

5 February 2015

## ASX/TSX ANNOUNCEMENT

### \$50 million Capital Raising Completed

#### Provides working capital to support the Olaroz Lithium Plant through production ramp up

Orocobre Limited (**ASX: ORE, TSX:ORL**) (“Orocobre” or “the Company”) is pleased to announce it has raised approximately A\$50 million through a \$40m Placement to domestic and international institutional and sophisticated investors and a \$10m underwritten Share Purchase Plan.

The proceeds of this capital raising will be used primarily to fund working capital requirements for the Olaroz Lithium Plant during its production ramp up.

Orocobre was pleased to announce on 2 February 2015 that commissioning of the final circuits at the Olaroz Lithium Plant had been completed and that the plant had moved into commercial ramp up stage to supply customers with lithium carbonate for final product qualification. The plant is expected to reach nameplate production of 1,450 tonnes per month (17,500tpa) in the fourth quarter of 2015.

#### Placement

The Placement of approximately 15.7 million shares will be issued pursuant to Orocobre’s 15% capacity under ASX Listing Rule 7.1 at a price of A\$2.55 per share, representing a 13% discount to the ASX closing price prior to the Company entering into a trading halt on 30 January. Subject to shareholder approval at a General Meeting proposed to be held on or about 9 March entities associated with Chairman James Calaway and Managing Director Richard Seville will be participating in the placement for 267,563 and 100,000 shares respectively.

The Lead Manager and Bookrunner for the placement was Canaccord Genuity (Australia) Ltd.

#### Share Purchase Plan

The Company is also pleased to announce the opportunity for existing shareholders of the Company to participate in an underwritten Share Purchase Plan (**SPP**). The SPP will be capped at \$15m, and is underwritten to \$10m.

Under the SPP, eligible Orocobre shareholders are invited to invest up to \$15,000 per shareholder at \$2.55 per share, the same price per share as institutional investors were offered shares under the Placement. No brokerage or transaction costs are payable by shareholders when subscribing for shares under the SPP.

The offer price of the shares under the SPP represents an 11.3% discount to the volume weighted average price (VWAP) for the 5 days prior to the Record Date for the Offer. The SPP is underwritten by Canaccord Genuity (Australia) Ltd.

The Directors reserve the right to accept additional applications subject to shareholder demand. The SPP will only be offered to eligible ORE shareholders resident in Australia or New Zealand and the SPP Offer document will be provided to Eligible Shareholders shortly.

### **Proposed SPP Timetable**

<b>Event</b>	<b>Date</b>
Record Date for SPP	4 February 2015
SPP Offer documents and General Meeting notice distributed	On or before 13 February 2015
SPP Offer Period commences	16 February 2015
SPP Offer Period closes	10 March 2015
SPP Allotment Date	13 March 2015

Managing Director, Richard Seville, said “We are very pleased with the result of the raising in what are difficult conditions for resource companies. We are now well funded to take Olaroz and the Company through to the next stage of development, becoming a profitable operating company. Although we welcome some new shareholders onto the register, we are honoured by the on-going support we have received from our existing shareholders in this raising. We will continue to work hard to build on the shareholder value that we have delivered to date.”

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## About Orocobre Limited

Orocobre Limited is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE) (TSX:ORL), and is building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company has built, in partnership with Toyota Tsusho Corporation and JEMSE, the first large-scale, greenfield brine based lithium project in 20 years at the Salar de Olaroz with planned production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate. The full monthly production rate is expected to be reached in the last quarter 2015.

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

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

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

**The Company also wholly-owns Borax Argentina, an important regional borate producer. For further information, please visit [www.orocobre.com.au](http://www.orocobre.com.au).**

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

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

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices and market demand for product; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; risks associated with commissioning of the Olaroz Project to full capacity; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project; general risks associated with the further development of the Olaroz Project; as well as those factors disclosed in the Company’s Annual Report for the year ended June 30, 2014 filed at [www.sedar.com](http://www.sedar.com).

The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the timely receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the prices of lithium, potash and borates; market demand for product and the ability of the Company to operate in a safe, efficient and effective manner. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.