



ASX/TSX ANNOUNCEMENT

*Quarterly Report of Operations for the
Period Ended 31 December 2020*



The only ASX listed company producing high grade, high value lithium chemicals for global battery and technical markets

DECEMBER QUARTER 2020 KEY HIGHLIGHTS¹

Olaroz Lithium Facility (Olaroz) operations returned to being Gross Cash Margin positive with record sales volume during the quarter while costs declined to near all-time lows. Quarterly production volumes were the third highest since operations commenced. Low costs and strong, stable production mean the business is well positioned to participate in the improving lithium market. Operations continued under the established Bio-Security Protocol with limits on the number of personnel on site for both production and expansion works.

OLAROZ LITHIUM FACILITY (ORE 66.5%)²

- Activities continue to focus on the health and well-being of our staff, contractors and communities while maintaining production and expansion works
- Olaroz operations stopped for two days during October while successfully responding to a COVID-19 outbreak amongst 35 employees
- Production of 3,727 tonnes was up 58% quarter on quarter (**QoQ**), responding to increased demand and reflecting on-going plant stability and improved operating practices
- Sales volume was up 28% QoQ to a new record of 4,345 tonnes, while sales revenue was up 57% QoQ to US\$16.5 million. The realised average price achieved was US\$3,797/tonne on a free on board basis (**FOB**)³, up 22% QoQ. Sales volumes were 34% battery grade lithium carbonate and the remainder primary grade lithium carbonate
- Cash costs (on a cost of goods sold basis)⁴ were US\$3,623/tonne, down 9% QoQ excluding the export tax of US\$85/tonne. All additional costs incurred as a result of COVID-19 restrictions and US\$360,000 of non-recurring COVID-19 related wage subsidies from the Argentina government are included. Excluding the subsidies, the cost of sales remains the lowest level for more than three years
- Gross cash margin was positive at US\$174/t, an improvement of US\$1,046/t on the September quarter with better pricing and lower costs
- Following the signature of an MOU in September, discussions with Prime Planet Energy and Solutions (**PPES**), an automotive battery cell manufacturing joint venture between Toyota (51%) and Panasonic (49%) are continuing for the supply of 30,000 tonne per annum (**ktpa**) of lithium carbonate equivalent (**LCE**) by CY25
- Lithium prices and volumes continue to recover and realised H2 FY21 prices are expected to increase >50% to approximately US\$5,500/tonne (FOB)

LITHIUM GROWTH PROJECTS

- Construction work on Stage 2 continued to be impacted during the quarter by COVID-19 restrictions. Construction has progressed to approximately 50% completion. Additional accommodation has been constructed for expansion personnel so that appropriate social distancing can be maintained as the workforce increases throughout 2021. Following a further review, Stage 2 is expected to commence production in H2 CY22, ramping up over two years to full capacity of 25,000 tonnes per annum of primary grade lithium carbonate by H2 CY24
- Naraha Lithium Hydroxide Plant construction has continued throughout the period with activities now approximately 89% complete
- A scoping study into a further expansion at Olaroz (Stage 3) will commence during the March quarter. The study will investigate options for additional production of 25-50ktpa from Olaroz, Cauchari or a combination of both, leveraging existing Stage 2 and 3 infrastructure
- Initial discussions have taken place with Toyota Tsusho Corporation (**TTC**) regarding an expansion of lithium hydroxide production as Naraha Stage 1 will be fully contracted based on ongoing negotiations with potential customers

¹ All figures presented in this report are unaudited

² All figures 100% Olaroz Project basis

³ Orocobre report price as “FOB” (Free On Board) which 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 recognized by SDJ, the joint venture company in Argentina

⁴ Excludes royalties, export tax and corporate costs

BORAX ARGENTINA

- Overall sales volume for the December quarter was 10,573 tonnes, up 18% QoQ and up 23% on the previous corresponding period (**PCP**)
- Sales revenue was up 14% QoQ due to increased volume, however the average price received was down 3% QoQ due to the sales mix

CORPORATE

- During the quarter Orocobre completed a Share Purchase Plan (**SPP**) which raised funds of US\$30.3 million following a placement in the September quarter. Total funds raised were approximately A\$169 million before fees
- As at 31 December 2020, Orocobre corporate had available cash of ~US\$246.8 million of which US\$11.1 million and US\$59.6 million have been set aside as pre-completion guarantees for the Naraha debt facility and Olaroz Expansion debt facility respectively
- Including SDJ, Borax and Naraha cash and project debt, net group cash at 31 December 2020 was US\$119.8 million, up from US\$102.6 million at 30 September 2020

OLAROZ LITHIUM FACILITY

[Click here for more information on Olaroz](#)

COVID-19

As announced to the ASX on 26 October, COVID-19 infection was identified for the first time at our operations in 35 employees. In accordance with the Bio-Security Protocol, isolation procedures and contract tracing were conducted. Affected staff were relocated to Jujuy for medical treatment as required and have since recovered and returned to work. Operations were suspended for two days to allow cleaning and rotation of staff.

Daily monitoring of workforce health continues throughout 14-21 day rosters that apply to all personnel and include those employees who would normally reside in local communities. Since July 2020, the Company medical service has performed more than 5,200 COVID-19 tests (Serological and PCR).

SAFETY

Health and safety remains a key priority for the Company. No Lost Time Injuries (**LTI**) were recorded at Olaroz during the first two quarters of FY21. As at 31st December the operations recorded 342 days without an LTI.

The Intelex database for HSE and Quality events management was officially launched during the December quarter. At this stage the system is used extensively by mid-line supervisors and managers. Intelex serves as an event management system following a workflow that allows the team to report, check, classify, investigate, develop corrective and preventive action plans. During the remainder of the year Olaroz will complete the transition from the current system (SMC) to Intelex.

Lagging and key leading indicators have been defined to measure and improve safety and environmental performance and are now tracked through the Intelex database.

The Dupont programs continue to enhance our safety culture and remain a key priority even during the current COVID-19 situation.

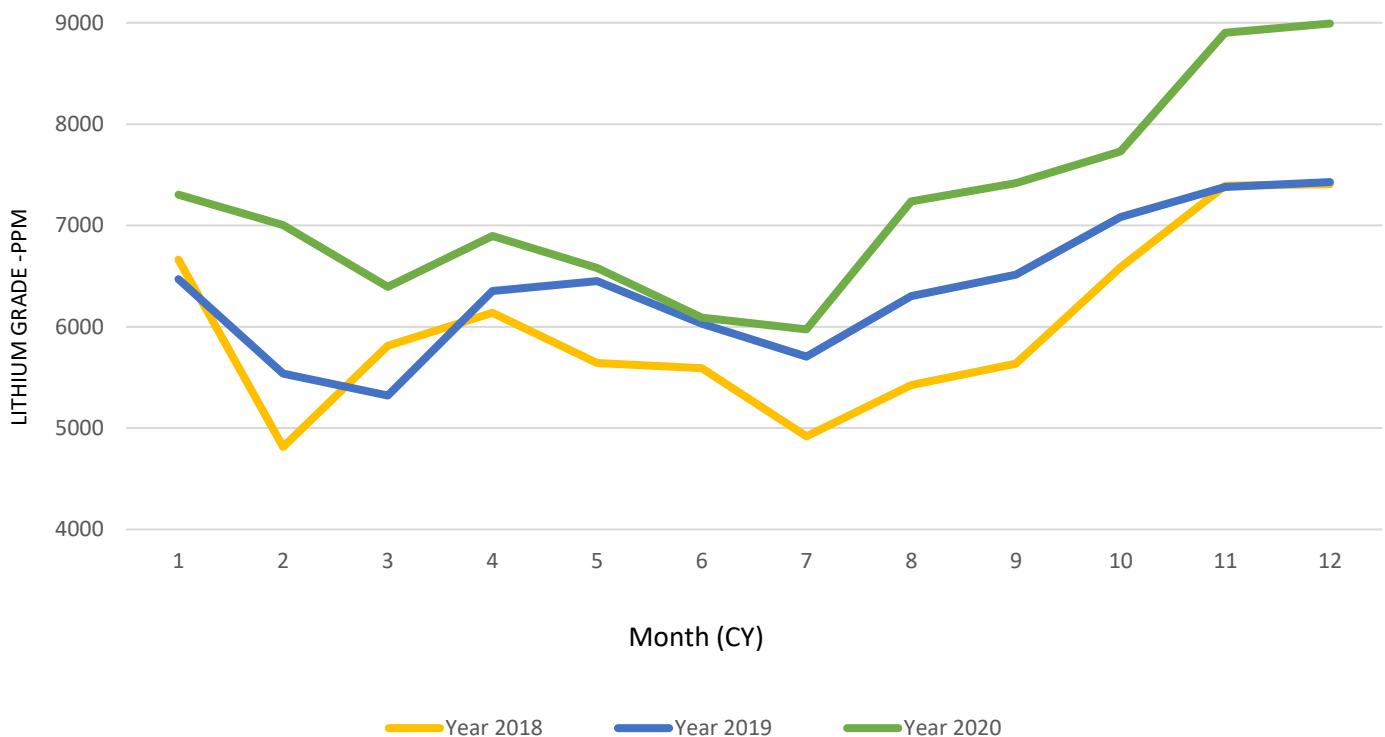
OPERATIONAL UPDATE

QUALITY

Plant stability and reliability remains very good with improved process capability (CpK). The process capability index or process capability ratio is a statistical measure of process capability which is the ability of a process to produce output within specification limits.

Brine feed concentration to the plant also continues to improve year on year with December quarter concentrations over 8,000ppm reflecting some seasonal variation, additional pond capacity and strong underlying improvement in pond management practices.

Improving brine concentration



Product quality continues to improve with reduced magnetic particles and increased product consistency.

PRODUCTION

Production for the December quarter was third highest achieved by Olaroz at 3,727 tonnes up 4% from 3,586 tonnes in the PCP. Brine concentration remains at higher levels than in recent years resulting in high daily production rates, higher plant recovery and further decreases in costs, even when COVID-19 related costs are included. Production of battery grade lithium carbonate was 34% of total production, up from 22% in the September quarter.

SALES AND COMMERCIAL

Product sales were a record at 4,345 tonnes of lithium carbonate up 32% on PCP and 28% QoQ. The average price received was US\$3,797/tonne on an FOB basis up 22% QoQ but down 29% PCP⁵ due to weaker pricing relative to a year ago. Some sales reflect contracts that were agreed in August, September and October reflecting lower prices that were current at the time. Contracts from later in the December quarter and into 2021 are being completed at higher prices.

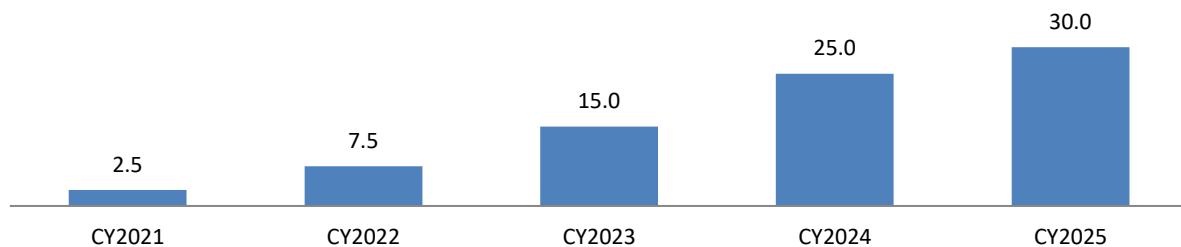
⁵ December quarter 2019 Cost of Sales and Average Price Received have been updated to reflect adjustments made in FY20 Half Year results

Total sales revenue was up 57% QoQ to US\$16.5 million but down 6% PCP. Lithium prices and volumes continue to recover and realised H2 FY21 prices are expected to be up >50% to approximately US\$5,500/tonne (FOB).

PPES MOU

During the September quarter Orocobre entered into a non-binding MOU with PPES, a joint venture between Toyota (51%) and Panasonic (49%) specialising in the production of automotive battery cells, for the long-term supply of product culminating in 30kt of LCE in CY25. Discussions are continuing to finalise this agreement.

MOU volumes from Olaroz and Naraha to PPES (kt LCE)

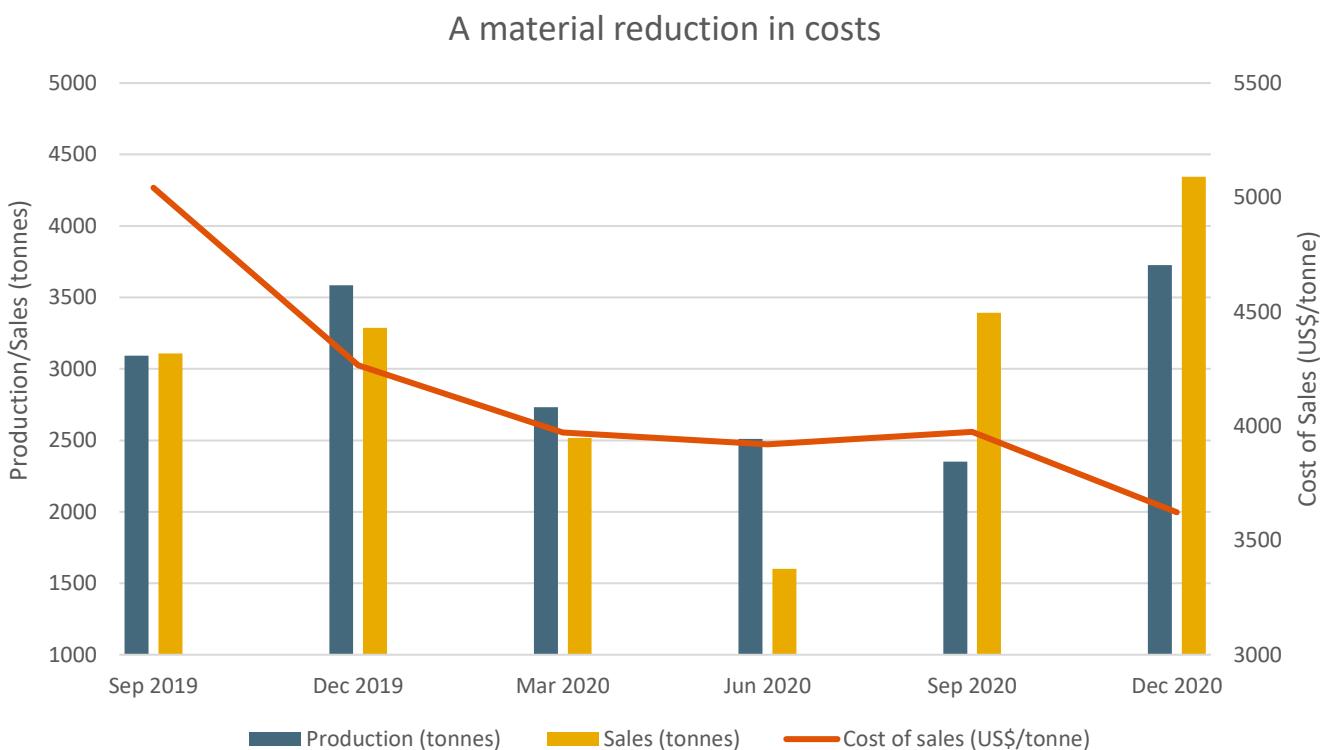


COSTS/MARGINS

Cash cost of goods sold for the quarter (including COVID-19 related costs and US\$360,000 of COVID-19 wage subsidies from the Argentina government) reduced by 15% PCP to near all-time lows at US\$3,623/tonne. This excludes export duties for the quarter of US\$85/tonne. Gross cash margins for the quarter returned to being positive at US\$174/tonne, this is expected to improve with better pricing in H2 FY21.

Metric	Dec quarter 2020	Sept quarter 2020	Change QoQ (%)	PCP (Dec qtr 2019)	Change PCP (%)
Production (tonnes)	3727	2352	58%	3,586	4%
Sales (tonnes)	4345	3393	28%	3,287	32%
Average price received (US\$/tonne)³	3797	3102	22%	5,335	-29%
Cost of sales (US\$/tonne)⁴	3623	3974	-9%	4,266	-15%
Revenue (US\$m)	16.5	11	57%	18	-6%
Gross cash margin (US\$/tonne)	174	-872	120%	1,069	-84%
Gross cash margin (%)	5%	-28%	116%	20%	-77%
Export tax (US\$/tonne)	85	70	21%	238	-64%

Total cost of sales has continued to decrease and is materially lower than the previous corresponding period demonstrating the significant focus and reduction of fixed costs within the operating business.



STAGE 2 EXPANSION AT OLAROZ

PROGRESS TO DATE

Work during the December quarter has continued with a reduced workforce adhering to COVID-19 restrictions. As at 31 December, 2020 construction work has achieved approximately 50% completion. Key areas of development are brine extraction wells and gathering systems, lime plant, collection ponds and carbonation/soda ash plants. Capital expenditure to the end of the quarter is approximately US\$172 million, excluding VAT and working capital.

All of the steel structure for the carbonation and soda ash plants has now arrived at site including cladding, roofing and overhead cranes. The construction contract for the carbonation plant has been awarded and works are expected to commence in mid-February once the remaining terms of the contract are finalised.

Expansion of the construction camp is well underway which will allow the workforce to grow as required by the current schedule.

Original plans for expansion workforce accommodation envisaged two or more people per room, however with social distancing requirements limiting accommodation to one person per room additional rooms are now being installed.

Following a further review and planning around COVID-19 restrictions, Stage 2 is expected to commence production in H2 CY22 and ramp up over two years to full capacity of 25ktpa of primary grade lithium carbonate by H2 CY24.

NARAHAS LITHIUM HYDROXIDE PLANT

PROGRESS TO DATE

The Naraha Plant, the first of its kind to be built in Japan, is designed to convert primary grade lithium carbonate feedstock into purified battery grade lithium hydroxide. Feedstock for the 10,000 tonne per annum (**tpa**) Naraha Plant will be sourced from the Olaroz Lithium Facility's Stage 2 Expansion that will produce primary grade (>99.0% Li₂CO₃) lithium carbonate.

Since construction commenced at the Naraha Plant there have been no LTIs recorded.

As at 31 December, approximately US\$50 million has been spent on engineering, civil works, electrical, instrumentation, fabrication and procurement at the Naraha Plant. Site operations have continued throughout the period with construction now approximately 89% complete, and commissioning expected in H2 CY21.



Aerial view of the Naraha Lithium Hydroxide Plant construction site

FURTHER GROWTH PROJECTS

Upon completion of PPES and other customer agreements in the next several months, both Olaroz Stage 2 and Naraha Stage 1 are expected to be fully contracted. In order to maintain the targeted 5-10% global market share beyond 2025, Orocobre is investigating additional production of both lithium carbonate and lithium hydroxide.

Olaroz Stage 3

A scoping study into a further expansion at Olaroz (Stage 3) will commence during the March quarter. The study will investigate options for additional 25-50ktpa of lithium carbonate production. The study will consider technical, financial and commercial options for further production including from the 100% Orocobre owned Cauchari resource.

Stage 3 at Olaroz will be a high value growth option that will benefit from capital and operating cost synergies with Stages 1 and 2. As a brownfield development it will have low technology and resource risk with a well understood processing route for the Olaroz/Cauchari brine. Access to key existing infrastructure such as the national highway, a dedicated gas pipeline and renewable energy will underpin financial and sustainability metrics and returns.

Stage 3 is a unique growth option that will be well timed to meet growing demand for lithium based batteries.

Naraha 2

Initial discussions with TTC have confirmed the intention to expand lithium hydroxide production. The next step will be to consider the potential scale of additional production and whether that is located at Naraha or another site that better suits customer needs, or provides scope for potential further stages as may be required to match growth by PPES and other customers.

SHARED VALUE PROGRAM AND COMMUNITY

The Shared Value team built on their knowledge of local communities and sustainability with a combination of remote work and a number of visits to communities that are directly and indirectly influenced by the company's operations.

Key actions during the quarter included:

Community Relations

- Management of work rosters within COVID-19 limitations: Communication with Community Coordinators, local government contacts and local suppliers to manage and confirm the date and location of PCR sample collection (COVID-19 tests) and the transfer schedules for rostered employees
- Identification of risks and opportunities for the social development of communities within the COVID-19 environment. COVID-19 has presented new challenges for the optimal management of interaction and implementation of programs within local communities
- Ongoing management of community relations and engagement with community members and leaders responding to any concerns and facilitating cooperation
- Field work: visits were made to the communities of Susques, Huancar, Pastos Chicos, Coranzuli and Olaroz Chico
- The team participated in the first meeting for 2020 of the Council on Indigenous Participation. This Council brings together the ten communities of the People of Atacama. Discussions focused on local labour, prioritization of local suppliers at the Olaroz Lithium Facility and participation of local suppliers in the Olaroz Stage 2 Expansion

Community development programs

Program to Support Food Independence: Family Food Production Units UPAF

A program to encourage independent food supply in local communities continued during the quarter. Support visits to four vegetable gardens in Coranzuli were conducted with a focus on production records, transplanting of seedlings and optimisation of irrigation. Materials for greenhouse enclosures, hand tools and spring/summer seeds were delivered to the communities of Huancar and Pastos Chicos. A training session on UPAF was held in Olaroz Chico.

Sustainable Management of Vicuñas at Olaroz Chico

Participants in the Vicuna management program at Olaroz Chico were supported in the development of a conservation and management plan. Family Farming program technicians from the National Institute of Technology (Jujuy) were provided training in the natural and cultural heritage of local communities.

Community Investment Program

Construction of community halls in Susques and El Toro were completed during the quarter. Planning and design is underway for a further community hall in Coranzuli with construction to commence in the first quarter of 2021.

MARKET

The lithium market continued on a path of recovery during the December quarter, confirming a bottom had been reached in the preceding months. The Chinese lithium carbonate market demonstrated particular strength with spot prices rising ~50% between September 2020 and December 2020 as domestic supply became increasingly tight as demand from the electric vehicle (**EV**) sector accelerated.

DEMAND

Underlying fundamentals for electric vehicles continue to improve with an increasing number of commitments to EVs by national governments such as those announced by the United Kingdom in late 2020 which will ban petrol and diesel vehicle sales by 2030. The success of government mandated EV initiatives can be seen in the Norwegian market with EVs accounting for ~80% of new car sales in October 2020. All new car sales in Norway are expected to be EVs by 2025.

There are multiple other growth catalysts that are driving lithium demand including a change of government in the US and proposed US\$2 trillion renewables stimulus, European carbon emissions penalties on automakers, and the growing range and affordability of popular EV brands in China.

Chinese EV demand continued to outperform expectations with the leading industry body, the Chinese Association of Automobile Manufacturers (**CAAM**) revising the 2020 New Energy Vehicle (**NEV**) forecast from 1.1 million units mid-year to 1.3 million units outperforming 2018 and 2019 levels. December 2020 marked the sixth consecutive month of growth in NEV sales in China, with a high proportion of pure battery electric vehicles (**BEV's**) at 70-80% versus plug-in hybrid (**PHEV**) resulting in higher lithium consumption with the larger battery size of a BEV relative to a PHEV. China's demand for lithium carbonate remained higher than the rest-of-world due to a resurgence of LFP battery formats and continued use of mid nickel NMC cathodes by Chinese battery makers producing adequate range for the majority of China's EV buyers.

SUPPLY

As Chinese brine producing regions became prohibitively cold, production declined and inventories were quickly reduced, limiting availability of industrial carbonate to upgrading converters as well as cathode manufacturers who seek to maximise the use of lower cost material. This supply dynamic throughout the quarter decreased the premium, battery grade carbonate typically achieves over industrial carbonate. Supply discipline by spodumene producers and earlier mine closures meant converter stock levels also declined. As a result, China's demand for South American lithium chemical supply grew over the quarter absorbing increased supply from Chile which had previously played a large part in driving Chinese prices down.

Continued tightening in the lithium market is expected during the March quarter as Chinese brine remains restricted by weather conditions and Chinese spodumene converter output is bound by feedstock availability. Rest of world supply increases will also be limited given most South American producers have delayed 2021 expansion plans to 2022 and greenfield projects have been pushed back by lack of funding and/or high cost of capital.

BORAX ARGENTINA S.A.

SAFETY

Following a number of safety incidents earlier in the year, Borax has improved safety performance and the team have worked hard to restore the safety commitment and accountability at all levels of the operating business. A safety stand down was implemented at Campo Quijano which allowed the operating team to participate in an extensive safety workshop, which included a review of all critical activities. Additionally, a new Safety Manager and three new experienced supervisors were recruited.

Subsequent to the safety stand down, there have not been any LTI or Environmental incidents at the three operational Borax sites during the December quarter. As at 31 December, Sijes recorded 184 days free of accidents, Tincalayu achieved 168 days and Campo Quijano has had 127 days LTI free.

This quarter Borax was successfully recertified for ISO 9001 and 14001.

A partnership was established with “Saltaplast” to implement circular economy initiatives with an initial focus on waste recycling.

Safety initiatives for the second half of the year will include the development of a local emergency response team, improvement of the work permit safety system and planning\implementation of the February and March maintenance programs.

PRODUCTION, SALES AND OPERATIONAL UPDATE

The December quarter achieved sales of 10,573 tonnes, up 18% QoQ and approximately 23% up from the previous corresponding period. Total sales revenue was up 14% QoQ, while the average price received was down 3% QoQ due to the sales mix.

Operations have continued under the Orocobre Bio-security Protocol and to date no cases of COVID-19 have been recorded at any Borax site.

COMBINED PRODUCT SALES VOLUME BY QUARTER

Previous Year Quarters		Recent Quarters	
March 2019	13,041 ⁶	March 2020	10,690
June 2019	11,758	June 2020	12,278
September 2019	12,480	September 2020	8,964
December 2019	8,614	December 2020	10,573

⁶ Includes 2,312 tonnes of low value mineral product

CORPORATE AND ADMINISTRATION

FINANCE

CASH BALANCE

As at 31 December 2020, Orocobre corporate had available cash of ~US\$246.8 million of which US\$11.1 million and US\$59.6 million have been set aside as pre-completion guarantees for the Naraha debt facility and Olaroz Expansion debt facility respectively.

The US\$21.5 million corporate cash increase from the previous quarter includes inflows of US\$30.3 million from the Share Purchase Plan, US\$2.4 million from proceeds of a mining property usufruct sale, and US\$0.4 million of interest income partially offset by US\$11.6 million of outflows. The outflows of cash were US\$9.4 million advanced to SDJ Joint Venture (**SDJ**) as a shareholder loan to fund the cash shortfall of the business, US\$1.4 million corporate costs and US\$0.8 million to Borax.

Including SDJ and Borax cash and project debt, net group cash at 31 December 2020 was US\$119.8 million, up from US\$102.6 million at 30 September 2020 as calculated below and after including Naraha facilities:

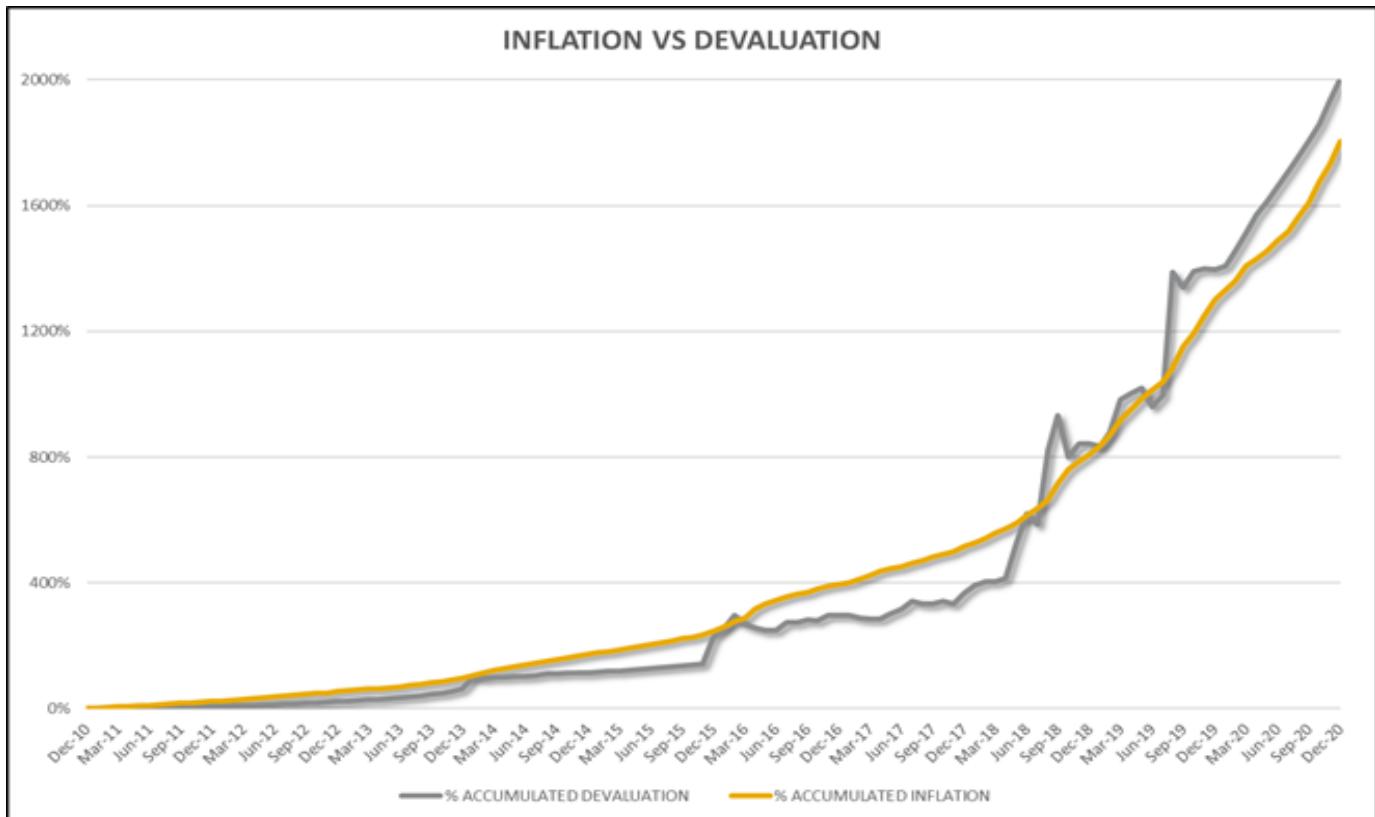
	US\$ Millions
ORE Corporate Cash	175.9
ORE Restricted Cash LIOH	11.1
ORE Restricted Cash Expansion	59.6
AAL	0.2
Total ORE Corporate Cash	246.8
Net Cash from other Entities	1.8
TLC Naraha cash @ 75%	11.1
SDJ Cash @66.5%	8.8
SDJ Restricted Cash @ 66.5%	11.4
TLC Project Loan @ 75%	(44.3)
SDJ External Debt @ 66.5%	(12.1)
Mizuho Stage 1 66.5%	(50.8)
Mizuho Stage 2 66.5%	(52.9)
Total Proportional Net Group Cash	119.8

ARGENTINA ECONOMIC CONDITIONS

Currency: The official foreign exchange rate depreciated by 10.5% in the December quarter from AR\$76.18 at 30 September 2020, to AR\$84.15 at 31 December 2020. The accumulated 12-month period from 1 January 2020 to 31 December 2020 resulted in a 41% devaluation of the AR\$ against the US\$.

Inflation: December's inflation was 4% and accumulated 11.4% in the quarter. The accumulated 12-month period from 1 January to 31 December 2020 resulted in inflation of approximately 36%.

Export duties: On 30 December 2020, the Argentine government passed a decree updating the levy on export duties to a fixed percentage of 4.5% which compares to the previous levy of ARS\$3 per US\$1 of export sales. The average export duty rate applicable to FY20 was 5%, however for the six- month period 1 July to 31 December 2020 it was 3.9% under the ARS\$3 per US\$1 levy calculation.



Authorised by:

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ABOUT OROCOBRE LIMITED

Orocobre Limited is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE) (TSX:ORL) and is a substantial Argentinian-based industrial chemicals and minerals company operating a 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 the investment division of the Jujuy Provincial Government (JEMSE), the first large-scale, greenfield brine-based lithium project in approximately 20 years at the Salar de Olaroz with planned production of 42,500 tpa of low-cost 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 results in low lithium cut-off concentration, which maximises resource recovery.
- The process has a zero liquid discharge design. 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 process water 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 process water consumption of <20 l/s for current production which is low by industry standards. This process water is produced by reverse osmosis from non-potable brackish water.
- 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.

In accordance with its Community Policy, Orocobre continues to empower its communities through capacity building initiatives, and to encourage and facilitate direct and indirect community involvement in its activities. Priority in employment and procurement is given to the local communities of Olaroz Chico, Huánchar, Puesto Sey, Pastos Chicos, Susques, Catua, Jama, El Toro, Coranzulí and San Juan de Quillaques, all of which it is expected to receive education, training, development and support through Orocobre’s Shared Value Program.

TECHNICAL INFORMATION, COMPETENT PERSONS' AND QUALIFIED PERSONS STATEMENTS

The Company is not in possession of any new information or data relating to historical estimates that materially impacts on the reliability of the estimates or the Company's ability to verify the historical estimates as mineral resources, in accordance with the JORC Code. The supporting information provided in the initial market announcement on 21/08/12 continues to apply and has not materially changed. Additional information relating to the Company's Olaroz Lithium Facility is available on the Company's website in "Technical Report – Salar de Olaroz Lithium-Potash Project, Argentina" dated May 13 2011, which was prepared by John Houston, Consulting Hydrogeologist, together with Mr. Michael Gunn, Consulting Processing Engineer, in accordance with NI 43-101.

The information in this report that relates to exploration reporting at the Cauchari project has been prepared by Mr. Murray Brooker. Mr. Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Mr. Brooker is an employee of Hydrominex Geoscience Pty Ltd and is independent of Orocobre. Mr. Brooker has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined in NI 43-101. Mr. Brooker consents to the inclusion in this announcement of this information in the form and context in which it appears.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Forward-looking information may include, but is not limited to, the successful ramp-up of the Olaroz Project, and the timing thereof; the design production rate for lithium carbonate at the Olaroz Project; the expected brine concentration at the Olaroz Project; the Olaroz Project's future financial and operating performance, including production, rates of return, operating costs, capital costs and cash flows; the comparison of such expected costs to expected global operating costs; the ongoing working relationship between Orocobre and the Provinces of Jujuy and Salta in Argentina; the on-going working relationship between Orocobre and the Olaroz Project's financiers, being Mizuho Bank and JOGMEC 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's projects; the viability, recoverability and processing of such resources; timing of future exploration of the Company's 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, boron and potash markets; potential operating synergies between the Cauchari Project and the Olaroz Project; the potential processing of brines from the Cauchari Project and the incremental capital cost of such processing, expansion, growth and optimisation of Borax Argentina's operations; the integration of Borax Argentina's operations with those of Orocobre and any synergies relating thereto and other matters related to the development of the Company's projects and the timing of the foregoing matters.

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 pandemic, further changes in government regulations, policies or legislation; that further funding may be required, but unavailable, for the ongoing development of the Company's projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with development of the Olaroz Project; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Project or the Company's other projects; exceptional or prolonged adverse weather conditions; 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; the inability to efficiently integrate the operations of Borax Argentina with those of Orocobre; as well as those factors disclosed in the Company's Annual Report for the financial year ended 30 June 2020 and Sustainability Report 2019 available on the ASX website and 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, potash and borates; market demand for products 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.