

## **Olaroz Project Funding Summary Document**

The total equity component contributed by TTC and Orocobre combined was US\$82.8 million. This equity investment has been structured in the most tax effective way, in accordance with the objectives of the January 2010 preliminary agreement. Consequently, TTC's contributions are in the form of equity subscriptions into a Singaporean joint venture holding company, Sales de Jujuy Pte Ltd. TTC hold a 25% indirect interest in the Olaroz Project.

TTC's investment in the project was approximately US\$55 million net of adjustments made to take into account various financing support arrangements to be provided by TTC to Orocobre during the project development. Orocobre's total funding requirement was US\$18 million net of the US\$16 million reimbursed on allowable expenditures since the Feasibility Study. This net amount includes the US\$7 million loan to JEMSE and payments on behalf of TTC into Sales de Jujuy Pte Ltd for the US\$4.5 million received from TTC under the January 2010 preliminary agreement and for the financing support arrangements to be provided by TTC.

At the completion of financing, Jujuy Energia y Minería Sociedad del Estado ("JEMSE"), the mining investment company owned by the provincial Government of Jujuy in Argentina, acquires an 8.5% interest in the project. A summary of the JEMSE arrangements is provided below:

- JEMSE holds an 8.5% equity interest in the Olaroz Project through Orocobre's Argentine holding company Sales de Jujuy
- JEMSE will be required to meet its share of the equity funding required, namely US\$7 million. These funds will be loaned by Orocobre to JEMSE and will be repayable out of 33.3% of dividend distributions JEMSE receives from the Olaroz Project;
- JEMSE will be obliged to provide funds for future expansions, but if it is not capable, Orocobre will loan funds on a similar basis to the initial construction funding;
- All project debt obligations to Mizuho Bank and JOGMEC will have priority over distributions of any profit due to JEMSE;
- JEMSE will provide key construction assistance services to the Olaroz project, and will take a leading role liaising with municipal, provincial and national government departments and customs authorities.

JEMSE's equity participation aligns the interests of the Province of Jujuy with those of Orocobre and TTC, and provides a solid platform for a favourable ongoing working relationship between Orocobre and the province. JEMSE was instrumental in achieving final project approvals, including the grant of the mining leases, approval of the EIS Addenda and approval of the project under the secondary approvals process introduced in March 2011.