

13 November 2015

ASX / TSX ANNOUNCEMENT

MOU for development of Lithium Hydroxide plant

Orocobre Limited, (Orocobre) is pleased to announce that it has entered into a Memorandum of Understanding (MOU) with Bateman Advanced Technologies (**BAT**), a subsidiary of Tenova S.p.A, a worldwide supplier of advanced technologies, products and engineering services.

BAT has developed world leading proprietary technology for the production of lithium salts including lithium hydroxide directly from brines.

The BAT process named LiSX™ is expected to facilitate the production of lithium hydroxide for a cost that is targeted to be in the bottom quartile of current lithium hydroxide producers.

The market demand for lithium hydroxide is increasing. Aside from traditional industrial uses a number of rechargeable battery manufacturers are now utilizing lithium hydroxide in their products.

Sale prices for lithium hydroxide have also increased and are now in the range of US\$7,500 to US\$8,000 per tonne. Lithium carbonate prices are now over US\$6,000 per tonne.

Terms of the MOU

The MOU sets out the basis on which the parties have agreed to jointly work together in a staged process towards the development and ultimate commissioning of a large scale lithium hydroxide plant capable of producing between 15,000 tpa to 25,000 tpa of lithium hydroxide monohydrate directly from brine (concentrated or otherwise) utilising proprietary technology developed or enhanced by BAT.

Under the terms of the MOU the parties will work together through the following stages:

- **Stage 1: Mini Pilot Plant (commencement by October 31, 2015).** During this first stage the parties will jointly work together to construct a small scale pilot plant to be located at the premises of BAT in Israel with the objective of better refining the design parameters of a pilot plant to be located at an Orocobre site.
- **Stage 2: Pilot Plant (commencement by March 31, 2016).** If results from the mini pilot plant are favourable the parties will jointly work together to construct a pilot plant. At this stage Orocobre has not determined the location for the pilot plant. The pilot plant will be capable of producing up to 2 tonnes per month of lithium hydroxide monohydrate.
- **Stage 3: Feasibility Study (commencement by December 31, 2016).** If the results of Stage 2 are favourable, Orocobre will decide if the parties proceed to Stage 3 to produce a definitive feasibility study (DFS) for the construction of the commercial plant.

- **Stage 4: Commercial development of an industrial plant capable of producing between 15,000tpa and 25,000tpa of lithium hydroxide monohydrate (execution by June 30 2017).** BAT will provide intellectual property, design services, licenses and specialist equipment and potential construction services on a lump sum basis.

At the end of each stage Orocobre will make an assessment as to whether or not to proceed to the next stage.

Exclusivity Arrangements in Argentina

The parties agree to the following Exclusivity Period.

Subject to the commencement of the various stages set out above BAT will not provide to any party, except Orocobre, a license to use the BAT intellectual property in Argentina for the purposes of commissioning a commercial lithium hydroxide plant until 30 Sep 2019. The terms set out in this MOU hereby form the basis of what will become a binding agreement, and are intended to be binding until the execution of a further more detailed agreement that the parties may execute on the completion of Stage 1.

Commenting on the MOU Orocobre Managing Director Richard Seville said "We are very pleased to be entering into this partnership arrangement with Tenova Bateman to develop and trial a low cost production process for lithium hydroxide that is an important component of the Company's future growth strategy. The growth profile of the battery market and subsequent demand for lithium hydroxide is very robust and will complement the existing lithium carbonate operations"

For more information please contact:

Richard Seville

Managing Director
T: +61 7 3871 3985
M: +61 419 916 338
E: rseville@orocobre.com

James Calaway

Chairman
M: +1 (713) 818 1457
E: jcalaway@orocobre.com

David Hall

Business Development Manager
T: +61 7 3871 3985
M: +61 407 845 052
E: dhall@orocobre.com

About Orocobre Limited

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

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

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

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

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

For further information, please visit www.orocobre.com

About Bateman Advanced Technologies

Bateman Advanced Technologies is part of the Tenova Mining Division of Tenova and offers advanced solvent extraction solutions and proprietary technologies for the mineral and metals industries, complemented by in-house state-of-the-art laboratory and pilot plant facilities. Tenova is a worldwide supplier of advanced technologies, products and engineering services for the metals and mining and minerals industries.

Caution Regarding Forward-Looking Information

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

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices and market demand for product; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; risks associated with commissioning and ramp up of the Olaroz Lithium Facility to full capacity; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Lithium Facility; general risks associated with the further development of the Olaroz Lithium Facility; as well as those factors disclosed in the Company’s Annual Report for the year ended June 30, 2015 filed at www.sedar.com.

The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the timely receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the prices of lithium and borate products; 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.