

DFS and Geology Summary Page

Definitive Feasibility Study

The results of the Olaroz definitive Feasibility Study were released on May 3, 2011, and were highlighted as follows:

- Strong project fundamentals for the Olaroz Project.
- Very large resource base to support long project life.
- Low operating costs for battery grade lithium carbonate; low end of global cost curve.
- High quality and conservatively derived results provide strong technical and commercial bases for project.
- Pricing outlook for lithium and potash remains strong.

The results of the Olaroz DFS indicates that the project has very strong project fundamentals, with a large resource base of 6.4 million tonnes of lithium carbonate equivalent that is expected to support a long project life. The feasibility study outlines a conservative initial production rate of 16,400 tonnes per annum of battery grade lithium carbonate production with an option to produce 10,000 tonnes of potash per annum two years after the start of lithium carbonate production. Project life was estimated at 40 years. The capital cost estimated for the lithium carbonate only plant was US\$207 million with an additional US\$15 million for the potash option.

The DFS estimate extends to an average depth of 197 m and uses the Company's property boundaries or a 1.1 gm/cc density cut-off at the surface to establish peripheral resource boundaries. No internal cut-off boundaries have been used because it is inappropriate to use them in a fluid resource where extraction will cause mixing.

The weighted average modelled specific yield is 9.6%.

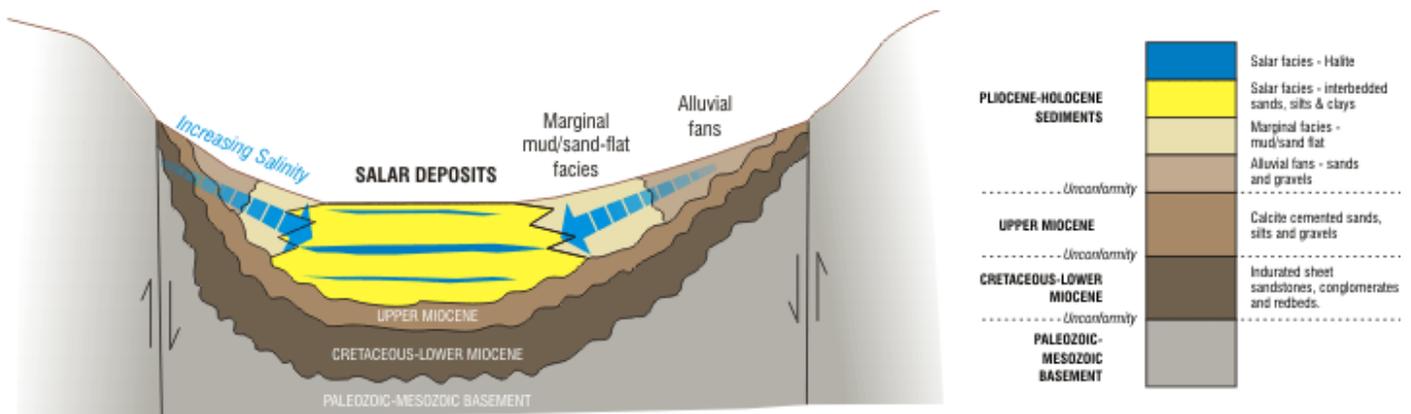
The drilling program also confirmed attractive brine chemistry with an average magnesium to lithium ratio of 2.4 and an average sulphate to lithium ratio of 25.

The Olaroz DFS also highlights the project's very low operating cash cost, estimated at US\$1512 per tonne for battery grade lithium carbonate (without potash credit benefits). This cost estimate is competitive with existing brine producers and materially less than those reported by hard rock lithium mineral producers.

Third party consulting expertise was engaged to complete key aspects of the Olaroz DFS. Engineering design and cost estimates were undertaken by Sinclair Knight Merz ("SKM"), a leading global projects firm. SKM has significant industry experience, and is the only company that has ever designed and managed the construction of a complete lithium brine operation, one which was also in Argentina, at FMC's Salar de Hombre Muerto facility. SKM has also provided services to lithium projects in Chile. The Olaroz DFS resource estimate and process design engineering was undertaken by consulting hydrogeologist John Houston and consulting process engineer Peter Ehren.

Geology and Resources

The Salar de Olaroz is underlain by a deep basin (gravity data suggests up to 650m deep) bounded by a pair of N-S reverse faults that thrust Cretaceous and Ordovician basement rocks over the basin margins. The basin is in-filled with Cenozoic sediments. Pliocene to Recent sediments form a multilayered aquifer that acts as a host to the brine that has probably taken many tens of thousands of years to develop. Drilling has tested the aquifer is present to depths of 200 m and there is potential for additional resources beneath that depth. (see geological model of basin below). The brine contains elevated levels of dissolved elements in solution that are of economic interest: lithium, potassium and boron. Whilst the ultimate origin of the lithium and other species is not known, they are likely to be associated in some way with the Altiplano-Puna magma body that underlies the whole region



CONCEPTUAL MODEL OF OLAROZ BASIN

(10 : 1 vertical : horizontal exageration)

