allowances, trade discounts and volume rebates. 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 the performance obligations have been completed.

The Group's customers are non-government customers with short term contracts. The Group does not have contract assets or contract liabilities arising from contracts with customers, other than trade receivables (see Note 6). The Group does not have long term contracts to provide products to customers in future periods. Revenue is recognised on a as invoiced basis, therefore no price allocation is require.

In FY19 a customer with a credit rating of A contributes 76% of the Group's total revenue (2018: nil).

Note 1: Segment reporting and revenue (continued)

Disaggregation of the Group's revenue from contracts with customers

		Olaroz* 2019 US$'000	**Borax 2019 US$'000**	**Total 2019 US$'000**
Type of Goods	**Timing of Recognition**			
Lithium Carbonate	A Point in Time	**61,204**	**-**	**61,204**
Borax	A Point in Time	**-**	**8,994**	**8,994**
Borax Acid	A Point in Time	**-**	**5,596**	**5,596**
Hydroboracite	A Point in Time	**-**	**3,834**	**3,834**
Other	A Point in Time	**-**	**1,521**	**1,521**
Total Revenue from contracts with customers		**61,204**	**19,945**	**81,149**
Geographical Markets				
Asia		**40,826**	**2,113**	**42,939**
Europe		**17,393**	**179**	**17,572**
South America		**-**	**16,735**	**16,735**
North America		**2,985**	**-**	**2,985**
Other		**-**	**918**	**918**
Total Revenue from contracts with customers		**61,204**	**19,945**	**81,149**

	Olaroz* 2018 US$'000	Borax 2018 US$'000	Total 2018 US$'000
Type of Goods			
Borax	-	8,810	8,810
Borax Acid	-	4,372	4,372
Hydroboracite	-	2,973	2,973
Other	-	1,224	1,224
Total Revenue	-	17,379	17,379
Geographical Markets			
Asia	-	1,791	1,791
South America	-	14,665	14,665
Other	-	923	923
Total Revenue	-	17,379	17,379

* For the year end 30 June 2019, the revenue recognised by the Group relating to the Olaroz segment is for the period 1 January 2019 – 30 June 2019. This is the period for which the entity was consolidated in the Group's results. For the periods 1 July 2017 – 30 June 2018 and 1 July 2018 – 31 December 2018, Olaroz was equity accounted for and therefore no revenue from contracts with customers was recognised by the Group.

Notes to the consolidated financial statements
for the year ended 30 June 2019

Note 2: Expenses, finance income and finance costs

	Note	2019 US$'000	2018 US$'000
2a) Corporate & administrative expenses			
Employee benefit expenses		**(7,299)**	(6,605)
Legal and consulting fees		**(1,763)**	(2,236)
Share-based payments		**(950)**	(1,239)
Travel		**(1,810)**	(1,026)
Insurance		**(839)**	(310)
Office & communication costs		**(1,612)**	(700)
Listing & investor relations costs		**(563)**	(849)
Bank fees		**(679)**	(445)
Environmental monitoring & studies		**(308)**	-
Other costs		**(992)**	(249)
Total corporate and administrative expenses		**(16,815)**	(13,659)
2b) Selling costs			
Export duties		**(5,597)**	-
Mining royalty		**(665)**	(210)
Other selling costs		**(1,700)**	(1,569)
Total selling costs		**(7,962)**	(1,779)
2c) Foreign currency loss			
Total foreign currency loss		**(6,078)**	(2,936)

Foreign currency amounts relate to AU$ denominated balances in the corporate entities and US$/ARS balances in Borax and SDJ (for the 6 months ending 30 June 2019).

	Note	2019 US$'000	2018 US$'000
2d) Finance income			
Interest income on loans receivable from joint venture [i]	26a	**2,590**	793
Interest income from short term deposits		**7,707**	3,081
Changes in value of financial assets and liabilities		**923**	1,030
Total finance income		**11,220**	4,904

[i] Interest income on loans receivable is non-cash and will be recovered on repayment of the loans. This amount relates to interest from the SDJ JV in the period 1 July 2018 – 31 December 2018 when the entity was equity accounted for and interest was not eliminated on consolidation.

	Note	2019 US$'000	2018 US$'000
2e) Finance costs			
Interest expense on external loans and borrowings and other finance costs amortised		**(4,776)**	(447)
Interest expense on loans and borrowings from related parties [i]		**(523)**	-
Other finance costs related to related party loans		**(936)**	-
Change in fair value of financial assets and liabilities		**(776)**	-
Unwinding of the rehabilitation provision	13	**(162)**	(99)
Total finance costs		**(7,173)**	(546)

[i] The interest expense to the related party is non-cash and will be paid repayment of the loans (Note 26). US$672,000 of the interest charged has been capitalised to PPE (Note 8).

Recognition and measurement

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income or expense is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

Note 3: Impairment of assets

	Note	2019 US$'000	2018 US$'000
Impairment of assets during the year:			
Specific doubtful debts provision		**(48)**	(1,889)
Inventory write downs and reduction to net realisable value [i)]		**(188)**	-
Impairment of exploration and evaluation [ii)]	10	**(401)**	-
Impairment of property, plant and equipment [iii)]	8	**-**	(6,157)
Total		**(637)**	(8,046)

i) Inventory was reviewed in 2019 with certain products identified as slow moving and therefore impaired.

ii) A review of exploration and evaluation was completed in 2019, which lead to the impairment of a minor area of interest as the expenditure was unlikely to be recovered.

iii) During the prior financial year, the Group recognised an impairment loss of Borax's property, plant, and equipment as a result of its annual impairment testing. This impairment was recognised due to lower boron prices, reduction in production levels and other market factors. No impairment was deemed necessary in 2019.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGUs fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets in which case the asset is allocated to its appropriate CGU.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In assessing impairment, Orocobre have applied value in use models. The estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Significant judgements and estimates

The Group considers annually whether there have been any indicators of impairment and then tests whether non-current assets, including investments in associates, joint ventures and property, plant and equipment, have suffered any impairment. If there are any indicators of impairment, the recoverable amounts of cash-generating units have been determined based on value in use calculations or fair value less cost of disposal. These calculations require the use of assumptions and estimates.

Notes to the consolidated financial statements

for the year ended 30 June 2019

Note 4: Income tax

	2019 US$'000	2018 US$'000
a) Income tax expense		
Current income tax	**-**	-
Deferred income tax expense	**(1,712)**	-
Total income tax expense	**(1,712)**	-
Deferred income tax expense included in income tax expense comprises:		
Decrease in deferred tax assets	**(156)**	-
Increase in deferred tax liabilities	**(1,556)**	-
	(1,712)	-
b) Deferred tax assets		
Carry forward tax losses	**11,902**	-
Financial liabilities	**8,074**	-
Accounts payable	**160**	-
Other non-financial liabilities	**1,362**	-
Total deferred tax assets	**21,498**	-
Set-off of deferred tax liabilities pursuant to set-off provisions	**(21,498)**	-
Net deferred tax assets	**-**	-
c) Deferred tax liabilities		
Property, plant and equipment	**(143,352)**	-
Inventories	**(7,007)**	-
Other financial assets	**(260)**	-
Total deferred tax liabilities	**(150,619)**	-
Set-off of deferred tax liabilities pursuant to set-off provisions	**21,498**	-
Net deferred tax liabilities	**(129,121)**	-
d) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	**56,298**	1,920
Tax expense at Australian tax rate of 30% (2018: 30%)	**(16,889)**	(576)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	**(285)**	(403)
Gain on sale of assets	**-**	154
Share of loss of associates	**(417)**	(460)
Share of profit of joint ventures	**7,379**	5,130
Gain related to business combination	**9,583**	-
Other	**(1,243)**	447
Tax losses recognised and used during the year	**365**	-
Tax losses and temporary differences for the year not recognised	**-**	(4,283)
Differences in tax rates (foreign subsidiaries)	**1,109**	462
Foreign exchange	**(1,314)**	(471)
Income tax expense	**(1,712)**	-
e) Tax benefit relating to items of other comprehensive income		
Interest swap hedge	**210**	-

Note 4: Income tax (continued)

The Group is in a tax loss position and therefore income tax expense was not recognised during the period. Expenses incurred during the year relate to the derecognition of the Deferred Tax Asset (DTA) following from the Borax impairment. The Group has tax losses which arose in Australia of US$33,000,000 (2018: US$33,000,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group has tax losses which arose in Argentina of US$47,609,573 (ARS 2,021,645,292) (2018: US$3,560,126 / ARS 102,709,641) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has ARS 2,877,184,584 (US$67,757,450) of unrecognised tax losses.

Recognition and measurement

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax assets and liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible/taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Note 5: Earnings per share

Basic earnings per share (EPS) amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	2019	2018
	US$'000	US$'000
Profit attributable to ordinary equity holders of the parent:		
Profit for the financial year	**54,586**	1,920
Exclude non-controlling interests	**30**	-
Net profit used in the calculation of basic and dilutive EPS	**54,616**	1,920

	2019	2018
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	**261,355,053**	232,323,176
Weighted average number of options and performance rights outstanding	**1,393,589**	1,728,580
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	**262,748,642**	234,051,756

Note 6: Trade and other receivables and prepayments

	2019	2018
	US$'000	US$'000
Current trade and other receivables		
Trade receivables [iii]	**5,438**	5,481
Provision for expected credit loss	**(492)**	(1,653)
Net trade receivables	**4,946**	3,828
Deferred consideration receivable [i]	**914**	968
Receivable from joint ventures	**-**	44,724
Interest receivable	**1,294**	1,776
Other receivables	**989**	573
VAT tax credits & other tax receivable [ii]	**14,367**	434
Total current trade and other receivables	**22,510**	52,303
Current prepayments		
Prepayments to suppliers	**12,281**	146
Prepayments to tax authorities	**2,665**	-
Total current prepayments	**14,946**	146
Non-current other receivables		
Receivable from a related party	**8,174**	7,815
Other receivables	**1,530**	954
VAT tax credits [ii]	**3,490**	1,101
Deferred consideration receivable [i]	**-**	875
Receivable from joint ventures	**-**	23,495
Total non-current other receivables	**13,194**	34,240

[i] Includes US$914,000 (2018: US$1,843,000) of deferred consideration to be received from the sale of SASM Pty Ltd.

[ii] The Group has a total of US$16,213,374 (2018: US$1,348,268) of current and non-current VAT recoveries due from the Argentine revenue authority which in 2019 includes SDJ.

[iii] Included in the trade receivables balances is a receivable from a related party for sales made of US$651,000 (2018: nil). (Note 26).

Note 6: Trade and other receivables and prepayments (continued)

Recognition and Measurement

Trade receivables generally have credit terms ranging from 30 to 90 days. They are presented as current assets unless collection is not expected for more than 12 months after reporting date. The Group applies the simplified approach to providing expected credit losses as prescribed by AASB 9. Trade receivables have not had a significant increase in credit risk since they were originated.

Note 7: Inventories

	2019	2018
	US$'000	US$'000
Current		
Work in progress	**19,363**	3,726
Finished products	**10,056**	2,408
Materials and spare parts	**16,201**	372
Total current	**45,620**	6,506
Non-current		
Work in progress	**33,640**	-
Materials and spare parts	**897**	700
Total non-current	**34,537**	700

Recognition and measurement

Inventories are valued at the lower of cost and net realisable value. Cost is determined primarily on the basis of average costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The cost of raw materials and spare parts is the purchase price. The cost of partly-processed and saleable products is generally the cost of production, including:

- Labour costs, materials and contractor expenses which are directly attributable to the extraction and processing of brine and borates
- The depreciation of mining properties and leases and of property, plant and equipment used in the extraction and processing of brine and production of lithium carbonate and borates
- Production overheads.

Brine inventory quantities are assessed primarily through surveys and assays. If the brine will not be processed within 12 months after the balance sheet date, it is included within non-current assets.

Significant judgements and estimates

Certain estimates, including expected brine recoveries and work in progress volumes, are calculated by engineers using available industry, engineering and scientific data. Estimates used are periodically reassessed by the Group taking into account technical analysis and historical performance. Changes in estimates are adjusted for on a prospective basis.

Notes to the consolidated financial statements
for the year ended 30 June 2019

Note 8: Property, plant and equipment

	Land & buildings	Plant & equipment	Mine Properties	Deferred Stripping	Work in Progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At cost	4,518	11,267	-	-	-	15,785
Accumulated depreciation	(1,288)	(2,347)	-	-	-	(3,635)
Accumulated impairment	(3,157)	(8,920)	-	-	-	(12,077)
Total as at 30 June 2018	73	-	-	-	-	73
At cost	**4,703**	**399,686**	**247,338**	**138**	**54,544**	**706,409**
Accumulated depreciation	**(1,256)**	**(48,409)**	**(937)**	**-**	**-**	**(50,602)**
Accumulated impairment	**(3,157)**	**(8,920)**	**-**	**-**	**-**	**(12,077)**
Total as at 30 June 2019	**290**	**342,357**	**246,401**	**138**	**54,544**	**643,730**

Reconciliation of the carrying amounts for property, plant and equipment is set out below:

	Note	2019 US$'000	2018 US$'000
Balance at the beginning of year		**73**	9,064
Additions — cash		**35,580**	1,609
Additions — business combination	18	**612,185**	-
Movement in rehabilitation provision	13	**3,977**	1,111
Impairment		**-**	(6,157)
Disposals		**-**	(374)
Depreciation expense		**(7,544)**	(1,782)
Depreciation capitalised to inventory		**(1,246)**	-
Capitalised interest		**672**	-
Capitalised share-based payments		**33**	-
Foreign currency translation movement		**-**	(3,398)
Balance at the end of year		**643,730**	73

Recognition and measurement

Property, plant and equipment assets are stated at acquisition cost, net of the related accumulated depreciation, amortisation and impairment losses that they might have experienced. Cost includes expenditure directly attributable to the acquisition and commissioning of the asset. Land is not depreciated. Lost attributable to assets under construction are only capitalised when it is probable that future economic benefits associated with the asset will flow to the Group and the costs can be measured reliably.

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use. The useful lives used for the depreciation and amortisation of assets included in property, plant and equipment are presented below:

- Buildings and infrastructure: 20 to 30 years
- Plant: 5 to 30 years
- Mining extraction equipment: units of production
- Mine properties: units of production.

Borax Argentina S.A. and Sales de Jujuy S.A. use the units of production basis when depreciating specific assets which results in a depreciation charge proportional to the depletion of the anticipated remaining life of mine production. The depreciation and amortisation rates are reviewed annually and adjusted if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Note 9: Intangible assets

	Software
	US$'000
At cost	1,040
Accumulated depreciation	(120)
Total as at 30 June 2019	**920**

		2019
	Note	**US$'000**
Balance at beginning of the year		**-**
Additions — business combination	18	**1,006**
Depreciation expense		**(86)**
Balance at the end of year		**920**

Recognition and measurement

Intangible assets are stated at acquisition cost, net of the related accumulated amortisation and impairment losses that they might have experienced. Cost includes expenditure directly attributable to the acquisition and commissioning the asset.

The useful lives used for the amortisation of assets are 3 to 5 years.

Note 10: Exploration, evaluation and development assets

Exploration, evaluation and development expenditure carried forward in respect of areas of interest are:

	2019	2018
	US$'000	US$'000
Movement in exploration and evaluation assets — at cost:		
Balance at beginning of year	**7,428**	1,449
Capitalised exploration expenditure	**7,299**	6,499
Refund by an associate	**(1,314)**	-
Other	**(1,199)**	-
Transfer from investment in associates	**20**	-
Impairment	**(401)**	-
Decrease on disposal of assets [i)]	**-**	(520)
Balance at the end of year	**11,833**	7,428
Gain on sale of Diablillos tenements [i)]	**-**	2,152
Gain on sale of Lithium X shares [ii)]	**-**	283
	-	2,435

i) On 5 October 2017, the Group executed an agreement with Lithium X Energy Corp (Lithium X) in respect of tenure held at Salar de Diablillos. Lithium X acquired the tenements for consideration of US$1,000,000 cash and 650,000 common shares, and also taking responsibility for the rehabilitation previously recorded as a provision US$630,388 (see Note 13b for further details on the provision).

ii) In March 2018, Orocobre sold its share in Lithium X for a consideration of US$1,324,770.

Note 10: Exploration, evaluation and development assets (continued)

Recognition and measurement

Exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves or sale. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves using a units of production method.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off to profit or loss in the period when the new information becomes available.

Note 11: Investment in joint ventures

	Note	2019 US$'000	2018 US$'000
Balance at the beginning of year		**84,778**	57,686
Profit from equity accounted investment in joint ventures up to 31 December 2018		**24,752**	19,758
Additional investment in joint ventures		**-**	8,258
Other comprehensive income up to 31 December 2018		**(214)**	1,732
Elimination of unrealised intercompany transactions		**-**	(2,656)
Transfer to subsidiary due to business combination	18	**(109,316)**	-
Balance at the end of year		**-**	84,778

The Group has a 72.68% interest in SDJ PTE. The country of incorporation is Singapore and the principal place of business is Singapore. SDJ PTE owns 91.5% of SDJ, the owner and operator of Olaroz. The effective equity interest in the Olaroz Lithium Facility Joint Venture was Orocobre 66.5%, TTC 25% and JEMSE 8.5%. On 1 January 2019, Orocobre gained control of SDJ PTE, following the signing of new agreements with TLP a subsidiary of TTC. SDJ PTE is now consolidated by virtue of Orocobre's contractual rights which permit it to exercise control over certain policies and activities of SDJ PTE. SDJ PTE ceased being equity accounted for and became part of the consolidated Group as at 1 January 2019.

The table on the following page provides the statement of profit and loss for the Joint Venture for the period up to 31 December 2018. The information disclosed reflects the amount presented in the financial statements of the Joint Venture and not Orocobre's share of those amounts.

Notes to the consolidated financial statements
for the year ended 30 June 2019

Note 11: Investment in joint ventures (continued)

Statement of profit or loss for the period ended

	2019[1]	2018
	US $'000	US $'000
Revenue	**63,480**	148,896
Cost of sales	**(17,911)**	(40,432)
Gross profit	**45,569**	108,464
Administrative expenses	**(9,091)**	(13,884)
Depreciation	**(4,342)**	(8,772)
Foreign currency loss	**(6,828)**	(10,057)
Profit before interest and income tax	**25,308**	75,751
Net finance costs	**(10,878)**	(12,984)
Profit before income tax	**14,430**	62,767
Income tax benefit/(expense)	**21,167**	(31,935)
Profit for the period	**35,597**	30,832
Profit for the period attributable to:		
Sales de Jujuy Pte. Ltd	**34,055**	27,185
Non-controlling interest of Sales de Jujuy S.A. (8.5% ownership)	**1,542**	3,647
	35,597	30,832
Group's share of profit for the period	**24,752**	19,758
Share of the joint venture's other comprehensive income:		
Net gain/(loss) on revaluation of derivative	**(214)**	1,732
Share of total other comprehensive income/(loss) for the period	**(214)**	1,732
Share of total comprehensive income for the period	**24,538**	21,490

[1] The statement of profit and loss for the financial year ended 30 June 2019 reflects the 6 months ending 31 December 2018 where SDJ PTE was equity accounted for.

Refer to Note 21 for the Statement of Profit and Loss and Statement of Financial Position of SDJ PTE as a subsidiary of the Group.

Income tax expense

During the year, Orocobre and TTC gave FID approval for the Stage 2 Expansion of Olaroz. 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.

Note 12: Trade and other payables

	Note	2019	2018
		US$'000	US$'000
Current			
Trade payables and accrued expenses[i)]		**26,014**	7,457
Interest payable	15	**1,718**	-
Interest payable to a related party	15, 26	**3,774**	-
Total current		**31,506**	7,457
Non-current			
Other payables and accrued expenses		**1,388**	559
Interest payable to a related party	15, 26	**531**	-
Total non-current		**1,919**	559

i) The amounts are unsecured and non-interest bearing and generally on 30 to 60 day terms. The carrying amounts approximate fair value.

Note 13: Provisions

	Note	2019 US$'000	2018 US$'000
Current			
Employee benefits	13a	894	630
Other provisions		29	-
Total current		**923**	630
Non-current			
Employee benefits	13a	804	1,087
Provision for rehabilitation	13b	26,503	10,133
Other provisions		29	111
Total non-current		**27,336**	11,331

13a) Employee benefits

	2019 US$'000	2018 US$'000
Annual leave	575	261
Long service leave	181	222
Borax defined benefit pension plan [i)]	942	1,225
Former employee termination costs	-	9
Total	**1,698**	1,717

[i)] Borax had a defined benefit pension plan in Argentina. During the 2015 financial year, they decided to discontinue this plan. The remaining liability reflects the obligation with respect to former employees.

13b) Rehabilitation provision

Reconciliation of the carrying amount for provision for rehabilitation is set out below:

	Note	2019 US$'000	2018 US$'000
Balance at beginning of the year		**10,133**	9.553
Disposed during the year		-	(630)
Additions — business combination	18	12,231	-
Changes in assumptions	8	3,977	1,111
Unwinding of the rehabilitation provision		162	99
Balance at the end of year		**26,503**	10,133

The Group has recognised a provision for rehabilitation obligations associated with Borax's and SDJ operations.

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss, net of any reimbursement.

Employee benefits

Wages, salaries, annual leave and sick leave liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts

Note 13: Provisions (continued)

expected to be paid when the liabilities are settled. Based on past experience, the Group does not expect the full amount of annual leave classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The Group recognises a liability for long service leave for Australian employees measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on the applicable corporate bond with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Environmental protection, rehabilitation and closure costs

Provision is made for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the financial period when the related environmental disturbance occurs, based on the estimated future costs using information available at the statement of financial position date. The provision is discounted using a current market-based pre-tax discount rate that reflects the time value of money and risk specific to the liability. The unwinding of the discount is included in interest expense. At the time of establishing the provision, a corresponding asset is capitalised, where it gives rise to a future benefit, and depreciated over future production from the operations to which it relates. The provision is reviewed on an annual basis for changes to obligations, legislation or discount rates that impact estimated costs or lives of operations. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is depreciated prospectively.

Significant judgements and estimates

The Group has recognised provisions for rehabilitation obligations associated with Borax's and SDJ's operations. In determining the present value of the provisions, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plants from the sites and the expected timing of those costs.

Note 14: Equity and reserves

Reconciliation of the movement in fully paid ordinary share capital is set out below:

14a) Issued capital

		2019	2018	**2019**	2018
	Note	**No. shares**	No. shares	**US$'000**	US$'000
Balance at the beginning of year		**260,710,716**	210,520,500	**527,364**	243,184
Options and performance rights exercised [i)]	19	**844,015**	529,488	**-**	113
Shares issued, net of transactions costs [ii)]		**123,343**	49,660,728	**352**	284,067
Balance at the end of year		**261,678,074**	260,710,716	**527,716**	527,364

i) Represents performance rights and options exercised under the Company's share-based payments plans and executive service agreements. Refer to Note 19 for share-based payments.

ii) Transaction costs (net of tax) for the Shares issued during the year were nil. 2018: US$2,828,672.

Recognition and measurement

Ordinary shares are classified as equity. Transaction costs arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

Note 14: Equity and reserves (continued)

14b) Reserves

	Note	Share-based payments US$'000	Cashflow Hedge US$'000	Foreign currency translation US$'000	Other US$'000	Total US$'000
Balance as at 1 July 2017		3,929	(3,749)	(104,921)	(166)	(104,907)
Translation losses on foreign operations		-	-	(5,089)	-	(5,089)
Cashflow hedge through OCI		-	1,732	-	-	1,732
Other comprehensive income/(loss)		-	1,732	(5,089)	-	(3,357)
Share-based payments		1,341	-	-	-	1,341
Balance as at 30 June 2018		5,270	(2,017)	(110,010)	(166)	(106,923)
Balance as at 1 July 2018		**5,270**	**(2,017)**	**(110,010)**	**(166)**	**(106,923)**
Translation gains on foreign operations		**-**	**-**	**1,299**	**-**	**1,299**
Cashflow hedge through OCI		**-**	**(1,812)**	**-**	**-**	**(1,812)**
Share of associate OCI	22a	**-**	**-**	**-**	**(456)**	**(456)**
Business combination	18	**-**	**2,231**	**72,215**	**142**	**74,588**
Other comprehensive income/(loss)		**-**	**419**	**73,514**	**(314)**	**73,619**
Share-based payments		**1,082**	**-**	**-**	**-**	**1,082**
Other movements		**-**	**-**	**-**	**46**	**46**
Balance as at 30 June 2019		**6,352**	**(1,598)**	**(36,496)**	**(434)**	**(32,176)**

Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve represents the fair value of share-based remuneration provided to employees.

Foreign currency translation reserve

The Foreign Currency Translation Reserve (FCTR) records exchange differences arising on translation of foreign controlled subsidiaries and investments in associates with a functional currency other than US$.

Cashflow hedge reserve

The cashflow hedge reserve records the revaluation of derivative financial instruments that are designated cashflow hedges and are recognised on other comprehensive income. Amounts are recognised in the income statement when the associated hedge transactions affects the income statement.

Notes to the consolidated financial statements

for the year ended 30 June 2019

Note 15: Net cash

	Interest rate	Maturity	2019 US$'000	2018 US$'000
Current				
Loans & borrowings — project loan	LIBOR + 0.80%	2020	**23,028**	-
Bank overdraft	30%		**-**	9
Loans & borrowings — working capital facility	4.20%	2019	**-**	728
Loans & borrowings — working capital facility	4.75 – 5.00%	2020	**40,000**	-
Related party loans	A)	A)	**13,667**	-
Total current			**76,695**	737
Non-current				
Loans & borrowings — project loan	LIBOR + 0.80%	2021-2024	**86,864**	-
Related party loans	A)	A)	**16,523**	-
Total non-current			**103,387**	-
Total debt			**180,082**	737
Cash at bank and on hand			**(52,772)**	(8,066)
Short term deposits*			**(227,026)**	(308,624)
Total cash and cash equivalents B)			**(279,798)**	(316,690)
Financial assets — non-current C)			**(17,171)**	-
Net cash			**(116,887)**	(315,953)
Equity			**734,696**	502,104
Capital and net cash			**617,809**	186,151
Gearing ratio			**-19%**	-170%

* An amount of US$11,060,000 has been set aside for guarantee for the Naraha debt facility.

A) Loan repayable to a related party

- Current borrowings owing to related parties is US$13,666,667. US$11,416,667 is interest bearing at 10% per annum and is payable on demand. US$1,000,000 is interest bearing at LIBOR +5% and is payable on demand. US$1,250,000 is interest bearing at LIBOR +5% and is payable in 5 equal instalments from July 2019.
- Non-current borrowings owing to related parties is US$16,523,200. US$16,250,000 is interest bearing at LIBOR + 5% per annum and will be repaid in full before March 2030. US$273,200 is interest bearing at LIBOR + 0.75% per annum and will be repaid in full before July 2028.
- The total project loan facility is US$191.9 million. SDJ PTE had provided security in favour of Mizuho Bank over the shares its owns in SDJ. The carrying amounts of the loans and borrowings approximate fair value. Fair value has been determined using a discounted cash flow valuation technique based on contractual and expected cashflows and current market interest rates.

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

B) The effective interest rate on US$ denominated short term deposits was 2.55% p.a. (2018: 1.57% p.a.). Short term deposits held at 30 June 2019 relate to project financing, rental and other security deposits. Deposits relating to cash held had an average maturity of 122 days (2018: 91 days).

Cash and short-term deposits are disclosed in the cash flow statement, net of bank overdrafts.

C) The non-current financial assets are long term cash deposits funded by shareholders to partially secure borrowings of the Group. These deposits are non-interest bearing and are generally held until the borrowings have been repaid. The carrying value approximates fair value.

Capital management

Capital includes equity attributable to the equity holders of the Parent.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value.

Note 15: Net cash (continued)

The Group manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the financial year. The change in the gearing ratio in the current year reflects the consolidation of SDJ PTE and therefore the increase in net assets.

Recognition and measurement

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Loans and borrowings

Borrowings are initially recognised at fair value net of transaction costs. Interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

Borrowing costs which are directly attributable to the construction of a qualifying asset are capitalised during the period of time that is required to complete the asset for its intended use. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the specific debt relating to the asset 6.21% (2018: nil).

Note 16: Derivative financial liabilities

	2019	2018
	US$'000	US$'000
Current		
Derivatives — interest rate swap	**1,797**	-
Total current	**1,797**	**-**
Non-current		
Derivatives — interest rate swap	**5,658**	-
Total non-current	**5,658**	**-**

During the financial year 2016, a swap was entered into by SDJ in order to manage interest rate exposure on the project debt which bears interest rate at LIBOR +0.8%. The swap has been designated in a hedge relationship and hedge accounting has been adopted.

The interest rate swap receives floating interest equal to LIBOR, pays a fixed rate of interest of between 0.601% p.a. and 4.896% p.a., and matures on 10 September 2024.

The fair value of the interest rate swap is calculated as the present value of the estimated future cash flows based on observable yield curves (Level 2).

Recognition and measurement

Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of the cashflows of recognised assets and liabilities, and highly probable forecast transactions (cashflow hedges).

At inception, the Group documents the relationship between hedging instruments and hedged items, the risk management objective and the strategy for undertaking various hedge transactions. The Group, at inception and on an ongoing basis, documents its assessment of whether the derivatives used in hedging transactions have been, and will continue to be, highly effective in offsetting future cashflows of hedged items. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Note 16: Derivative financial liabilities (continued)

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

The fair values of derivative financial instruments used for hedging purposes are disclosed in this section. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cashflow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income, and accumulated in reserves in equity limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. Ineffectiveness may arise where the timing of the transaction changes from what was originally estimated, or differences arise between credit risk inherent within the hedged item and the hedging instrument. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for at the time of the hedge relationship rebalancing.

Note 17: Financial risk management

The Group's financial instruments comprise deposits with banks, financial assets, amounts receivable and payable, interest-bearing liabilities, and financial liabilities.

The main purpose of these financial instruments is to provide finance for Group operations.

Risk management policies

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the Board.

a) Market Risk

Market risk is the risk adverse movements in foreign exchange and or interest rates will affect the Group's financial performance or the value of its holdings of financial instruments. The objective of risk management is to manage the market risks inherent in the business to protect the profitability and return on assets.

i) Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of reasonably possible changes in market interest rates arises in relation to the Group's cash and debt balances. This risk is managed through the use of interest rate swaps and fixed term deposits. At reporting date, the Group has net exposure of US$12,593,000 (2018: nil) to interest rate risk.

During the year, the net realised loss arising from interest rate hedging activities for the Group was US$521,400 (2018: nil) as a result of market interest rates closing lower than the average hedged rate. The total realised loss represents the effective portion of the hedge which have been recognised in interest expense.

Note 17: Financial risk management (continued)

Interest rate sensitivity

With all other variables held constant, the Group's profit after tax and equity are affected through the impact of floating and/or fluctuating interest rates on cash, receivables, borrowings and financial instruments as follows:

	2019 US$'000	2018 US$'000
Effect on profit after tax and equity as a result of a:		
1% +/- reasonably possible change in interest rates	**1,874**	2,694

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment. The debt repayments to a related party are either fixed interest or the interest is being capitalised as part of the expansion project, refer to Note 15.

ii) Foreign currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk arising from currency exposures to AU$ and ARS, arising from the purchase of goods and services and receivables. The Group does not currently undertake any hedging of foreign currency items.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in the AU$ and ARS exchange rates relative to the US$, with all other variables held constant. The impact on the Group's profit after tax and equity is due to changes in the fair value of monetary assets and liabilities.

	2019 US$'000	2018 US$'000
Effect on profit after tax and equity as a result of a:		
50% +/- reasonably possible change in US$ (vs ARS)	**(1,503)**	268
10% +/- reasonably possible change in the AU$	**(309)**	972

iii) Market role commodity price risk

Orocobre 's lithium and boron chemicals are sold into global markets. The market prices of lithium and boron are key drivers of the Group's capacity to generate cashflow.

The prices of lithium chemicals have fluctuated widely in recent years and are affected by factors beyond the control of the Group including, but not limited to, the relationship between global supply and demand for lithium chemicals which may be affected by, but not limited to, development and commercial acceptance of lithium based applications and technologies and/or the introduction of new technologies that may not be based on lithium, forward selling by producers, the cost of production, new mine developments and mine closures, advances in various production technologies for such minerals and general global economic conditions. The prices of lithium and other commodities can also be affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand issues. Also, major lithium producers may attempt to sell lithium products at artificially low prices in order to drive new entrants out of the market. These factors may have an adverse effect on the Group's production, development and exploration activities, as well as its ability to fund its future activities. All sales contracts are agreed in US$ or US$ equivalent prices and forward contracts are agreed for periods of 3-12 months.

The Group is also affected by the market forces and market price cycles of boron chemicals and mineral products. In relation to boron chemicals and mineral products the market price is determined largely by the market supply and demand balance which is influenced heavily by the rate of GDP growth. There are two significant manufacturers of boron chemicals and minerals in the global market, so the supply side is relatively consolidated. Boron chemicals and mineral products are used in applications such as ceramic and glass manufacturing, insulation and fertiliser manufacturing. Although there is a cyclic profile in these markets they are considered steady growth markets linked strongly to urbanisation and food production, so volatility is not considered high. In terms of inputs, the major input is ore mined from the Company's own assets so input cost risk is managed through control of costs such as diesel fuel, labour and gas via forward contracts. All sales contracts are typically agreed in US$ or US$ equivalent prices and forward contracts are agreed for periods of 3-12 months.

Note 17: Financial risk management (continued)

iv) Effects of hedge accounting on the consolidated balance sheet and consolidated profit and loss

The impact of hedging instruments designated in hedging relationships on the consolidated balance sheet of the Group is as follows.

	Notional amount		Carrying amount assets/ (liability) refer to Note 16		Change in fair value used for measuring ineffectiveness	
Cash flow hedges	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Interest rate risk	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Interest rate swaps	**97,750**	-	**(7,455)**	-	**(1,161)**	-

The impact of hedged items designated in hedging relationships on the consolidated balance sheet is as follows:

	Cashflow hedge reserve		Change in fair value used for measuring ineffectiveness	
	2019	2018	**2019**	2018
	US$'000	US$'000	**US$'000**	US$'000
Cash flow hedge	**(1,598)**	(2,017)	**(1,161)**	-
Forecast floating interest payments				

US$2,223,000 hedging gain/(loss) in relation to interest rate swaps was recognised in the comprehensive income statement. There was not material ineffectiveness related to cashflow hedges recognised.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able meet its financial obligations as they fall due. This risk is managed by ensuring, to the extent possible, that there is sufficient liquidity (through cash and cash equivalents and available borrowing facilities) to meet liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Within 12 months	1 to 5 years	Over 5 years	Total
	US$'000	**US$'000**	**US$'000**	**US$'000**
Payables	**31,506**	**1,919**	**-**	**33,425**
Loans and borrowings	**87,943**	**83,926**	**34,759**	**206,628**
Derivatives — Interest rate swap	**1,815**	**5,799**	**120**	**7,734**
Total as at 30 June 2019	**121,264**	**91,644**	**34,879**	**247,787**
Payables	7,457	559	-	8,016
Loans and borrowings	737	-	-	737
Total as at 30 June 2018	8,194	559	-	8,753

Note 17: Financial risk management (continued)

c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Customer credit risk is managed by each business unit subject to the Group's procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly reviewed. An impairment analysis is performed at each reporting date by assessing the expected credit loss customers with outstanding balances. The provision rates are based on historic experience, customer profile and economic conditions. Generally, trade receivables are written-off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. The Group does not hold collateral as security. As at 30 June 2019, the Group had provisions of US$492,000 (2018: US$1,653,000) for expected credit loss.

Credit risk on cash transactions and derivative contracts is managed through the Board approval. The Group's net exposures and the credit ratings of its counterparties are regularly confirmed.

d) Fair values

The fair value of cash, cash equivalents and non-interest bearing financial assets and liabilities approximates their carrying value due to their short maturity. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined using valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Group measures and recognises interest rate swaps at fair value on a recurring basis.

The fair value of interest rate swaps has been determined as the net present value of contracted cashflows. These values have been adjusted to reflect the credit risk of the Group and relevant counterparties, depending on whether the instrument is a financial asset or a financial liability. The existing exposure method, which discounts estimated future cash flows to present value using credit adjusted discount factors.

The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rates that are available to Orocobre for similar financial instruments. For the period ended 30 June 2019 the borrowing rates were determined to be between 2.4% to 6.9%, depending on the type of borrowing (2018: nil).

No financial assets or liabilities are readily traded on organised markets in a standardised form, other than shares in listed entities.

The aggregate values and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and notes to the financial statements. Fair values are materially in line with carrying values. The shares in listed entities comprise listed investments for which a Level 1 fair value hierarchy has been applied (quoted price in an active market).

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and loans to and from subsidiaries, related parties and external banks. The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Notes to the consolidated financial statements

for the year ended 30 June 2019

Note 17: Financial risk management (continued)

Financial assets

		Carrying amount		Fair value	
		2019	2018	**2019**	2018
	Note	**US $'000**	US $'000	**US$'000**	US$'000
Cash and cash equivalents	15	**279,798**	316,690	**279,798**	316,690
Financial assets — non-current	15	**17,171**	-	**17,171**	-
Financial assets at amortised cost:					
Trade and other receivables — current	6	**22,510**	52,303	**22,510**	52,303
Trade and other receivables — non-current	6	**13,194**	34,240	**13,194**	34,240
Total financial assets		**332,673**	403,233	**332,673**	403,233

Financial liabilities

		Carrying amount		Fair value	
		2019	**2018**	**2019**	**2018**
	Note	**US $'000**	**US $'000**	**US$'000**	**US$'000**
Financial liabilities					
Financial liabilities at amortised cost:					
Trade and other payables — current	12	**31,506**	7,457	**31,506**	7,457
Trade and other payables — non-current	12	**1,919**	559	**1,919**	559
Loans and borrowings — current	15	**76,695**	737	**76,695**	737
Loans and borrowings — non-current	15	**103,387**	-	**101,482**	-
Financial liabilities at fair value:					
Derivatives — interest rate swap	16	**7,455**	-	**7,455**	-
Total financial liabilities		**220,962**	8,753	**219,057**	8,753

Changes in liabilities arising from financing activities

		1 July 2018	**Business combination**	**Cashflow**	**Change in FV**	**Other**	**30 June 2019**
	Note	**US $'000**	**US $'000**	**US $'000**	**US $'000**	**US $'000**	**US $'000**
Financial liabilities							
Current							-
Loans and borrowings	15	**737**	**76,695**	**(12,208)**	**-**	**11,471**	**76,695**
Derivatives	16	**-**	**1,687**	**-**	**110**	**-**	**1,797**
Non-Current							**-**
Loans and borrowings	15	**-**	**105,608**	**9,250**	**-**	**(11,471)**	**103,387**
Derivatives	16	**-**	**4,607**		**1,051**	**-**	**5,658**
Total financial liabilities		**737**	**188,597**	**(2,958)**	**1,161**	**-**	**187,537**

		1 July 2017	Business combination	Cashflow	Change in FV	Other	30 June 2018
	Note	US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Financial liabilities							
Current							
Loans and borrowings	15	877	-	(217)	-	77	737
Total financial liabilities		877	-	(217)	-	77	737

Note 18: Business combination

On 1 January 2019, Orocobre gained control of SDJ PTE, following the signing of a new shareholders agreement with TLP a subsidiary of TTC. SDJ PTE is consolidated by virtue of Orocobre's contractual rights which permit it to exercise control over certain policies and activities of SDJ PTE. No direct equity interest was acquired under the agreement and the existing equity arrangements were not changed as a result of the agreement. SDJ PTE is owned 72.68% per cent by Orocobre and 27.32% by TLP. Signing of the agreement did not affect TLP's economic interest in SDJ PTE. There was no purchase consideration.

The country of incorporation is Singapore and the principal place of business is Singapore. SDJ PTE owns 91.5% of SDJ, the owner and operator of Olaroz. The effective equity interest in the Olaroz Lithium Facility is Orocobre 66.5%, TTC 25% and JEMSE 8.5%.

As at 1 January 2019, 100 per cent of SDJ PTEs identifiable assets and liabilities have been recognised in the statement of financial position at fair values estimated with the assistance of an independent third party valuer. No goodwill was recognised. The transaction generated a non-cash gain of US$30,741,000.

Due to the complexity of the valuation process, fair values on consolidation are provisional and will be subject to further review during the next 6 months from the end of the period.

The fair values of the identifiable assets and liabilities of SDJ PTE were provisionally estimated as follows:

	2019
	US$'000
Cash & cash equivalents	29,867
Trade & other receivables	31,014
Inventory	71,146
Property, plant and equipment	612,185
Intangible assets	1,006
Financial asset	17,171
Total assets	**762,389**
Trade & other payables	(32,983)
Loans & borrowings	(263,622)
Derivative	(6,294)
Deferred tax liability	(127,619)
Rehabilitation provision	(12,231)
Other provisions	(456)
Total liabilities	**(443,205)**
Net assets	**319,184**
Non-controlling interest [i)]	(103,340)
Net assets attributable to ORE	**215,844**
Reconciliation of gain recognised on acquisition	
Fair value attributable to ORE	215,844
Amount allocated to investment	(109,316)
Reserves recognised in the P&L	(74,588)
Other	(1,199)
Gain on consolidation	**30,741**

i) A non-controlling interest arises from the TTC's 27.32% direct interest in SDJ PTE and JEMSES's 8.5% direct interest in SDJ.

Revenue from continuing operations has increased by US$61,204,000 since the consolidation at 1 January 2019. Since the business combination, we have consolidated 100% of the profit and loss therefore it is higher by US$30,000 which represents the proportion allocated to non-controlling interests as at 30 June 2019.

Had SDJ PTE been consolidated from 1 July 2017, the consolidated profit after tax attributable to ORE would have US$10,845,000 higher at US$65,283,000 for the period 30 June 2019, as we would have recognised the non-controlling portion from the first 6 months (2018: US$11,074,000 higher for 12 months). This excludes the impact of the actual business combination (Note 18). Previously the profit or loss was accounted for using the equity method and the Group had included their share of the profit in the consolidated income statement. Revenue from continuing operations would have been US$144,629,000 (2018: US$166,275,000) had SDJ PTE been consolidated since 1 July 2017. See Note 1.

Note 19: Share-based payments

Options and performance rights

Performance Rights & Option Plan (PROP)

Under the Performance Rights & Option Plan (PROP), awards are made to executives who have an impact on the Group's performance and are delivered in the form of options and rights.

Performance Rights (PR's) awarded under the PROP vest over a period of 3 years and are subject to the following Total Shareholder Return (TSR) outperformance conditions, and continuous service until the vesting date.

TSR performance condition (absolute, 50%)	Proportion of PROP which vest[2]
If TSR falls below 7.5% return per annum	None of the performance rights vest
If TSR lies between 7.5% and 10% return per annum	50% of the performance rights vest
If TSR lies between 10% and 12.5% return per annum	75% of the performance rights vest
If TSR lies at or above the 12.5% return per annum	100% the performance rights vest
TSR performance condition (relative, 50%)[1]	**Proportion of PROP which vest[2]**
Greater than 75th percentile	100% of the options vest
Equal to or greater than 50th percentile	50% of the options vest
Less than 50th percentile	None of the options vest

[1] TSR performance condition over the measurement period relative to the constituent companies of the ASX 300 Resources Index subject to the following thresholds.

[2] Interpolated vesting on a straight line.

Movements in the year are:

Grant date	Vesting date	Expiry date	Exercise price (AU$)	2018 No.	Granted No.	Exercised No.	Forfeited / lapsed No.	2019 No.
6 Nov 2015	31 Aug 2018	30 Sep 2018	-	632,698	-	(583,981)	(48,717)	-
29 Jan 2016	31 Aug 2018	30 Sep 2018	-	124,551	-	(114,961)	(9,590)	-
23 Nov 2016	31 Aug 2019	30 Sep 2019	-	118,721	-	(79,150)	(39,571)	-
31 Mar 2017	31 Aug 2019	30 Sep 2019	-	336,426	-	-	(7,389)	329,037
24 Nov 2017	31 Aug 2020	30 Sep 2020	-	197,769	-	(65,923)	(131,846)	-
2 Mar 2018	31 Aug 2020	30 Sep 2020	-	607,473	-	-	(4,333)	603,140
11 June 2019	31 Aug 2021	30 Sep 2021	-	-	727,722	-	-	727,722
Total performance rights				**2,017,638**	**727,722**	**(844,015)**	**(241,446)**	**1,659,899**

During the year, 79,150 and 65,923 performance rights vesting 31 August 2019 and 31 August 2020 were granted to the retiring CEO. This resulted in the balance of 39,571 and 131,846 lapsing. Refer to the remuneration report for full details.

727,722 PR's were granted in June 2019 pursuant to the Company's PROP for nil consideration. PR's are exercisable at AU$0.00 each with 727,722 vesting on 31 August 2021, subject to the above thresholds.

All PR's granted are over ordinary shares, which confer a right of one ordinary share per PR. The PR's hold no voting or dividend rights.

At the end of the financial year there are 772,602 PR's on issue to KMP (2017: 1,338,327).

At the date of issue, the weighted average share price of PR's granted in the current year was AU$3.23 (2018: AU$5.95). The PR's outstanding at 30 June 2019 had a weighted average exercise price of AU$0.00 (2018: AU$0.00) and a weighted average remaining contractual life of 1.41 years (2018: 1.28 years).

The weighted average fair value of PR's granted during the year was AU$1.46 (2018: AU$4.69).

Note 19: Share-based payments (continued)

The fair value of PR's granted is deemed to represent the value of the employee services received over the vesting period. The fair value of equity settled PR's are estimated at the date of grant using either a Binomial Option Valuation Model or Monte Carlo Simulation with the following inputs:

Year of issue	2017 — PROP	2017 — PROP	2018 — PROP	2018 — PROP	2019 — PROP	2019 — PROP
Grant date	**31/03/2017**	**31/03/2017**	**2/03/2018**	**2/03/2018**	**11/06/2019**	**11/06/2019**
Number issued	184,548	184,548	317,222	317,221	363,861	363,861
Fair value at grant date (AU$)	1.42	1.03	4.85	4.35	1.78	1.14
Share price (AU$)	2.78	2.78	5.88	5.88	3.23	3.23
Exercise price (AU$)	-	-	-	-	-	-
Expected volatility	47.00%	47.00%	47.00%	47.00%	47.00%	47.00%
Option life	3 years	3 years	3 years	3 years	3 years	3 years
Expected dividends	nil	nil	nil	nil	nil	nil
Risk-free interest rate	1.82%	1.82%	2.01%	2.01%	1.06%	1.06%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The total expense arising from share-based payment transactions recognised during the period as part of employee benefit expense was US$1,081,973 (2018: US$1,341,000). Of this amount, US$132,295 (2018: US$104,797) was recharged to SDJ in the first half of the year. US$33,000 was capitalised to property, plant and equipment (Note 8).

Recognition and measurement

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss, expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payments transaction or is otherwise beneficial to the employees as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 5).

Significant judgements and estimates

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Notes to the consolidated financial statements
for the year ended 30 June 2019

Note 20: Information relating to subsidiaries

The consolidated financial statements of the Group include:

Entity Name	Country of incorporation & principal place of business	% equity interest held by the Group 2019	2018
Borax Argentina Holding No 1 Pty Ltd	Australia	**100.00**	100.00
Borax Argentina Holding No 2 Pty Ltd	Australia	**100.00**	100.00
Borax Argentina S.A.	Argentina	**100.00**	100.00
Sales De Jujuy Pte Ltd (SDJ PTE)	Singapore	**72.68**	-
Sales De Jujuy S.A. (SDJ)	Argentina	**66.50**	-
Orocobre Brasil Representacoes E Assessoria Comercial LTDA	Brazil	**100.00**	100.00
La Frontera S.A.	Argentina	**85.00**	85.00
Olaroz Lithium S.A.	Argentina	**100.00**	100.00
El Trigal S.A.	Argentina	**100.00**	100.00
Los Andes Compania Minera S.A.	Argentina	**100.00**	100.00

On 1 January 2019, Orocobre gained control for accounting purposes, of SDJ PTE, following the signing of a new agreement with TLP a subsidiary of TTC. SDJ PTE is consolidated by virtue of Orocobre's contractual rights which permit it to exercise control over certain policies and activities of SDJ PTE. As at 30 June 2019, the Group's interest in SDJ PTE is as a subsidiary. As at 30 June 2018, the Group's interest in SDJ PTE was an investment in a Joint Venture. Refer to Note 18 for details on the business combination.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2019.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Note 21: Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below. The Group has an interest of 72.68% in SDJ PTE and 66.5% in SDJ.

	2019	2018
	US$'000	US$'000
Accumulated balances of material non-controlling interest	102,877	-
Total comprehensive income	(441)	-

The summarised financial information of the subsidiaries is provided below. This information is based on amounts before inter-company eliminations and includes fair value from the business combination.

Summarised statement of profit and loss for 2019 (for the 6 months ending 30 June 2019)

	2019	2018
	US$'000	US$'000
Revenue	61,204	-
Cost of sales	(30,538)	-
Gross profit	30,666	-
Corporate and administrative expenses	(5,846)	-
Selling expenses	(5,403)	
Net finance costs	(8,294)	-
Depreciation	(7,428)	
Foreign exchange loss	(2,184)	
Profit before income tax	1,511	-
Income tax expense	(1,712)	-
Profit for the year from continuing operations	(201)	-
Other comprehensive income	(1,226)	
Total comprehensive income	(1,427)	
Attributable to non-controlling interests	(441)	-

Summarised statement of financial position as at 30 June 2019

	2019	2018
	US$'000	US$'000
Current assets	101,211	-
Non-current assets	701,773	-
Total assets	802,984	-
Current liabilities	157,691	-
Non-current liabilities	327,531	-
Total liabilities	485,222	-
Net assets	317,762	-
Total equity	317,762	-
Attributable to:		
Equity holders of the parent	214,885	-
Non-controlling interest	102,877	-
	317,762	-

Note 22: Investment in associates

Entity Name	Country of incorporation & principal place of business	% equity interest held by the Group 2019	2018
Advantage Lithium	Canada & Argentina	**33.30**	34.30
Toyotsu Lithium Corporation	Japan	**75.00**	-

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

	Advantage		TLC		Total	
	2019	2018	**2019**	2018	**2019**	2018
	US $'000	US $'000	**US $'000**	US $'000	**US $'000**	US $'000
Balance at the beginning of year	**19,954**	21,476	**-**	-	**19,954**	21,476
Acquisition during the year	**3,883**	10	**6,722**	-	**10,605**	10
Loss from equity accounted investment in associates	**(1,389)**	(1,532)	**(155)**	-	**(1,544)**	(1,532)
Fair value of asset through OCI	**(456)**	-		-	**(456)**	-
Foreign currency translation reserve	**-**	-	**240**	-	**240**	-
Transfer to Exploration and Evaluation	**(20)**	-	**-**	-	**(20)**	-
Balance at the end of year	**21,972**	19,954	**6,807**	-	**28,779**	19,954

a) Advantage Lithium Corp.

Orocobre has a 33.3% interest in Advantage, a lithium explorer and developer and publicly listed company on the Toronto Stock Exchange. Advantage is incorporated in Canada and the principal activities of the company are in Argentina. The share price as at 30 June 2019 was C$0.39.

During the year, Orocobre supported Advantage's private placement. In total, Advantage 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 (US$3.883 million) for a net amount of 6,493,506 shares and following completion of the placement Orocobre now holds 33.3% of Advantage's common shares (2018: 34.3%). No dividends have been received from the associate.

The Group has acknowledged the decline in the market value of the Advantage investment is mainly due to the reduction in lithium prices, but not a representation of decline in fundamental value of the investment.

Refer to Note 29: Subsequent events.

The following tables illustrate the summarised financial information of Advantage.

Note 22: Investment in associates (continued)

Statement of profit and loss[1]

	2019	2018
	US$'000	US$'000
Corporate expenses	**(3,523)**	(4,636)
Depreciation	**(59)**	(10)
Foreign currency gain	**(671)**	29
Loss before interest	**(4,253)**	(4,617)
Finance income	**83**	150
Loss for the year	**(4,170)**	(4,467)
Other comprehensive loss	**(1,368)**	-
Total comprehensive loss	**(5,538)**	(4,467)
Orocobre's share of the loss for the year	**(1,389)**	(1,532)
Orocobre's share of other comprehensive loss	**(456)**	-
Orocobre's share of total comprehensive loss	**(1,845)**	(1,532)

[1] The statement of profit and loss is based on Advantage's profit and loss for the period 1 May 2018 – 30 April 2019.

Statement of financial position[2]

	2019	2018
	US$'000	US$'000
Current assets	**2,248**	8,445
Non-current assets	**46,650**	34,657
Total assets	**48,898**	43,102
Current liabilities	**771**	398
Total liabilities	**771**	398
Net assets	**48,127**	42,704
Contributed equity	**63,995**	53,808
Reserves	**3,401**	4,657
Accumulated losses	**(19,269)**	(15,761)
Total equity	**48,127**	42,704

[2] The statement of financial position is based on Advantage's translated statement as at 30 April 2019.

b) Toyotsu Lithium Corporation

On 12 April 2019, the Group invested in Toyotsu Lithium Corporation (TLC) with TTC. The Group has an economic interest of 75% and TTC 25%. TLC will construct the Naraha Lithium Hydroxide Plant which will be located in Japan. Feedstock for the plant will be sourced from the Olaroz Stage 2 Expansion that will produce primary grade lithium carbonate. The Group has invested JPY 750 million (US$6.722 million) in capital in TLC.

TLC has been accounted for as an associate due to the fact that Orocobre does not have control of TLC, but has significant influence. This is evident with Orocobre having 2 of the 5 board members, with decisions being made by a majority. The functional currency of TLC is YEN, therefore it will generate FCTR on translation to US$. A translation difference of US$240,000 was recognised in the current year. See Note 27 for the Group's accounting policy on Investment in joint ventures and associates. No dividends have been received from the associate.

Note 22: Investment in associates (continued)

The following tables illustrate the summarised information of the Group's Investment in TLC.

Statement of profit and loss[1]

	2019 US$'000
Corporate expenses	(201)
Loss before income tax	**(201)**
Income tax expense	(6)
Loss for the period	**(207)**
Other comprehensive loss	**-**
Total comprehensive loss	**(207)**
Orocobre's share of the loss for the year	**(155)**
Orocobre's share of other comprehensive loss	**-**
Orocobre's share of total comprehensive loss	**(155)**

[1] The statement of financial profit and loss is based on TLC for the period 11 April – 30 June 2019.

Statement of financial position[2]

	2019 US$'000
Current assets	30,508
Non-current assets	35,218
Total assets	**65,726**
Current liabilities	19
Non-current liabilities	56,631
Total liabilities	**56,650**
Net assets	**9,076**
Contributed equity	8,964
Reserves	319
Accumulated losses	(207)
Total equity	**9,076**

[2] The statement of financial position is based on TLC as at 30 June 2019.

Note 23: Parent entity information

The following information relates to the parent entity. The ultimate parent entity within the Group is Orocobre Limited.

The individual financial statements for the parent entity show the following aggregate amounts below:

	2019	2018
	US$000's	US$000's
Current assets	308,242	363,342
Non-current assets	242,180	185,757
Total assets	550,422	549,099
Current liabilities	3,272	2,814
Non-current liabilities	1,578	2,007
Total liabilities	4,850	4,821
Net assets	545,572	544,278
Contributed equity	527,716	527,364
Reserves	(41,246)	(42,328)
Accumulated profits	59,102	59,242
Total equity	545,572	544,278
Loss for the year	(140)	(40,544)
Total comprehensive loss for the year	(140)	(40,544)

Orocobre had no contingent liabilities at year end. As set out in Note 28 the Company has an operating lease commitment for US$753,465 (2018: US$58,140).

The loss for the period includes impairment of loans receivable from Borax Holdings 1 & 2 of US$2,318,704. The loss in the year ended 30 June 2018 included an impairment of the investment in Borax of US$36,323,962.

The parent entity has several employees. A portion of the costs associated with these employees are borne by a subsidiary of the parent entity and are not included in the above disclosures.

Recognition and measurement

The financial information for the parent entity, Orocobre, has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries, associates and Joint Venture entities

Investments in subsidiaries, associates and Joint Venture entities are accounted for at cost in the financial statements of Orocobre.

Note 24: Reconciliation of profit for the year to net cash generated from operating activities

	2019	2018
	US$'000	US$'000
Profit after income tax	**54,586**	1,920
Adjustments for:		
Gain on business combination	**(30,741)**	-
Non-cash employee benefits expense	**1,049**	1,341
Depreciation of property, plant and equipment	**7,630**	1,782
Gain on sale of assets	**-**	(2,435)
Loss on disposal of assets	**-**	374
Share of net gains of joint ventures	**(24,752)**	(19,758)
Share of net losses of associates	**1,544**	1,532
Impairment loss	**637**	8,046
Unwinding of discount on rehab provision	**162**	99
Fair value adjustment of loans receivable	**-**	-
Non-cash finance income	**(4,806)**	(3,843)
Non-cash finance costs	**3,170**	-
Unrealised foreign exchange	**1,008**	145
Deferred tax	**1,712**	-
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	**1,764**	(3,339)
(Increase)/decrease in prepayments	**(2,758)**	-
(Decrease)/increase in payables	**(442)**	432
(Decrease)/increase in provisions	**(528)**	66
(Increase)/decrease in inventory	**(747)**	(336)
Net cash generated from operating activities	**8,488**	(13,974)

Note 25: Auditors' remuneration

The Auditor of Orocobre is Ernst & Young.

	2019	2018
	US$	US$
Audit and review of financial statements (Ernst & Young)		
Australia	**180,655**	89,546
Argentina	**93,052**	56,171
Total Auditors' remuneration	**273,707**	145,717

Note 26: Related party disclosures

26a) Transactions with related parties and outstanding balances

The following table provides the total amount of transactions with related parties for the relevant financial year.

Transactions impacting the statement of profit & loss

	Note	2019 US$	2018 US$
Sales to a related party	1	**61,204,024**	-
Sales to a related party through a Joint Venture	1	**63,479,802**	148,896,366
Interest income from Joint Venture	2	**2,589,710**	792,742
Interest expense to a related party (gross of any capitalisation)	2	**(1,195,138)**	-

Transactions impacting the statement of financial position

	Note	2019 US$	2018 US$
Trade receivable from a related party			
Current	6	**651,248**	44,724,181
Non-current	6	**-**	-
Amount recoverable from a related party			
Current	6	**-**	-
Non-current	6	**8,174,275**	31,310,092
Loans payable to a related party			
Current	15	**13,666,667**	-
Non-current	15	**16,523,200**	-
Interest payable to a related party			
Current	12	**3,773,815**	-
Non-current	12	**531,461**	-

Key Management Personnel

Compensation of Key Management Personnel of the Group:

	2019 US$	2018 US$
Short-term employee benefits	**1,887,992**	1,709,621
Post-employment benefits	**72,255**	77,979
Other long-term benefits	**28,798**	43,810
Share-based payments	**558,097**	835,633
Total compensation	**2,547,142**	2,667,043

Transactions with Directors and Key Management Personnel

There were no Key Management Personnel (KMP) related party transactions during the year.

Detailed disclosures on compensation for KMP are set out in the Remuneration Report included in the Directors' Report.

Note 27: Summary of other significant accounting policies

Other significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Where necessary, comparative information has been restated to conform with changes in presentation in the current year.

a) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or overseas VAT), except:

- When the GST incurred on a sale or a purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable, and
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST (or VAT) recoverable from, or payable to, the taxation authority.

b) Foreign currency translation

The Group's consolidated financial statements are presented in US$, which is the Parent's presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into US$ at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rate for each month of the financial year. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Note 27: Summary of other significant accounting policies (continued)

c) Joint ventures and associates

The Group's investments in its joint ventures and associates are accounted for using the equity method.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries as outlined in Note 20.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Under the equity method, the investment in a joint venture or associate is initially recognised at cost. The carrying amount of the investment is carried at cost plus the share in net assets. Goodwill relating to the joint venture and associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the Joint Venture and associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the Joint Venture or associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the Joint Venture and associate are eliminated to the extent of the interest in the associate or Joint Venture.

The aggregate of the Group's share of profit or loss of a joint venture and associate is shown on the face of the statement of profit or loss within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the Joint Venture and associate.

The financial statements of the Joint Venture are prepared for the same reporting period as the Group. The financial statements of the associates are not aligned with the Group and the necessary disclosure are noted in Note 22. Adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of joint control over the Joint Venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the Joint Venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

d) New and amended standards and interpretations adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year. New accounting standards effective during the year are detailed below.

AASB 15 — Revenue from contracts with customers. Refer to Note 1 for the adoption details.

AASB 9 — Financial Instruments. The Group has adopted AASB 9 Financial Instruments effective 1 July 2018. AASB 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The classification is made at initial recognition and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The Group did not have any financial assets in the balance sheet that were previously designated as available for sale or fair value through profit or loss. Neither did it designate any financial asset at fair value through the profit or loss on initial application of AASB 9. There was no difference between the previous carrying amount and the revised carrying amount of the financial assets at 1 July 2018 to be recognised in opening retained earnings and there was no change in classification of the financial assets. The adoption of the revised AASB 9 did not affect the Group's accounting for its financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through the profit or loss and the Group does not have any such liabilities. The Group elected to apply the hedge accounting in Chapter 6 of AASB 9 prospectively. The Group's management has assessed the existing hedging relationships in accordance with the qualifying criteria in AASB 9 at 1 July 2018. The hedging relationships continue to meet the requirement under AASB 9 and are regarded as continuing hedging relationships. No hedge ratio rebalancing is required at the initial application of AASB 9. The impairment model in AASB 9 is based on the premise of providing for expected losses. The change in the impairment model has no significant impact to the Group's impairment policy.

e) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

Note 27: Summary of other significant accounting policies (continued)

Title of standard	Nature of change	Impact	Mandatory application date
AASB 16 *Leases*	**AASB 16 Leases addresses the recognition, measurement, presentation and disclosure of leases.** The adoption of AASB 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. 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. The Group plans to adopt AASB 16 using the modified retrospective transition approach whereby no changes will be made to comparative periods. The Group will elect to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Group will not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as at the date of initial application, and lease contracts for which the underlying asset is of low value.	**During 2018 -2019, the Group has performed a detailed impact assessment of AASB 16. In summary the impact of AASB 16 adoption is expected to be, as follows:** The Group has reviewed all the Group's leasing arrangements over the last year in light of the new lease accounting rules in AASB 16. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of US$1,974,000 see Note 28. Overall the Group has assessed the impact of AASB 16 as immaterial. As at 30 June 2019, the Group expects there to be a gross up on the balance sheet of right of use asset and finance lease liability of approximately less than 1% of net assets. Net profit after tax will decrease by approximately less than 1% as a result of adopting the new rules. Adjusted EBITDAIX used to measure segment results is expected to increase, as the operating lease payments were included in EBITDAIX, but the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure. Operating cash flows will increase, and financing cash flows decrease by approximately US$817,000 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.	The Group will adopt the standard on 1 July 2019.
AASB Interpretation 23 Uncertainty over Income Tax Treatment	The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.	The Group does not believe that there will be a material financial impact to either the statement of profit or loss or the statement of financial position.	Mandatory for financial years commencing on or after 1 July 2019.
AASB123 Borrowing Costs	The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.	The Group does not believe that there will be a material financial impact to either the statement of profit or loss or the statement of financial position.	Mandatory for financial years commencing on or after 1 July 2019.

Note 28: Commitments

	2019 US$'000	2018 US$'000
Not later than 1 year		
Exploration commitments [i]	**132**	9
Operating leases [ii]	**817**	58
Contracts — Property Plant & Equipment [iii]	**39,061**	
Contracts — Operating [iii]	**14,704**	1,254
Total	**54,714**	1,321
Later than 1 year but not later than 5 years		
Exploration commitments [i]	**200**	-
Operating leases [ii]	**1,157**	-
Contracts — Property Plant & Equipment [iii]	**-**	-
Contracts — Operating [iii]	**32,213**	-
Total	**33,570**	-

[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 non-cancellable leases for varying office premises and houses, with a range of terms remaining at the end of the financial year (2019: US$1,962,000, / 2018: US$58,00). Rent is payable monthly in advance.

[iii] The Group has contractual commitments regarding purchasing agreements for consumables and energy at its operations.

Recognition and measurement

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Note 29: Subsequent events

Subsequent to year end, Orocobre again supported Advantage's private placement. In total, Advantage issued 4,153,903 Common Shares at a price of C$0.41 per common share for gross proceeds of C$1,703,100. Orocobre's total investment in the capital raise was C$1,536,025 (US$1,177,392) for a net amount of 3,746,403 shares and following the completion of the placement Orocobre now holds 34.7% of Advantage's issued capital.

Subsequent to the balance sheet date, Orocobre, SDJ PTE and SDJ entered into finance documentation related to US$180 million project finance for the Stage 2 Expansion.

Directors' Declaration

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 financial year ended 30 June 2019 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 30 June 2019 and of its performance for the year ended on that date; and

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

   b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

   c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

Robert Hubbard
Chairman

Martín Pérez de Solay
Managing Director

Dated this: 23rd day of August 2019

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia GPO
Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Independent Auditor's Report to the Members of Orocobre Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Orocobre Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is 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 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Building a better working world

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Accounting for interest in Sales de Jujuy Pte Ltd

Why significant	How our audit addressed the key audit matter
The Group has a 72.68% interest in Sales de Jujuy Pte Ltd which in turn owns 91.5% of Sales de Jujuy S.A., the owner and operator of the Olaroz lithium project. The Group determined the investment was a joint venture up to and including at 31 December 2018, and applied the equity method of accounting at 31 December 2018. On 1 January 2019, the Group obtained control of Sales de Jujuy Pte Ltd. Upon obtaining control, the Group derecognised its equity method investment and commenced consolidation of Sales de Jujuy Pte Ltd (refer key audit matter below). Details of the Group's investment in joint ventures is included in Note 11 of the financial report, which includes disclosure of the Group's interest in Sales de Jujuy Pte Ltd from 1 July 2018 to 31 December 2018. Details of the Group's material partly owned subsidiaries is included in Note 21 of the financial report, which includes disclosure of the Group's interest in Sales de Jujuy Pte Ltd as at 30 June 2019 and its contribution to the Group's financial performance for the period from 1 January 2019 to 30 June 2019. This was considered to be a key audit matter due to the significance of the investment to the Group, and the risk in applying equity accounting and consolidation to the investment given the underlying operations are based in Argentina.	We performed the following procedures: • Determined the scope of audit work required to be undertaken by the auditors of Sales de Jujuy S.A. in Argentina for the purposes of the audit of the Group. • Considered the auditor's qualifications and objectivity and the conclusions that they reported to us. We reviewed the documentation supporting audit procedures performed in areas we selected as most relevant for the Group audit. • Assessed the accounting policies of Sales de Jujuy Pte Ltd for consistency with the Group's policies and assessed the accounting for transactions between Sales de Jujuy Pte Ltd, Sales de Jujuy S.A. and the Group. • Evaluated the Group's share of net gains and the equity method investment movement of the joint venture for the period 1 July 2018 to 31 December 2018. • Assessed the carrying amount of the Group's equity method investment derecognised of as part of the Group obtaining control of the joint venture on 1 January 2019. • Evaluated the calculation of foreign currency movements and assessed the amount of the Group's foreign currency translation reserve required to be recognised in profit and loss for the period because of the disposal of the equity method investment on 1 January 2019. • Assessed the Group's consolidation accounting for Sales de Jujuy Pte Ltd for the period from 1 January 2019 to 30 June 2019. • Evaluated the adequacy of the Group's disclosures included in the financial report.

Building a better working world

Obtaining control of Sales de Jujuy Pte Ltd and business combination accounting

Why significant	How our audit addressed the key audit matter

On 1 January 2019 the Group obtained control of Sales de Jujuy Pte Ltd, following the signing of a new shareholders agreement with Toyotsu Lithium Pte Ltd (TLP) a subsidiary of Toyota Tsusho Corporation (TTC). Upon obtaining control, the Group derecognised its equity method investment and commenced consolidation of Sales de Jujuy Pte Ltd.
 	
As disclosed in Note 18 to the financial report, the Group acquired total assets of $762.4 million and assumed total liabilities of $433.5 million. After recognising non-controlling interests, derecognising the Group's previous equity method investment in Sales de Jujuy Pte Ltd and other adjustments, the Group recognised a gain on consolidation of $37.2 million.
 	
As outlined in Note 18, the acquisition accounting remains provisional at 30 June 2019, as permitted by Australian Accounting Standards.
 	
The business combination is significant and complex due to the judgement required by the Group to measure the fair values of the following assets acquired and liabilities assumed:
• Inventory;
• Property, plant and equipment (including mine properties);
• Deferred tax assets for carry forward tax losses; and
• Rehabilitation provision.
 	
As a result, this was considered to be a key audit matter.
	We performed the following procedures:
	• Evaluated the terms of the shareholders agreement between the Group, TLP and TTC which gave rise to the Group obtaining control of Sales de Jujuy Pte Ltd.
	• Considered the accounting acquisition date and the achievement of control over the acquired business interests.
	• Evaluated the qualifications, competence and objectivity of external and internal experts used by the Group to determine the fair value of the identified assets acquired and liabilities assumed.
	• With the assistance of our valuation specialists, assessed the valuation methodology used by the Group's external and internal experts for consistency with industry practice and compliance with the requirements of Australian Accounting Standards.
	• Assessed the Group's fair valuation of property, plant and equipment (including mine properties) including:
	  ◦ Comparing key assumptions such as forecast lithium prices, discount rates, inflation rates and foreign exchange rates to external market data; and
	  ◦ Performing valuation cross checks to the market capitalisation of the Group (including a control premium) at and around the time of obtaining control and lithium carbonate equivalent resource multiples implied by the fair valuation.
	• Assessed the measurement of rehabilitation provision assumed as part of the transaction for completeness and consistency with the requirements of Australian Accounting Standards.
	• Considered the Group's fair valuation of its finished product and brine inventories at 1 January 2019 and the impact on profit for the period when the inventory was sold.
	• Agreed the working capital balances, including adjustments to recognise these at fair value, to bank statements, invoices and underlying books and records, including instructing the auditors of Sales de Jujuy S.A. in Argentina to perform certain of these procedures.
	• Evaluated the adequacy of the Group's disclosures included in the financial report.

Building a better working world

Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s 2019 Annual Report, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Building a better working world

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 48 to 63 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Orocobre Limited for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Andrew Carrick
Partner
Brisbane
23 August 2019

Resources
& Reserves

Olaroz Resource Estimate

In 2011, the Company defined a M&I Resource of 1,752 million cubic metres of brine at 690 mg/l lithium, 5,730 mg/l potassium and 1,050 mg/l boron at the Olaroz Project, which is equivalent to 6.4 million tonnes of lithium carbonate and 19.3 million tonnes of potash (potassium chloride) based on 5.32 tonnes of lithium carbonate being equivalent to 1 tonne of lithium and 1.91 tonnes of potash being equivalent to one tonne of potassium (Table 1).

Details of the M&I Resources are given in the table below.

The resource was estimated under the JORC 2004 reporting guidelines, prior to the introduction of the current JORC 2012 reporting rules. However, there is no material difference with the resource, with the exception of depletion by production, which commenced in 2014.

Table 1: Olaroz 2011 Resource Estimate

					Concentration			Tonnes of contained metal		
Resource category	**Area (km^2)**	**Thickness (m)**	**Mean specific yield %**	**Brine volume km^3**	**Lithium mg/l**	**Potassium mg/l**	**Boron mg/l**	**Lithium million tonnes**	**Potassium million tonnes**	**Boron million tonnes**
Measured resource	93	54	8.5%	0.42	632	4,930	927	0.27	2.08	0.39
Indicated resource	93	143	10.0%	1.33	708	6,030	1,100	0.94	8.02	1.46
Measured and indicated resource	93	197	9.6%	1.75	690	5,730	1,050	1.21	10.0	1.85

Olaroz Defined Exploration Target

As part of the bore field development during Stage 1 operations, five production bores have been drilled, or extended, beyond the resource depth of 197 m, with the deepest being to 450 m. All these holes intersected significant thicknesses of sandy sequences beneath the 197 m deep resource.

These results are highly significant as this sandy sequence is interpreted to extend laterally beneath much of the defined brine resource.

The sand unit could hold significant volumes of lithium-bearing brine which could be added to the resource base by future deeper drilling. In addition, due to the thickness of the sand, any production bore drilled into this unit will be high yielding compared to bores only in the top 200 m.

The exploration target described below is between 1.6 and 7.5 million tonnes of LCE, located between 197 m and 323 m depth, based on the first two deeper production bores in the west of the Olaroz properties (Table 2).

Table 2: Olaroz Deeper Exploration Target

Area km^2	**Thickness m (to 323 m depth)**	**Mean specific yield %**	**Brine volume million m^3**	**Li mg/l**	**Contained Li million metric tonnes**	**Lithium carbonate metric tonnes**	**K mg/l**	**Contained K million metric tonnes**	**Potash million metric tonnes**	**B mg/l**	**Boron million metric tonnes**
Upper Assumption Estimate											
80	126	20%	2,000	700	1.4	7.5	5400	10.9	20.8	1,200	2.4
Lower Assumption Estimate											
80	126	6%	605	500	0.3	1.6	4000	2.4	4.6	900	0.5

Additional exploration targets have been identified to the north and the south of the defined target area.

It must be stressed that an Exploration Target is not a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource in the volume where the Exploration Target is outlined. It is uncertain if further exploration drilling will result in the determination of a Mineral Resource in this volume. Re-interpretation of the geophysical surveys has indicated the Olaroz Salar may be over 600 m deep with potential for further Exploration Targets to be developed beneath the current 323 m.

Deeper drilling will be undertaken during the Stage 2 Expansion to further evaluate the exploration target and to assist longer term development planning.

Olaroz Reserve Estimate

There is currently no mineral reserve defined for the Olaroz Project. An initial evaluation of pumping performance in the salar to date was completed using numerical (groundwater) modelling software. The company plans to develop a new groundwater model, which will be optimised to simulate the results of long-term brine extraction from the current lithium mineral resources and new resources expected to be defined below the depth of the current resources (based on information from the five pumping wells installed below 200 m depth and future drilling). Prediction of brine extraction through the life of the project, using the new groundwater model and based on observations of pumping from 2013 to 2019, will allow definition of a long-term production schedule and a mineral reserve of lithium in brine which can be extracted by long-term pumping operations.

Cauchari Project (Orocobre 25%: Advantage 75% & Operator)

Based on the results of the 2018 Phase III drilling program and subsequent 30 day constant rate pumping tests, the resource at Cauchari has again been increased (see ASX announcement 7 March 2019). This updated resource estimate saw the LCE JORC Resources more than double from the previous estimate released 24 May 2018.

Independent consultants FloSolutions S.A.C. advised the resource volume has increased to 1.9 km^3 of brine at an average concentration of 476 mg/l lithium equivalent for 4.8 Mt of LCE in the Measured & Indicated categories. The Inferred resource estimate increased to 0.6 km^3 of brine at an average grade of 473 mg/l lithium equivalent for 1.5 Mt of LCE. The resource estimate includes both the NW and SE Sectors. The resources have been broken into six different geological units which are classified between Measured, Indicated and Inferred resources, with the classification reflecting differences in the level of available sample information.

The key areas of the resource for future brine production are the Archibarca Fan and the SE Sector of the Project. The Archibarca Fan resource consists of 1.0 Mt of LCE as Measured Resources at 564 mg/l lithium. The M&I Resources in the SE Sector, mostly contained in the Clay and Halite units, amount to approximately 2.3 Mt of LCE at 481 mg/l lithium. The extraction characteristics of the Archibarca Fan and SE Sector have been confirmed by the 30 day pumping tests in each area during the Phase III drilling program in 2018.

The brine resource is calculated over the western and eastern properties of the Cauchari project and covers an area of 117.7 km^2. The brine resource in the west extends from the brine level below the surficial gravels to a depth of over 400 m and is classified as Measured in the north in the Archibarca area and Indicated further south in the West Fan, with small volumes of Inferred resources in these areas. The M&I Resources in the east extend from the phreatic brine level to a constant depth of 400 m in the Halite and Clay units. Indicated Resources in the Deep Sand unit extend to 500 m depth. Below these depths the resource is classified as Inferred, reaching a depth of up to 619 m. The Deep Sand unit remains open at depth. None of the drill holes completed to date have intercepted bedrock (basement) and the resource remains open at depth. The updated resource estimate is presented in Table 3.

Table 3: Cauchari Project Lithium Resource Estimate; 7 March, 2019

	Measured (M)	Indicated (I)	M+I	Inferred
Aquifer volume (km^3)	9.7	20.9	30.7	10.7
Mean specific yield	6%	6%	6%	6%
Brine volume (km^3)	0.6	1.2	1.9	0.6
Li mean grade (g/m^3)	35	26	29	27
Li mean concentration (mg/l)	527	452	476	473
Resource (tonnes)	345,000	550,000	900,000	290,000
Lithium Carbonate Equivalent	1,850,000	2,950,000	4,800,000	1,500,000

Notes:

1 JORC and CIM definitions were followed for mineral resources.

2 The Qualified Person for this Mineral Resource estimate is Murray Brooker, RPGeo, MAIG.

3 Lithium is converted to lithium carbonate (Li_2CO_3) with a conversion factor of 5.32.

4 Numbers may not add due to rounding.

Results of the brine chemistry analysis carried out as part of the updated resource estimate confirmed the Cauchari brine is similar in composition to the brine in the adjacent Olaroz Salar from which Orocobre successfully produces lithium carbonate using conventional lithium processing technology. There is a reasonable prospect that the Cauchari brine could be successfully processed using technology similar to Olaroz. A summary of the Cauchari brine characteristics can be in found in Table 4.

Table 4: Cauchari Brine Chemistry Characteristics; 7 March, 2019

Samples Ratio	Archibarca Fan	Clay	East Fan	Halite	Deep Sand	West Fan
Mg/Li	2.3	2.5	1.6	2.7	2.5	3.2
SO_4/Li	26.2	39.7	88.7	44.3	38.1	38.4

Resource Estimation Methodology

The updated lithium resource estimate for the Cauchari Project is based on the results of 26 diamond holes and five rotary holes drilled between 2011 and the end of 2018. Figure 1 shows a location map of the drill holes completed during the 2011 and 2017/8 drilling campaigns and Figure 2 shows a cutaway diagram of the resource area and concentrations. Brine sample collection consisted of bailed and packer samples in the diamond holes, and packer and pumped samples in the rotary holes. More than 2,000 brine samples (including more than 300 QA/QC samples) were analysed by Norlabs (Jujuy, Argentina) as the primary laboratory and by Alex Steward Assayers (Mendoza, Argentina) and the University of Antofagasta (Chile) as secondary QA/QC laboratories. Brine was also extracted from diamond cores (centrifuge methodology) in an independent laboratory in the USA and analysed in the Norlabs laboratory in Argentina to further verify and validate brine chemistry results.

HQ core was retrieved during the diamond core drilling from which more than 300 primary undisturbed samples were prepared for laboratory drainable porosity and other physical parameter determinations by Geo Systems Analysis (GSA) in Tucson, AZ. Laboratory QA/QC porosity analyses were undertaken by the DBS&A Laboratory, Core Laboratories and the British Geological Survey.

The lithium resource was estimated using SGEMs software applying ordinary kriging. The resource estimate was prepared in accordance with the guidelines of JORC and Canadian National Instrument 43-101 and uses best practice methods specific to brine resources, including a reliance on core drilling and sampling methods that yield depth-specific chemistry and drainable porosity measurements. The resource estimation was completed by independent qualified person Mr. Frits Reidel of Santiago based hydrogeology firm FloSolutions S.A.C. with extensive experience in the estimation of lithium brine resources in Argentina. Competent Person (CP) Mr. Murray Brooker reviewed advances during the drilling programs and during the resource estimation.

Figure 1: Cauchari 2019 Resource Outlines — Location of Cauchari Properties, Drill Holes & Resource Area

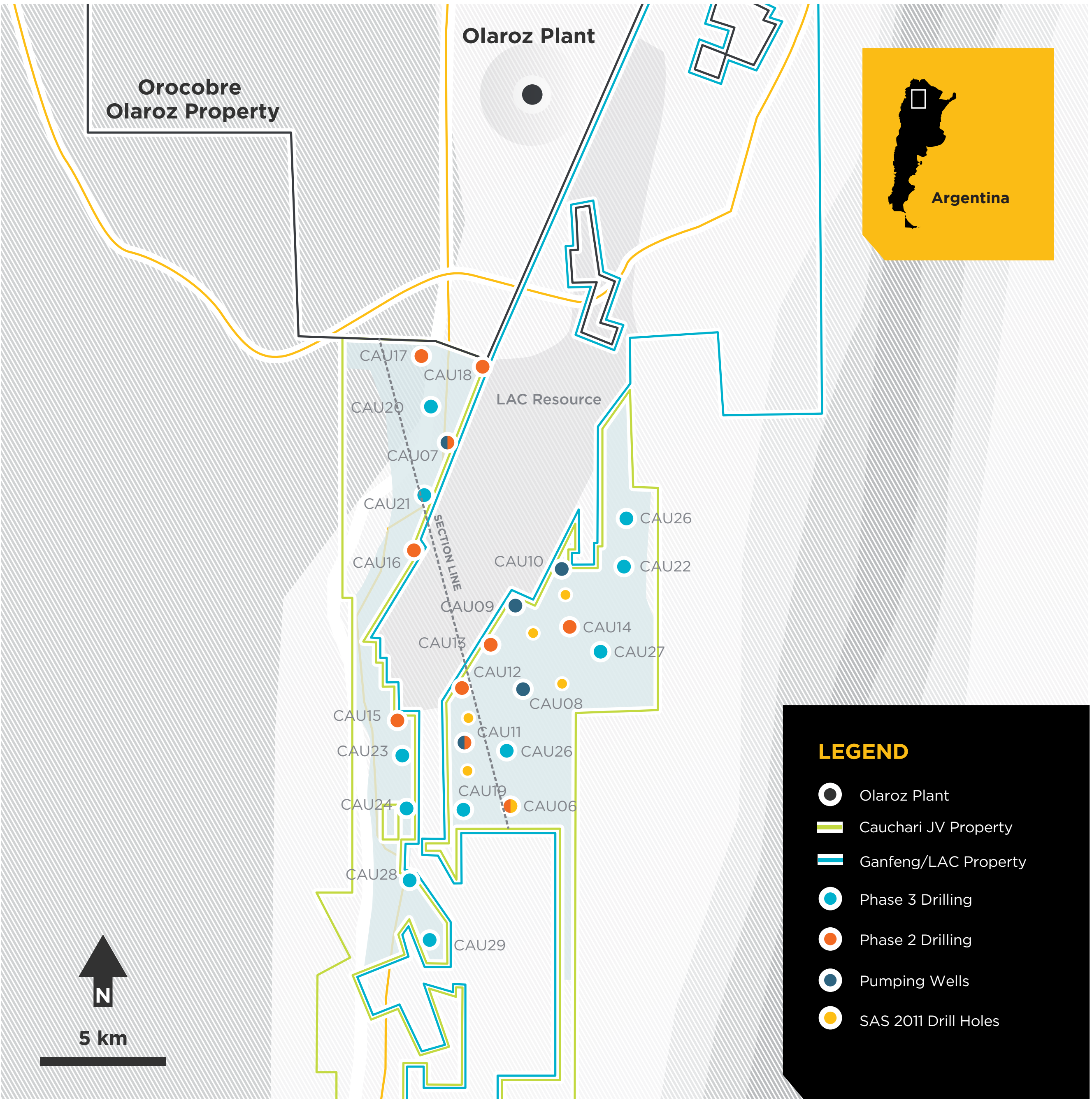
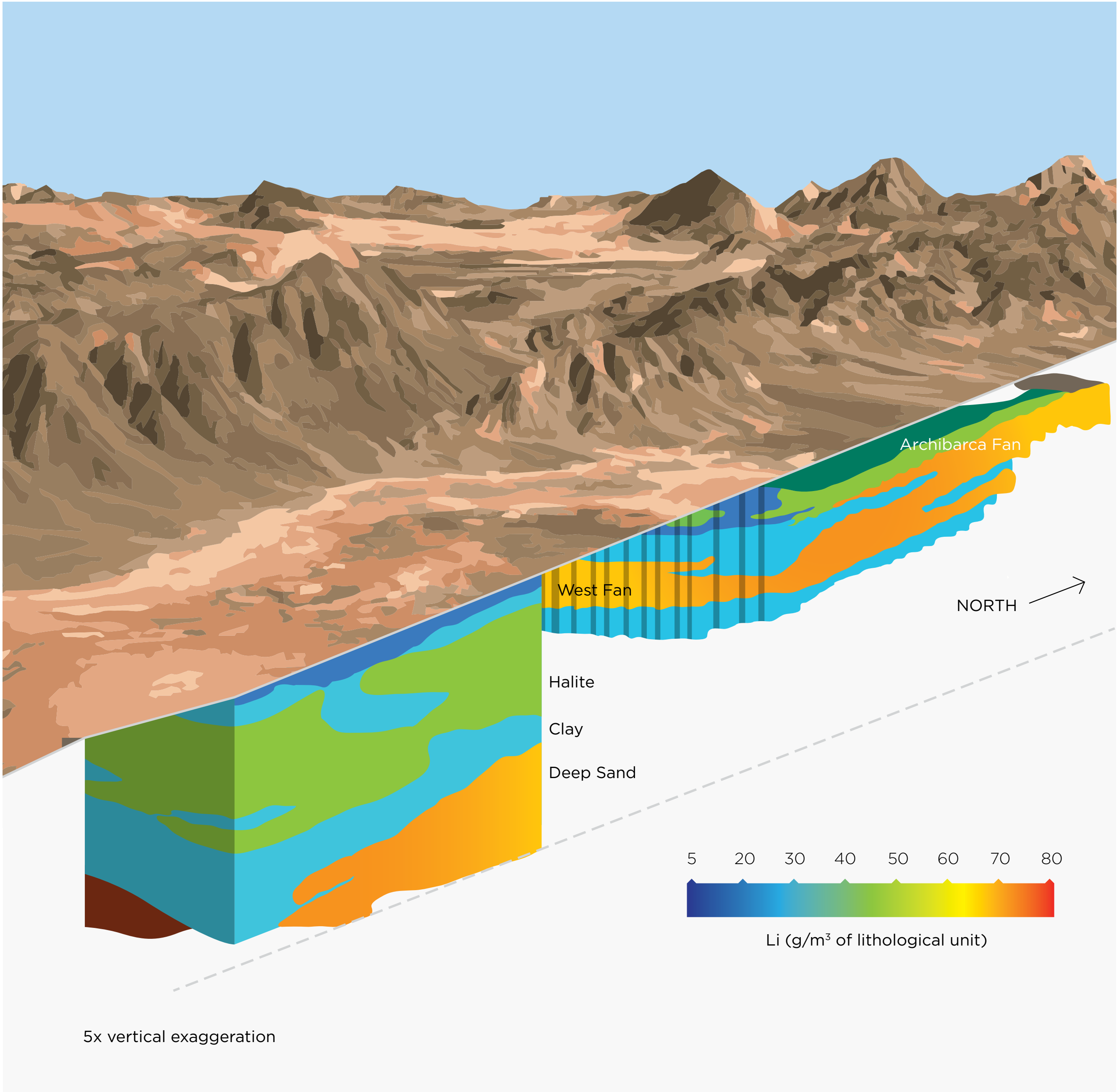


Figure 2: Resource Model looking northwest through the SE Sector & the Archibarca area (serrated pattern represents resource blocks along the property boundary)



Borax Argentina S.A.

JORC Compliance Program

Following the upgrading of the Porvenir historical estimate to a JORC compliant M&I Resource in 2014, the Tincalayu resource upgrade was completed in FY15.

Resources

Porvenir Resource Estimate Summary

An M&I Resource of 2.3 million tonnes at 20.4% B_2O_3 is estimated at the current 16% mining cut- off grade. The resource extends to a maximum depth of 2.9 m and is easily exploited by low cost strip mining. An M&I Resource of 6.9 million tonnes of 14.9% B_2O_3 is estimated at a 9% B_2O_3 mining cut-off grade.

The resource estimate was prepared by Murray Brooker, an independent consultant employed by Hydrominex Geoscience Pty Ltd. Murray Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Murray has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101.

The information is extracted from the report entitled Amended Announcement to Porvenir Historical Estimate Upgraded to JORC Compliant Resource (see ASX announcement 29 April 2014).

The Company is not aware of any information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. A previous announcement was made on the 21 August 2012 regarding the superseded historical resource at Porvenir, which is the subject of re-estimation. The company is not in possession of any new information or data relating to historical estimates that materially impacts on the reliability of the estimates or the company's ability to verify the historical estimates as mineral resources, in accordance with the JORC Code. The supporting information provided in the initial market announcement of 21 August 2012 continues to apply and has not materially changed.

Table 5: April 2014 Update of the Porvenir Resource Estimate

Classification	Cut-Off Grade	Tonnes	Grade% B_2O_3	Tonnes B_2O_3
Measured	9%	4,907,877	14.5	710,672
Indicated	9%	1,942,433	16.0	310,517
Measured & Indicated	9%	6,850,000	14.9	1,020,000
Classification	**Cut-Off Grade**	**Tonnes**	**Grade% B_2O_3**	**Tonnes B_2O_3**
Measured	16%	1,474,341	20.0	295,117
Indicated	16%	804,595	21.0	168,776
Measured & Indicated	16%	2,278,937	20.4	463,992

Tincalayu Resource Estimate Summary

An Indicated resource of 5.1 million tonnes at 14.7% B_2O_3 and Inferred resource of 1.4 million tonnes at 11% B_2O_3 at a marginal cut-off of 5.6% B_2O_3 for in-pit maximum DCF resources. This increases to an Indicated resource 6.8 million tons of 13.8 % B_2O_3 and 11 million tonnes of Inferred resource at 9.3% B_2O_3, at a marginal cut-off grade of 2.8% B_2O_3.

The resource estimate was prepared by Murray Brooker, an independent consultant employed by Hydrominex Geoscience Pty Ltd. Murray Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Murray has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101. The information is extracted from the report entitled Tincalayu Historical Estimate Upgraded to JORC Compliant Resource (see ASX announcement 18 November 2014).

The Company is not aware of any information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. A previous announcement was made on 21 August 2012 regarding the superseded historical resource at Tincalayu, which is the subject of re-estimation. The company is not in possession of any new information or data relating to historical estimates that materially impacts on the reliability of the estimates or the company's ability to verify the historical estimates as mineral resources, in accordance with the JORC Code. The supporting information provided in the initial market announcement of 21 August 2012 continues to apply and has not materially changed, with the exception of ongoing depletion due to mining.

Table 6: 2014 Tincalayu Resource Estimate & Cut-Off Grades

	Current Production 30Ktpa			Expanded Production 100Ktpa		
	Cut-Off	Tonnes (Mt)	Soluble B_2O_3(%)	Cut-Off	Tonnes (Mt)	Soluble B_2O_3 (%)
Global Resource (Not Limited to a Pit Shell) – with Marginal Cut-Off						
Indicated	5.6	6.9	13.9	2.8	6.9	13.8
Inferred	5.6	9.9	10.2	2.8	13.8	8.5
Maximum DCF In-Pit Resource – with Marginal Cut-Off						
Indicated	5.6	5.1	14.7	2.8	6.8	13.8
Inferred	5.6	1.4	11.0	2.8	11.0	9.3

Historical Borax Argentina S.A. Resources – Not reported under the JORC Code

Mine/Project	Material	Historical Estimate	Tonnes	Grade % B_2O_3	Tonnes B_2O_3
Current Soft Rock Mines					
Sijes – Hydroboracite	Hydroboracite	Measured	3,099,998	22.8	706,800
Sijes – Colemanite	Colemanite	Inferred	200,000	20.0	40,000
Total and Average			**3,299,998**	**22.6**	**746,800**
Undeveloped Ulexite Deposits in Salt Lake Sediments					
Ratones	Ulexite	Indicated	364,663	18.0	65,639

Footnotes

The historical estimates are in equivalent categories to those used by the JORC and CIM reporting codes. However, these estimates did not satisfy either current JORC or CIM/NI 43-101 requirements for the reporting of resources and are considered to be historical resources (see ASX announcement 21 August 2012).

A qualified person did not do sufficient work to classify these historical estimates as current mineral resources or mineral reserves, and the Company did not treat the historical estimates as current mineral resources or mineral reserves. It is uncertain whether following evaluation and/or further exploration any of the historical estimates will ever be able to be reported as current estimates in accordance with the JORC Code or NI 43-101.

The only new information that impacts on these historical estimates is the exploitation of material at Sijes from 2012-2019 which has reduced the historical estimate of Hydroboracite to 2,687,125 tonnes at a grade of 24% and Colemanite to 180,741 tonnes at a grade of 19%. This material mined from 2012-2019 is not accounted for as depletion in the figures above.

Relevant reports from which the above summary of historical estimates is drawn include the following:

Sijes

- July 1998; Borax; Environmental and Operational Studies, Phase 1, Initial Geotechnical Appraisal; Knight Piesold Limited, England. Includes a Historical estimates Chapter;
- July 1998; Borax; Environmental and operational Studies, Phase 2; Geotechnical Appraisal; Knight Piesold Limited, England;
- May 1999; Borax; Hidroboracite Project, Raul Gutierrez Solis; August 1999, Borax; Sijes, Monte Amarillo 2 Mine.

Historical Estimation, Mine Design & Planning Report. Knight Piesold Limited, England.

Ratones

- The project was acquired by Borax circa 1987. The previous owners had conducted an estimate of contained mineralised material. This has not been validated by Borax, who consider the status of this material to be of the indicated category.

Properties

Borax also owns the tenure on all or parts of the lithium projects being progressed by other lithium exploration companies, including Lithium Americas Corporation Ltd. (TSX:LAC) at Salar de Cauchari, Nextview New Energy Lion Hong Kong Ltd at Diablillos, and POSCO at Sal de Vida. As one of the conditions to extract brines, these companies are required to make payments to Borax either as fixed annual payments or a royalty related to production. The terms of these agreements are detailed below.

Company	Project Affected	Area of Properties (hectares)	Date of Contract	Type of Contract*	Remaining Payments	Royalty Payable on Brine Extraction	Period of Usufruct	Comments
Lithium Americas Corporation/SQM	Cauchari	4,130	19 May 2011	Usufruct	$5,400,000	None	18 May 2041	$200,000 per annum payable until 18 May 2041 irrespective of production.
Nextview New Energy Lion Hong Kong Ltd*	Diablillos	698.35	14 Jan 2010	Royalty	N/A	1% NSR Revenue Based Royalty		–
Nextview New Energy Lion Hong Kong Ltd*	Centenario and Ratones	630	14 Jan 2010	Royalty	N/A	1.0%	Indefinite	–
Nextview New Energy Lion Hong Kong Ltd*	Los Ratones	600	14 Jan 2010	Royalty	N/A	1.0%	Indefinite	–
Lithea Inc.	Pozuelos	2,488	14 Jan 2010	Purchase	N/A	1.0%	Indefinite	Royalty can be purchased by Lithea for $1,000,000. Borax has the right to mine borates.
Advantage Lithium	Cauchari	27,771	24 Nov 2016	Royalty	N/A	1.0% Gros Royalty on Production		
LSC Lithium	Salinas Grandes	32,727	6 June 2017	Royalty	N/A	2% Mine Mouth Royalty		

* Usufruct — legal right afforded to a person or party that confers the temporary right to use and derive income or benefit from someone else's property.

Schedule of Tenements

Project Area: Olaroz

Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
1842-S-12	2988.19	66.5%	Argentina
131-I-1986	99,92		Argentina
39-M-1998	98.4		Argentina
112-G-04	100		Argentina
117-A-44	100		Argentina
114-V-44	100		Argentina
40-M-1998	100		Argentina
29-M-1996	100		Argentina
126-T-44	100		Argentina
393-B-44	100		Argentina
112-D-44	299.94		Argentina
125-S-44	100		Argentina
319-T-2005	1473.97		Argentina
147-L-2003	1933.80		Argentina
943-R-2008	563.79		Argentina
1136-R-2009	1198.48		Argentina
1137-R-2009	1199.34		Argentina
944-R-2008	432.05		Argentina
1134-R-2009	895.61		Argentina
1135-R-2009	1098.86		Argentina
963-R-2008	1194.84		Argentina
964-R-2008	805.06		Argentina
056-L-1991	300		Argentina
1274-O-2009	5972		Argentina
945-R-2008	1493.93		Argentina
520-L-2006	1896.52		Argentina
521-L-2006	2048		Argentina
522-L-2006	2000		Argentina
725-L-2007	2940.43		Argentina
726-L-2007	2889.84		Argentina
728-L-2007	3182.51		Argentina
530-L-2006	6130.3		Argentina
727-L-2007	3117.10		Argentina
724-L-2007	3342,19		Argentina

Project Area: Cauchari

Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
2055-R-2014	495.38	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 and as to 25% by La Frontera S.A. Orocobre holds 85% of La Frontera SA.	Argentina
2054-R-2014	445.74		Argentina
2059-R-2014	912.33		Argentina
2058-R-2014	1765.94		Argentina
2053-R-2014	1997.09		Argentina
1155-P-2009	1500		Argentina
968 –R- 2008	1028.73		Argentina
1081- P -2008	1245.21		Argentina
1119-P-2009	2493.07		Argentina
1082 -P -2008	1468.87		Argentina
1101 -P -2008	2483.9		Argentina
966 -R -2008	117.70		Argentina
965- R -2008	1344.97		Argentina
951-R-2008	795.27		Argentina
1083 -P -2008	1445.56		Argentina
1118-P-2009	2395.69		Argentina
1130-P-2009	1239.26		Argentina
952-R-2008	487.58		Argentina
1084 -P -2008	1526.79		Argentina
1156-P-2009	54.52		Argentina
1086- P -2008	1716.63		Argentina
1085 -P -2008	1922.63		Argentina

Project Area: Salinas Grandes

Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
184-Z-1996	299.99	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
817-I-2007	1142.54		Argentina
604-T-2006	499.99		Argentina
788-M-2007	1172.92		Argentina
183-Z-2004	499.98		Argentina
184-D-1990	99.99		Argentina
19391	2411.97		Argentina
18199	500		Argentina
67	100		Argentina
18834	495.82		Argentina
17734	200		Argentina
60	100		Argentina
1104	100		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

Project Area: Salinas Grandes (Continued)

Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
11578	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
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
65	100		Argentina
70	100		Argentina
206	100		Argentina
86	300		Argentina
17744	500		Argentina
18533	97.03		Argentina
17580	100		Argentina

Project Area: Salar del Hombre Muerto — Tincalayu

Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
1271	300	100% Borax. 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	100		Argentina
17335	274.32		Argentina

Project Area: Salar Santa Rosa de los Pastos Grandes — Sijes

Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
8587	799	100% Borax.	Argentina
11800	488		Argentina
11801	400		Argentina
11802	3399		Argentina
14121	10		Argentina
5786	200		Argentina

Project Area: Salar de Cauchari

Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
394 B	300		Argentina
336 C	100		Argentina
347 C	100		Argentina
354 C	160		Argentina
340 C	100		Argentina
444 P	100		Argentina
353 C	300		Argentina
350 C	100		Argentina
89 N	100		Argentina
345 C	100		Argentina
344 C	100		Argentina
343 C	100		Argentina
352 C	100		Argentina
351 C	100		Argentina
365 V	100		Argentina
122 D	100		Argentina
221 S	100		Argentina
190 R	100	100% Borax.	Argentina
116 D	100		Argentina
117 D	300		Argentina
389 B	100		Argentina
206 B	24		Argentina
402 B	119		Argentina
195 S	100		Argentina
220 S	100		Argentina
259 M	100		Argentina
43 E	100		Argentina
341 C	100		Argentina
42 D	100		Argentina
438 G	100		Argentina
160 T	100		Argentina
378 C	100		Argentina
339-C	100		Argentina
377-C	100		Argentina
191-R	100		Argentina

Project Area: Salar de Diablillos

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

Shareholder
& ASX Information

The following additional information is required by the Australian Securities Exchange Limited (ASX) and is not disclosed elsewhere in this report.

Shareholder Information

The following information is provided as at 9 August 2019.

Distribution of Shareholders

Range of Units Snapshot Fully Paid Ordinary Shares (Total) as at 9 August 2019 | Composition: CA, ORD

Range	Total holders	Units	% of Issued Capital
1 – 100	512	19,565	0.01
101 – 1,000	3,540	1,910,835	0.73
1,001 – 10,000	5,876	21,901,782	8.37
10,001 – 100,000	1,109	27,890,709	10.66
100,001 – 500,000	74	14,834,550	5.67
500,001 – 1,000,000	7	4,482,762	1.71
1,000,001 – 9,999,999,999	17	190,637,871	72.85
Rounding			0.00
Total	**11,135**	**261,678,074**	**100.00**

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 2.85 per unit	176	961	82,790

20 Largest Holder Accounts – Ordinary Shares

Rank	Name	Units	% of Units
1	J P Morgan Nominees Australia Pty Limited	59,728,004	22.82
2	Toyota Tsusho Corporation	39,229,950	14.99
3	HSBC Custody Nominees (Australia) Limited	33,621,312	12.85
4	Citicorp Nominees Pty Limited	13,872,575	5.30
5	Canadian Register Control	10,095,526	3.86
6	National Nominees Limited	5,294,654	2.02
7	Richard Seville & Associates Pty Ltd <The Seville Super Fund A/C>	4,997,000	1.91
8	Lithium Investors LLC	4,555,772	1.74
9	BNP Paribas Noms (Nz) Ltd <Drp>	3,583,570	1.37
10	Mr. Denis Grenville Hinton + Mrs. Roslyn Susanna Hinton	3,042,281	1.16
11	BNP Paribas Noms Pty Ltd <Drp>	2,205,702	0.84
12	Merrill Lynch (Australia) Nominees Pty Limited	2,044,038	0.78
13	HSBC Custody Nominees (Australia) Limited – A/C 2	1,848,302	0.71
14	Fairground Pty Ltd	1,677,227	0.64
15	Mr. Robert Bruce Woodland + Mrs. Erika Woodland <R Woodland Exhibit S/F A/C>	1,536,000	0.59
16	Aust Executor Trustees Ltd <Charitable Foundation>	1,093,398	0.42
17	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	1,073,172	0.41
18	CS Third Nominees Pty Limited <Hsbc Cust Nom Au Ltd 13 A/C>	875,445	0.33
19	Nambia Pty Ltd <The Anthon Family S/F A/C>	756,170	0.29
20	Mr. Denis Grenville Hinton + Mrs. Roslyn Susanna Hinton <Hinton Family Super A/C>	649,006	0.25
Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)		**191,779,104**	**73.29**
Total Remaining Holders Balance		**69,898,970**	**26.71**

NOTE: Shareholders may have several accounts which could affect their overall gross holdings.

Substantial Shareholders

The following are substantial shareholder accounts listed in the Company's register as at 9 August 2019.

Rank	Shareholder Name	Number of shares held	% of Total Capital
1	J P Morgan Nominees Australia Pty Limited	59,728,004	22.82
2	Toyota Tsusho Corporation	39,229,950	14.99
3	Hsbc Custody Nominees (Australia) Limited	33,621,312	12.85
4	Citicorp Nominees Pty Limited	13,872,575	5.30

Securities on Issue

The following securities were on issue as at 30 June 2019.

Number	Class
261,678,074	Ordinary (ORE)
329,037	ASX Code OREAS–Performance Rights exercisable at $0.00, 30 days after the later of 31 August 2019 or the date of release of the Company's financial results for FY19.
603,140	ASX Code OREAS–Performance Rights exercisable at $0.00, 30 days after the later of 31 August 2020 or the date of release of the Company's financial results for FY20.
727,722	ASX Code OREAS–Performance Rights exercisable at $0.00, 30 days after the later of 31 August 2021 or the date of release of the Company's financial results for FY21.

The following unlisted performance rights were exercised in accordance with the terms of their grant.

ASX Code	Expiry Date	Exercise Date	Exercise Price	Number of Performance Rights
OREAS	30 Sep 2018	21 Sep 2018	$0.00	473,378
OREAS	30 Sep 2018	21 Sep 2018	$0.00	225,563
OREAS	30 Sep 2019	17 Apr 2019	$0.00	79,150
OREAS	30 Sep 2020	17 Apr 2019	$0.00	65,924

The following unlisted performance rights lapsed in accordance with the terms of their grant.

ASX Code	Expiry Date	Lapse Date	Exercise Price	Number of Performance Rights
OREAS	30 Sep 2018	21 Sep 2018	$0.00	39,490
OREAS	30 Sep 2018	21 Sep 2018	$0.00	18,818
OREAS	30 Sep 2019	17 Apr 2019	$0.00	39,571
OREAS	30 Sep 2020	17 Apr 2019	$0.00	131,845
OREAS	30 Sep 2019	FY19	$0.00	7,389
OREAS	30 Sep 2020	FY19	$0.00	4,333

Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting has one vote on a show of hands. There are no voting rights attached to the Performance Rights but voting as detailed above will attach to the ordinary shares issued when the Performance Rights are exercised.

Registers of Securities are held at the following addresses

Computershare Investor Services Pty Limited

Level 1 – 200 Mary Street
Brisbane, Queensland 4000 Australia

Computershare Investor Services Inc

100 University Avenue, 8th Floor
Toronto ON, M5J 2Y1 Canada

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on the ASX Limited. Ordinary shares of the Company are also listed on the Toronto Stock Exchange (TSX).

Technical Information, Competent Persons' & Qualified Persons' Statements

The resource model and brine resource estimate on the Salar de Olaroz was undertaken by Mr. John Houston, an independent consultant employed by John Houston Consulting, who is a Chartered Geologist and a Fellow of the Geological Society of London. Mr. Houston has sufficient relevant experience to qualify as a competent person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101.

The Feasibility Study on Olaroz was prepared by Mr. Houston and Mr. Michael Gunn, an independent consultant employed by Gunn Metals, together with Sinclair Knight Merz and the Orocobre technical group. Mr. Houston and Mr. Gunn prepared the technical report entitled "Technical Report – Salar de Olaroz Lithium-Potash Project, Argentina" dated May 13, 2011 (the "Olaroz Report") under NI 43-101 in respect of the Feasibility Study, and each of Messrs. Mr. Houston and Mr. Gunn was a Qualified Person under NI 43-101, and independent of the company, at the date such report was prepared. Mr. Gunn is a Member of the Australian Institute of Mining and Metallurgy and is consulting mineral processing engineer with approximately forty years' experience.

The information relating to the Olaroz Project is extracted from the report entitled "NI 43-101 "Technical Report – Salar de Olaroz Lithium-Potash Project, Argentina", dated 13 May 2011 and can be viewed at www.orocobre.com.

The Company is not aware of any information or data that materially affects the information included in the original market announcement. All material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. However, it is noted that in addition to the original resource the company has defined an exploration target detailed in the announcement dated 23 October 2014, "Olaroz Project Large Exploration Target Defined Beneath Current Resource" that immediately underlies the resource. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement for the resource estimate.

This information in regard to Olaroz, with the exception of the information pertaining to the defined exploration target in 2014, was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The exploration target defined underlying the resource at Olaroz was defined by Mr. Murray Brooker, an independent consultant employed by Hydrominex Geoscience Pty Ltd. Mr. Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Mr. Brooker has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101. The exploration target is defined as between 1.6 and 7.5 million tonnes of LCE between 197 m and 323 m depth. The basin is potentially 600 m deep and additional targets exist to the north and the south of the defined exploration target. It must be stressed that an exploration target is not a mineral resource.

The potential quantity and grade of the exploration target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource in the volume where the Exploration Target is outlined. It is uncertain if further exploration drilling will result in the determination of a Mineral Resource in this volume.

The information in this report that relates to exploration reporting at the Cauchari Joint Venture project has been prepared by Mr. Frits Reidel. Mr. Reidel is a Certified Professional Geologist and member of the American Institute of Professional Geologists. Mr. Reidel is General Manager and Principal with FloSolutions S.A.C. and is independent of Orocobre. Mr. Reidel has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined in NI 43-101. Mr. Reidel consents to the inclusion in this announcement of this information in the form and context in which it appears. The resource information in relation to Cauchari is extracted from the report entitled NI43-101 Technical Report CAUCHARI JV PROJECT — UPDATED MINERAL RESOURCE ESTIMATE, dated 19 April 2019. The report is available to view on the Company website www.orocobre.com.

The information in this report that relates to resources at the Borax Tincalayu site has been prepared by Mr. Murray Brooker. Mr. Brooker, an independent consultant employed by Hydrominex Geoscience Pty Ltd is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Mr. Brooker has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101. The information in this report is extracted from the announcement titled Tincalayu Upgraded to JORC Compliant Resource, dated 18 November 2014 and the NI-43-101 Report titled "Technical Report on the Tincalayu Borax Mine", dated 31 December 2014, both available to view on the Company website www.orocobre.com.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the references above and that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

An announcement was made on the 21 August 2012 regarding the superseded historical resource at Tincalayu. The Company is not in possession of any new information or data relating to historical estimates that materially impacts on the reliability of the estimates or the company's ability to verify the historical estimates as mineral resources, in accordance with the JORC Code. The supporting information provided in the initial market announcement on 21 August 2012 continues to apply and has not materially changed. Additional information relating to the Company's projects is available on the Company's website www.orocobre.com.

Caution Regarding Forward Looking Information

Reports published by the Company contain "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include, but not be limited to, the results of the Olaroz Feasibility Study, the estimation and realisation of mineral resources at the Company's projects, the viability, recoverability and processing of such resources, costs and timing of development of the Olaroz Project, the forecasts relating to the lithium, potash and borate markets including market price whether stated or implied, demand and other information and trends relating to any market tax, royalty and duty rates, timing and receipt of approvals for the Company's projects, consents and permits under applicable legislation, adequacy of financial resources, the meeting of banking covenants contained in project finance documentation, production and other milestones for the Olaroz Project, the Olaroz Project's future financial and operating performance including production, rates of return, operating costs, capital costs and cash flows, potential operating synergies, other matters related to the development of Olaroz and Cauchari, the performance of the borax plant at Tincalayu, including without limitation the plant's estimated production rate, financial data, the estimates of mineral resources or mineralisation grade at the Tincalayu mine, the economic viability of such mineral resources or mineralisation, mine life and operating costs at the Tincalayu mine, the projected production rates associated with the borax plant.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk that further funding may be required, but unavailable, for the ongoing development of the Company's projects; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; changes in government taxes, levies, regulations, policies or legislation; fluctuations or decreases in commodity prices; the possibility that required permits or approvals may not be obtained; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; fluctuations or decreases in commodity prices general risks associated with the feasibility of the Company's projects; risks associated with construction and development of Olaroz; unexpected capital or operating cost increases; risks associated with weather patterns and impact on production rate and the uncertainty of meeting anticipated program milestones at the Company's projects; general risks associated with the operation of the borax plant; a decrease in the price for borax resulting from, among other things, decreased demand for borax or an increased supply of borax or substitutes.

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

There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Corporate Directory

Directors

Mr. Robert Hubbard
(Non-Executive Chairman)

Mr. Martín Pérez de Solay
(Managing Director)

Mr. Richard Seville
(Non-Executive Director)

Mr. John Gibson, Jr.
(Non-Executive Director)

Mr. Fernando Oris de Roa
(Non-Executive Director)

Mr. Federico Nicholson
(Non-Executive Director)

Ms. Leanne Heywood
(Non-Executive Director)

Mr. Masaharu Katayama
(Non-Executive Director)

Secretaries

Mr. Neil Kaplan

Mr. Rick Anthon

Registered Office

Riparian Plaza – Level 35
71 Eagle Street
Brisbane, Queensland 4000 Australia

Phone: (+617) 3871 3985
Fax: (+617) 3720 8988
Email: mail@orocobre.com
Website: www.orocobre.com

ACN

112 589 910

Auditors

Ernst & Young Australia
Level 51 – 111 Eagle Street
Brisbane, Queensland 4000 Australia

Legal Advisers

Saravia Frias Cornejo Abogados
Rivadavia 378 (A4400BTH)
Salta Argentina

McCarthy Tetrault LLP
Suite 5300 TD Bank Tower
Toronto Dominion Centre
66 Wellington Street West
Toronto ON M5K1E6 Canada

Jones Day
Riverside Centre – Level 31
123 Eagle Street
Brisbane, Queensland 4000 Australia

Share Registries

Computershare Investor Services Pty Limited
Level 1 – 200 Mary Street
Brisbane, Queensland 4000 Australia

Computershare Investor Services Inc
100 University Avenue, 8th Floor
Toronto ON, M5J 2Y1 Canada

orocobre.com