

## ASX / TSX ANNOUNCEMENT

22 October 2021

### SEPTEMBER 2021 QUARTERLY REPORT

Orocobre Limited (ASX:ORE, TSX:ORL) (**Orocobre**) is pleased to provide its September Quarterly Activities Report and financial position as at 30 September 2021<sup>1</sup>.

#### KEY HIGHLIGHTS

##### *OPERATIONS*

- Another record quarter at Mt Cattlin with 67,931 dry metric tonnes (**dmt**) of spodumene concentrate produced in line with customer requirements at a unit cash cost of US\$351/tonne
- 89,640 dmt of product was shipped in the quarter with a realised average price of US\$779/tonne generating revenue of US\$69.8 million
- Contracting arrangements are well advanced for further shipments of ~38.5kt in the December quarter and ~25kt in early January 2022 with a target grade of 5.7% Li<sub>2</sub>O
- Average pricing for these shipments is approximately US\$1,650/tonne CIF for 6% Li<sub>2</sub>O, almost double that of the September quarter
- At Olaroz<sup>2</sup>, 2,802 tonnes of lithium carbonate were produced, 58% of which was battery grade and exceeded the budgeted target of 50%
- Sales were 2,622 tonnes at a price of US\$9,341/tonne FOB<sup>3</sup> generating revenue of US\$24.5 million
- Expansion works at Olaroz have reached 60% completion
- The lithium carbonate sales price has increased by over 200% in the last year and guidance for the December quarter has been revised upwards to ~US\$12,000/tonne FOB<sup>3</sup>

##### *DEVELOPMENT PROJECTS*

- Construction is virtually complete at the Naraha Plant and pre-commissioning works are well underway
- Early construction and procurement at Sal de Vida advances with the completion of the wellfield drilling program and mobilisation of the earthworks and liner installation contractors to site in anticipation of receiving final permits by year end
- Feasibility study works and basic engineering at James Bay are in the final stages with results and a maiden reserve scheduled for release during the December quarter

##### *CORPORATE & FINANCIALS*

- Merger with Galaxy Resources Limited (**Galaxy**) successfully implemented via a scheme of arrangement
- At 30 September, the merged entity held cash of US\$423.6 million, of which US\$140.1 million is being held as collateral until practical completion for the Naraha and Olaroz Expansion debt facilities

---

<sup>1</sup> All figures presented in this report are unaudited

<sup>2</sup> All figures 100% Olaroz Project basis

<sup>3</sup> "FOB" (Free On Board) excludes insurance and freight charges included in "CIF" (Cost, Insurance, Freight) pricing. Therefore, the Company's reported prices are net of freight (shipping), insurance and sales commission. FOB prices are reported by the Company to provide clarity on the sales revenue that is recognised by SDJ, the joint venture company in Argentina

# SUSTAINABILITY

## SAFETY PERFORMANCE

Safety performance of the merged entity continued to improve with a Total Recordable Injury Frequency Rate of 3.4 for the rolling 12 months, a 20% improvement compared to the previous six month period. The quarter closed with two recordable injuries at Mt Cattlin, two at the Olaroz Lithium Facility and one at Borax Argentina. All injuries were of low severity and have since been investigated with corrective action taken to prevent future occurrences.

A number of initiatives were undertaken during the quarter as part of the Company's continued focus to maintain the highest possible health and safety practices at all operations. This includes a mental health improvement plan and a principal hazard management pilot at Mt Cattlin, a hand care safety program to support expansion activities at the Olaroz Lithium Facility and a comprehensive hazard identification campaign at Sal de Vida.

## COVID-19 RESPONSE

All Argentinian operations are adhering to the COVID-19 Bio-Security Protocol and at quarter end vaccination rates had increased significantly. Vaccination rates across these operations are well above the national average with 97% and 88% of the Sal de Vida and Olaroz workforce vaccinated with their first dose, respectively.

The Western Australian (WA) Government has also enforced mandatory full vaccination for all fly-in fly-out and local workers on WA mine sites by 1 January 2022. The Company has developed plans to comply with this directive.

## SHARED VALUE PROGRAM AND COMMUNITY

The Shared Value team was established in Argentina to provide long-term value to the local communities through initiatives based on five pillars; empowerment, transparency, education, health and local production and natural resources.

In compliance with the COVID-19 Bio-Security Protocol, community engagement and briefings continued throughout the quarter with various development initiatives including the Program to Support Food Independence which is expanding into new communities. Various health and educational initiatives were also undertaken in the communities surrounding the Sal de Vida project. Construction of a first aid facility in Ciénaga Redonda was completed and technical training courses and supplier development programs were held in the various communities of Antofagasta de La Sierra.

Figure 1: First aid facility in Ciénaga Redonda (left) and training course in Antofagasta de La Sierra (right)



# OPERATIONS

## MT CATTLIN

SPODUMENE CONCENTRATE

RAVENSTHORPE, WESTERN AUSTRALIA

Due to record production rates achieved, forecast production for CY21 has been revised upwards to 210,000 - 220,000 dmt of spodumene concentrate, from the previous guidance of 195,000 – 210,000 dmt. As a result, forecast cash costs have been revised down to US\$390-\$420/tonne, from the previous guidance of US\$420-450/tonne. The CY21 forecast metrics for Mt Cattlin and performance against those metrics are outlined in Table 1 below.

Table 1: Mt Cattlin operational/sales performance & CY21 forecast production metrics

Mining	Units	CY21 Forecast Production Metrics	Sep Q	Jun Q	Mar Q
Total material mined	<i>bcm</i>	5,400,000 - 5,900,000	<b>1,330,080</b>	966,920	1,007,177
Ore mined	<i>bcm</i>	-	<b>195,285</b>	174,358	138,132
<b>Processing</b>					
Total ore processed	<i>wmt</i>	1,450,000 - 1,650,000	<b>429,395</b>	427,587	310,741
Grade of ore processed	<i>% Li<sub>2</sub>O</i>	1.2 - 1.3	<b>1.48</b>	1.44	1.47
Mass yield	<i>%</i>	-	<b>16.1</b>	15.1	15.3
Recovery	<i>%</i>	58 - 62	<b>61.7</b>	60.0	59.7
Concentrate produced	<i>dmt</i>	210,000 - 220,000	<b>67,931</b>	63,321	46,588
Grade of concentrate produced	<i>% Li<sub>2</sub>O</i>	5.6 - 5.8	<b>5.7</b>	5.7	5.8
<b>Sales</b>					
Concentrate shipped	<i>dmt</i>	-	<b>89,640</b>	48,499	29,917
Grade of concentrate shipped	<i>% Li<sub>2</sub>O</i>	-	<b>5.7</b>	5.8	5.9
Realised price	<i>US\$/dmt CIF</i>		<b>779</b>	517	348
Revenue	<i>US\$ million</i>		<b>69.8</b>	25.1	10.4
<b>Production Costs</b>					
Cash cost per tonne produced	<i>US\$/t FOB</i>	390 - 420	<b>351</b>	328	384

### Production

A consecutive record quarter was achieved with 67,931 dmt of spodumene concentrate produced, up 7% quarter on quarter (**QoQ**). Product grade of 5.7% Li<sub>2</sub>O was in line with customer requirements and excellent operational performance was due to favourable head grade and improved processing rates and recoveries.

Mining activities continued to source ore from the 2NE pit and material mined of 1,330,080 bcm is in line with pre-stripping activities and full year guidance. The optical ore sorters continue to make positive contributions to throughput from the stockpiles of low-grade ore and additional ore sorters were commissioned to increase the throughput of low-grade ore.

## Sales & financial performance

89,640 dmt of spodumene concentrate was shipped during the quarter at an average grade of 5.7% Li<sub>2</sub>O, generating revenue of US\$69.8 million with an average sales price of US\$779/dmt CIF. Included in this volume is 30,846 dmt of product corresponding to sales contracts from the June quarter which were rolled over into July due to shipping delays.

The FOB unit cash cost of spodumene concentrate produced for the quarter was US\$351/dmt, up 7% QoQ. The unit cash cost is expected to increase in the December quarter, in accordance with revised full year guidance, as the first phase of pre-stripping of the 2NW pit is underway.

## Sales outlook and guidance

The Company continues to experience very strong demand for its spodumene concentrate as rising downstream production increases the utilisation of spodumene converters in China. Contracting arrangements with long term customers are well advanced for further shipments of ~38.5kt in the December quarter and ~25kt in early January 2022 with a target grade of 5.7% Li<sub>2</sub>O. Average pricing for these shipments is approximately US\$1,650/tonne CIF for 6% Li<sub>2</sub>O, double that of the September quarter.

## OLAROS LITHIUM FACILITY

LITHIUM CARBONATE

JUJUY PROVINCE, ARGENTINA

### Production

Production for the September quarter was 2,802 tonnes, up 19% from 2,352 tonnes in the previous corresponding period (PCP), with 58% of production being battery grade lithium carbonate.

### Sales and financial performance

Quarterly product sales were 2,622 tonnes of lithium carbonate, 61% of which were battery grade specifications in line with customer requirements. The sales volume was up 3% QoQ but down 23% from the PCP, reflecting a decision in 2020 to reduce excess inventory at a time of significant market softness and uncertainty related to COVID-19.

Total sales revenue was up 13% QoQ to US\$24.5 million and up 133% on the PCP. The average price received was up 10% QoQ to US\$9,341/tonne on an FOB<sup>3</sup> basis and up 201% on the PCP.

December quarter pricing is anticipated to be approximately US\$12,000/tonne FOB. December quarter sales are expected to be a similar volume to the September quarter.

Table 2: Olaroz operational, sales and financial performance metrics

Metric	Units	Sep Q	Jun Q	QoQ %	PCP Sep FY20	PCP %
Production	tonnes	2,802	3,300	-15%	2,352	19%
Sales	tonnes	2,622	2,549	3%	3,393	-23%
Average price received	US\$/tonne	9,341	8,476	10%	3,102	201%
Cost of sales	US\$/tonne	4,754	4,105	16%	3,974	20%
Revenue	US\$M	24.5	21.6	13%	10.5	133%
Gross cash margin	US\$/tonne	4,587	4,371	5%	-872	n/a
Gross cash margin	%	49%	52%	-5%	-28%	n/a
Export Tax	US\$/tonne	370	407	-9%	70	-9%

## Costs/margins

Cash cost of goods sold for the quarter increased by 20% on the PCP to US\$4,754/tonne<sup>4</sup>. This was due to lower production volumes, higher labour costs and other costs as a result of devaluation of the Argentine Peso of only 3.2% versus inflation at 9.3%, an increase in gas prices, COVID 19 related costs and a higher proportion of battery grade sales mix than the PCP (61% versus 27%). Export duties for the quarter were US\$370/tonne.

Gross cash margin for the quarter increased by 5% to US\$4,587/tonne, this is expected to increase further with higher prices anticipated for the December quarter.

## Expansion

During the September quarter work at Olaroz Stage 2 continued with strong adherence to the COVID-19 Bio-Security Protocol. Overall plant construction has now reached 60% completion.

Additional accommodation facilities are in operation with more than 700 personnel now on site. Most infrastructure is complete, nearly 85% of ponds are built and the soda ash and carbonation plants are 27% and 31% complete respectively.

Stage 2 is expected to be completed during H1 CY22 and to commence production in the following half.

# BORAX ARGENTINA

*BORON MINERALS*

*SALTA-JUJUY PROVINCE, ARGENTINA*

## Sales update

September quarter sales of 13,083 tonnes of boron minerals and refined products represents a quarterly increase of 17% and an approximate increase of 46% from the PCP (Table 3). Total sales revenue was up 13% QoQ due to a 32% increase in the average realised price with an increase in refined product sales and a decrease in sales of mineral products.

**Table 3: Combined product sales volume by quarter**

Metric	Units	2021	QoQ %	2020	PCP %
September	tonnes	13,083	17%	8,964	46%
June	tonnes	11,188	9%	12,278	-9%
March	tonnes	10,282	24%	10,690	-4%

<sup>4</sup> Excludes royalties, export tax and corporate costs

# DEVELOPMENT PROJECTS

## NARAHHA PLANT

*LITHIUM HYDROXIDE*

*NARAHHA, JAPAN*

The Naraha Plant, the first of its kind to be built in Japan, is designed to convert primary grade lithium carbonate feedstock into battery grade lithium hydroxide. Feedstock for the 10 kilotonnes per annum (**ktpa**) Naraha Plant will be sourced from the Olaroz Lithium Facility's Stage 2 Expansion that will produce primary grade (>99.0% Li<sub>2</sub>CO<sub>3</sub>) lithium carbonate.

### **Progress to date**

Since construction commenced at the Naraha Plant there have been no Lost Time Injuries recorded with more than 310,000 hours worked on the project.

At 30 September, approximately US\$69 million has been spent on engineering, civil works, electrical, instrumentation, fabrication and procurement at the Naraha Plant. Capex spend has remained relatively static due to the agreed payment schedule with Veolia, the EPC contractor.

Site training and limited operations have continued throughout the period with construction now virtually complete and pre-commissioning works underway. Commissioning is anticipated to occur during Q1 CY22.

## SAL DE VIDA

*LITHIUM CARBONATE*

*CATAMARCA PROVINCE, ARGENTINA*

Sal de Vida is designed to produce battery grade lithium carbonate through an evaporation and processing operation at the Salar del Hombre Muerto site. The 2021 Feasibility Study focuses on an initial 10.7ktpa operation that can readily expand to ~32ktpa production capacity through later stages.

### **Engineering & procurement**

Procurement of the wells to ponds package is nearly complete. The majority of liners for the evaporation ponds have been delivered to site and the earthworks and liner contractor has mobilised to site in anticipation of final permits which have been delayed by COVID-19 and are now expected by year end. The wells and brine distribution contract is also expected to be awarded before year end.

Engineering for the process plant and non-process infrastructure is almost complete. Procurement for long lead items is also well advanced.

### **Early construction & wellfield drilling**

All eight production wells have been completed for Stage 1 brine production. Pump testing has been performed by the hydrogeological team on the majority of the wells and results are in line with operating assumptions and expectations. A revised Resource & Reserve estimate is planned after completion of the drilling program and final assessment of the results. General infrastructure and early works also progressed onsite during the quarter.

## Process development & piloting

The onsite piloting program continues to deliver exceptional results, with the most recent run achieving targeted results and all battery grade parameters, in line with current designs for commercial operations.

Approximately 1 tonne of lithium carbonate was produced and 85% of this product met battery grade quality specifications, compared to the feasibility study assumption of 80%. The battery grade product achieved a 99.95% lithium carbonate purity with Ca and Mg levels of 10 ppm each. These results are displayed in Table 4 below and demonstrate improved results against prior runs and typical battery grade specifications. Piloting will continue throughout the remainder of CY21 to support operational readiness for Stage 1 production.

**Table 4: Battery grade specifications and piloting results**

Detail	Lithium carbonate purity	Impurity species (ppm)					
		Ca	Mg	K	B	SO <sub>4</sub>	Na
Typical battery grade specification	> 99.5%	< 50	< 50	< 30	< 50	< 375	< 180
Pilot run – 2020	99.8%	125	165	26	36	135	103
Pilot run (with IX) – 2021	99.9%	14	<10	20	<25	58	132
<b>Pilot run (with IX) – September 2021</b>	<b>99.95%</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>25</b>	<b>30</b>	<b>72</b>

## JAMES BAY

*SPODUMENE CONCENTRATE*

*QUÉBEC, CANADA*

James Bay's design basis is a 330ktpa spodumene operation utilising conventional open pit mining methods and a process flowsheet and plant configuration similar to Mt Cattlin.

Basic Engineering commenced during the quarter with mobilisation of key consultants led by G-Mining Services. Engineering, procurement and construction permit preparation is advancing while continuing to detail the Project Execution Plan and contracting strategy.

The NI 43-101 report and Reserve update are scheduled for release in the December quarter. Ongoing downstream studies continue, examining options regarding value adding to James Bay's spodumene concentrate.

### Onsite activities & stakeholder engagement

Additional site investigation works are planned for early CY22 with respect to sterilisation drilling (for final plant and infrastructure location) and further definition of the ore body.

The Environmental and Social Impact Assessment was re-submitted to authorities in July 2021 to reflect the changes made to the project as presented in the Preliminary Economic Assessment that was released earlier in the year. The clarification process is on-going with authorities and engagement with local communities and stakeholders continues, including the Cree Nation of Eastmain and the Cree Nation Government.

# MARKET

## DEMAND

Demand for lithium chemicals and spodumene concentrate increased materially during the quarter in all key geographies responding to sustained high production of lithium-ion battery materials and batteries.

Electric Vehicle (EV) sales of ~3.7 million units between January and August 2021 are up 150% compared to prior year which has meant global average lithium chemical and spodumene concentrate prices continued rising during the quarter. EV sales in China alone recorded ~1.7 million units year to date which is up 190% compared to prior year. A new sales record of >300,000 EV units was achieved in August.

Demand for lithium carbonate in China outstripped supply in the spot market during the September quarter due to a strong preference for LFP battery formats in the domestic market. Such market dynamics pushed spot lithium carbonate prices to ~US\$23,000/tonne CIF at the end of September, from ~US\$11,500/tonne CIF at the beginning of the quarter and are once again trading at parity with lithium hydroxide prices.

Prices for lithium chemicals outside China also rallied as contracted prices are gradually adjusted up to reflect tightening market conditions across the supply chain.

Consistent with the high demand trend for lithium chemicals and pricing, spodumene concentrate spot sales during the September quarter exceeded US\$1,000/tonne CIF compared to ~US\$650/tonne CIF in the preceding quarter. Spot prices for the limited volumes of spodumene available in the December quarter are estimated to be in the range of US\$1,500/tonne CIF to US\$2,500/tonne for SC6% CIF.

Lithium chemicals and spodumene concentrate are largely sold under long term contracts with a mixture of yearly negotiated prices and formula adjustments based off price indices. Reported spot prices only reflect marginal volumes rather than prices in the high-volume contract market. As such, spot prices may be considered leading indicators for the trend of future contract prices.

## SUPPLY

Estimated lithium chemical production in China during the September quarter remained consistent with the prior quarter at ~60,000 tonnes of lithium carbonate and ~45,000 tonnes of lithium hydroxide.

Whilst China's power restrictions did not have a significant effect on lithium chemical supply during the September quarter, it affected production volumes of battery materials in certain Provinces. If these conditions were to persist during the December quarter, domestic production rates for the lithium-ion battery supply chain may be reduced.

The supply from lithium brine and spodumene producers is estimated to be at least 3% less than the projected demand volumes in 2021. This supply deficit is forecast to increase to over 20% over the next five-year period according to Benchmark Minerals.

Concerns for securing upstream supply from lithium resources across the battery supply chain has resulted in further consolidation with recent upstream acquisitions at higher multiples during the September quarter. It's anticipated that lithium-ion battery producers and EV manufacturers will continue to play a more active role in sourcing lithium chemicals and spodumene concentrate in coming years under long term purchase agreements.



# CORPORATE & FINANCIALS

## MERGER WITH GALAXY RESOURCES

The scheme of arrangement (**Scheme**) in relation to the merger of Orocobre Limited and Galaxy Resources Limited was implemented on 25 August 2021. In accordance with the Scheme, all shares in Galaxy were transferred to Orocobre and eligible Galaxy shareholders were issued the scheme consideration of 0.569 new fully paid ordinary shares in Orocobre for each Galaxy share held at the record date on 18 August 2021.

The merged entity is proposing a name change to Allkem Limited, subject to shareholder approval at the 2021 Annual General Meeting.

Mr Neil Kaplan has stepped down as Joint Company Secretary on 22 October 2021 whilst remaining as Chief Financial Officer. Mr John Sanders has been appointed as Joint Company Secretary effective 22 October 2021, with existing Joint Company Secretary Mr Rick Anthon. Mr Sanders was previously Company Secretary of Galaxy Resources Limited.

Implementation of the merger is proceeding as planned with the new Board holding its first virtual meeting in early October.

## ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Tuesday 30 November 2021 at 11am (AEST) (Brisbane) virtually via an online platform at <https://web.lumiagm.com/339412398>(Meeting). For further information, please refer to the Notice of Meeting and/or the Company website.

## FINANCIAL POSITION

At 30 September 2021, Orocobre corporate had available cash of ~US\$423.6 million, of which US\$9.8 million and US\$130.3 million have been set aside as pre-completion guarantees for the Naraha debt facility and Olaroz Expansion debt facility respectively.

Corporate cash of the merged entity decreased by US\$14.8 million from the previous quarter. Mt Cattlin contributed US\$25.6 million cash from operations net of capex and working capital movements which was offset by merger related costs of US\$17.5 million, Sal de Vida capex of US\$9.1 million, James Bay capex of US\$2.9 million and a US\$4.7 million advance to the Naraha project (treated as a shareholder loan to fund a project finance repayment), US\$5.6 million in corporate costs and US\$0.6 million for other project payments.

Net group cash at 30 September 2021 was US\$225.2 million, including SDJ, Borax cash and project debt. This is down from the merged entity's balance of US\$268.2 million at 30 June 2021 mainly due to merger-related costs, Sal de Vida payments, a drawdown of project finance for the Olaroz Stage 2 expansion, Naraha finance and project payments, partially offset by Mt Cattlin operating cash inflows. The Orocobre net cash on a proportional ownership basis is calculated in Table 5 below.

**Table 5: Total corporate cash and total proportional net group cash as at 30 September 2021**

	<b>US\$ Million</b>
ORE Corporate Cash	283.3
ORE Restricted Cash LiOH	9.8
ORE Restricted Cash Expansion	130.3
AAL	0.2
<b>Total ORE Corporate Cash</b>	<b>423.6</b>
Net Cash from other entities	0.5
TLC Naraha cash @ 75%	6.1
SDJ Cash @ 66.5%	6.5
SDJ Restricted cash @ 66.5%	10.9
TLC Project Loan @ 75%	(54.4)
SDJ External Debt @ 66.5%	(10.1)
Mizuho Stage 1 @ 66.5%	(38.2)
Mizuho Stage 2 @ 66.5%	(119.7)
<b>Total Proportional Net Group Cash</b>	<b>225.2</b>

A US\$40 million facility arranged by Galaxy also remains fully undrawn, with a current maturity date of 31 December 2021.

## **ARGENTINA ECONOMIC CONDITIONS**

The official foreign exchange rate depreciated by ~3.2% in the September quarter from AR\$95.72 at 30 June 2021, to AR\$98.74 at 30 September 2021. The accumulated 12-month period from 1 October 2020 to 30 Sep 2021 resulted in a ~30% devaluation of the AR\$ against the US\$.

September inflation was 3.5% with an aggregate of ~9.3% in the quarter. Inflation for the 12 month period from 1 October 2020 was approximately 53%.

### **ENDS**

This release was authorised by Mr Martin Perez de Solay, CEO and Managing Director of Orocobre Limited.

#### **For more information**

**Orocobre Limited**  
 ABN 31 112 589 910  
 Level 35, 71 Eagle St,  
 Brisbane, QLD 4000  
[www.orocobre.com](http://www.orocobre.com)



**Investor Relations**  
 Andrew Barber  
 Orocobre Limited  
**M:** +61 418 783 701  
**E:** abarber@orocobre.com

## IMPORTANT NOTICES

This investor ASX/TSX release (**Release**) has been prepared by Orocobre Limited (ACN 112 589 910) (the **Company** or **Orocobre**). It contains general information about the Company as at the date of this Release. The information in this Release should not be considered to be comprehensive or to comprise all of the material which a shareholder or potential investor in the Company may require in order to determine whether to deal in Shares of Orocobre. The information in this Release is of a general nature only and does not purport to be complete. It should be read in conjunction with the Company's periodic and continuous disclosure announcements which are available at [www.orocobre.com](http://www.orocobre.com) and with the Australian Securities Exchange (**ASX**) announcements, which are available at [www.asx.com.au](http://www.asx.com.au).

This Release does not take into account the financial situation, investment objectives, tax situation or particular needs of any person and nothing contained in this Release constitutes investment, legal, tax, accounting or other advice, nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**). Readers or recipients of this Release should, before making any decisions in relation to their investment or potential investment in the Company, consider the appropriateness of the information having regard to their own individual investment objectives and financial situation and seek their own professional investment, legal, taxation and accounting advice appropriate to their particular circumstances.

This Release does not constitute or form part of any offer, invitation, solicitation or recommendation to acquire, purchase, subscribe for, sell or otherwise dispose of, or issue, any Shares or any other financial product. Further, this Release does not constitute financial product, investment advice (nor tax, accounting or legal advice) or recommendation, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

The distribution of this Release in other jurisdictions outside Australia may also be restricted by law and any restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. See the section of this Release entitled "International Selling Restrictions". By accepting this Release, you warrant and represent that you are entitled to receive this Release in accordance with the above restrictions and agree to be bound by the limitations therein.

Past performance information given in this Release is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Forward-looking statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performances or achievements expressed or implied by such forward-looking statements, including but not limited to, the risk of further changes in government regulations, policies or legislation; the risks associated with the continued implementation of the merger between the Company and Galaxy Resources Ltd (the **Merger**), risks that further funding may be required, but unavailable, for the ongoing development of the Company's projects including those projects acquired in the Merger; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with development of the Company Projects including those projects acquired by the Company as a result of the Merger; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project or the other Company Projects including those projects acquired by the Company as a result of the Merger; risks associated with investment in publicly listed companies, such as the Company; risks associated with general economic conditions; the risk that the historical estimates for Borax Argentina's properties that were prepared by Rio Tinto, Borax Argentina and/or their respective consultants (including the size and grade of the resources) are incorrect in any material respect; as well as those factors disclosed in the Company's Annual Report for the financial year ended 30 June 2021 and Sustainability Report 2020 available on the ASX website and at [www.sedar.com](http://www.sedar.com).

Certain statements in this Release are forward-looking statements. You can identify these statements by the fact that they use words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "may", "assume", "should", "could", "predict", "propose", "forecast", "outlook" and words of similar import. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking information may include, but is not limited to, the successful ramp-up and/or continued production rates of the Olaroz Lithium Project (**Olaroz Project**), the Sal de Vida Lithium Project (**Sal de Vida Project**), the Mt Cattlin Spodumene Project (**Mt Cattlin Project**), the James Bay Spodumene Project (**James Bay Project**) and the Naraha Lithium Hydroxide Project (**Naraha Project**), (together the **Company Projects**) and the timing

thereof; the design production rate for lithium carbonate at the Olaroz Project and Sal de Vida Project; the expected brine grade at the Olaroz Project and the Sal de Vida Project; the expected spodumene grade at the James Bay Project and Mt Cattlin Project expansion; the future financial and operating performances, including production, rates of return, operating costs and capital costs of and cash flows resulting from each of the Company Projects; the comparison of such expected costs to expected global operating costs; the ongoing working relationship between Orocobre and the Provinces of Jujuy, Salta and Catamarca in Argentina; the ongoing working relationship between Orocobre and the Olaroz Project's financiers, being Mizuho Bank and Mizuho and the satisfaction of lending covenants; the future financial and operating performance of the Company, its affiliates and related bodies corporate, including Borax Argentina S.A. (**Borax Argentina**); the estimation and realisation of mineral resources at the Company Projects; the viability, recoverability and processing of such resources; timing of future exploration of the Company Projects; timing and receipt of approvals, consents and permits under applicable legislation; trends in Argentina relating to the role of government in the economy (and particularly its role and participation in mining projects); adequacy of financial resources, forecasts relating to the lithium and boron markets; the potential processing of brines from the Cauchari Project and the Sal de Vida Project and the incremental capital cost of such processing; optimisation of Borax Argentina's operations and any synergies relating thereto and other matters related to the development of the Company Projects and the timing of the foregoing matters.

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this Release to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statements are based. Nothing in this Release shall under any circumstances (including by reason of this Release remaining available and not being superseded or replaced by any other Release or publication with respect to the subject matter of this Release), create an implication that there has been no change in the affairs of the Company since the date of this Release.