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ASX / TSX ANNOUNCEMENT

Orocobre's MD and CEO, Richard Seville speaks to Finance News Network

Orocobre Limited (ORE:ASX, ORL:TSX) ("Orocobre" or "the Company") is pleased to provide shareholders with an update on the Company and its projects, future direction and goals, the lithium market and current and future pricing.

To view the video online please copy and paste the URL below into your web browser:

www.finnewsnetwork.com.au/MediaCenter/MediaCenterVariable.aspx?Site=FNN706

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Transcription of Finance News Network with Orocobre Limited (ASX:ORE) Managing Director and CEO, Richard Seville

Carolyn Herbert: Hello I'm Carolyn Herbert from the Finance News Network and joining me from Orocobre Limited (ASX:ORE) is Managing Director and CEO, Richard Seville. Richard, welcome back.

Richard Seville: Good to be here.

Carolyn Herbert: First up, can you give us a quick recap of the company and its projects?

Richard Seville: Orocobre is an ASX 300 company; we're also listed on the TSX. Our flagship asset is a lithium project up in the Puna, up in Northern Argentina in the province of Jujuy. We've been in production there for about a year. Our partner is Toyota Tsusho Corporation (OTCMKTS:TSHOY), part of the Toyota Group collective of companies and we're in ramp up mode. And we're making very, very solid progress. Our other assets are boron assets in the province of Salta and we purchased these off Rio Tinto Minerals (ASX:RIO), a few years ago. And we're just about to get the spotlight on those assets, as we now have more management bandwidth.

Carolyn Herbert: Can you provide us with an update on your progress since we last spoke, and where you're heading?

Richard Seville: We did 2,332 tonnes of production back in the first quarter and this quarter, we're on track to hit 3,000 tonnes. So our ramp up is clearly going in the right direction, and we expect to hit nameplate capacity in September. We finished all of the mechanical side of the de-bottlenecking process, back in January. And right now, it's all about getting optimum performance. It's about the optimisation of process, recoveries, reagent consumptions, availabilities and so on, getting the most out of the plant and our step-by-step improvement in production rate is testament to that process.

On the quality side, as James presented in Las Vegas last week, James Calaway our Chairman, in the week before he presented, we produced 86 per cent battery grade material and 14 per cent technical grade material. So I'm very happy with the way, where this plant's developing, it's good.

Carolyn Herbert: What can you tell us about the lithium market at the moment, and current and future pricing?

Richard Seville: Well it's a good place to be at the moment. And the reason for that is that although there's been strong demand growth over the last few years, the supply side really lagged it. As you'd be aware SQM (NYSE:SQM) has got its problems with the Chilean Government, and shelved all expansion plans. Albemarle Corporation (NYSE:ALB) was late with its expansion plans. And really the burden has fallen on us from the western world, to be the supply side response. And we're just not enough there.

So there's been in our time in exposure to the market, the market's moved from being relaxed from a customer point of view, to being very nervous on supply. And as we go forward, there's a great sensitivity about security of supply. The unknown for us really, or the area of uncertainty would be a better way to put it, is the dynamic in China. China's got a sector that's based on conversion plants and it's their capacity, and the delivery of spodumene concentrates into those that is the area of uncertainty, whether that can make up the supply that's necessary.

Carolyn Herbert: Is there any indication of how that flows into future pricing?

Richard Seville: Well that supply and demand balance certainly affects pricing. When we did the feasibility study, we used the long term pricing, which is the historical average of \$5,500 a tonne. This quarter we should be receiving more than \$7,500 a tonne. That's actually received into the operation, net of commissions and insurance and freight. And next quarter we're expecting to be north of \$10,000 a tonne. And I think those firm pricing arrangements, or conditions are going to last some considerable time. You can look at the kind of forecast by Deutsche Bank, they're in excess of what we're talking about there, so a very good place to be entering the market.

Carolyn Herbert: Finally Richard, what are the company's goals over the next few months?

Richard Seville: Our principle objective remains to get to nameplate capacity at Olaroz. That's what we've been working for over the last year and a half, and that's our primary objective. And we're on track to do that, but at the same time, we're working on the growth aspects of the company. We've got more management bandwidth now; we've employed some people in management. And we're beginning two expansion studies.

The first is a scoping level study for Olaroz, looking at doubling capacity there and we'd hope to have the results on that at the end of the third quarter. And considering that, we'll be looking at the potential for producing lithium hydroxide as well as lithium carbonate.

And then with Borax Argentina, we have recalculated the resources we purchased from Rio Tinto Minerals. And we've got a very large resource base at Tincalayu.

This was work done in 2014 and we can scope the scale of a new project there for potentially, 120,000 tonnes of borax decahydrate, off a pretty modest capital investment. So that'll be feasibility level work and that should be completed in this coming half. So we've got a lot on.

Carolyn Herbert: Richard Seville thanks for the update on Orocobre.

Richard Seville: Pleasure Carolyn.

Ends

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

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 meeting of banking covenants contained in project finance documentation, 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, TTC and Mizuho Bank..

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 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.