



## **ASX/TSX ANNOUNCEMENT**

*Quarterly Report of Operations for the  
Period Ended 31 December 2019*



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

# DECEMBER QUARTER 2019 KEY HIGHLIGHTS<sup>1</sup>

During the quarter the Olaroz Lithium Facility (Olaroz) responded to challenging market conditions by reducing operating costs 16% quarter on quarter (QoQ) and achieving a gross margin of 24% to retain positive operational cashflow. Significant progress has been delivered on both growth projects at the Naraha Lithium Hydroxide Plant (Naraha Plant) and Olaroz Stage 2 Expansion, while Olaroz operations remain on track to deliver increased production for FY20. Subsequent to the end of the quarter, two contracts have been signed for the supply of battery grade lithium carbonate to top tier Chinese cathode manufacturers.

## OLAROS LITHIUM FACILITY (ORE 66.5%)<sup>2</sup>

- Production for the quarter of 3,586 tonnes was down 5% on the previous corresponding period (PCP) following the strategy of managing both brine quality in preparation for the upcoming seasonal rains and finished product inventories given the prevailing market conditions. New pond availability and tailoring of production resulted in brine with a more consistent lithium concentration being delivered to the plant and improved process recovery
- Sales volume for the quarter was up 6% QoQ to 3,287 tonnes while sales revenue was down 19% QoQ to US\$17.8 million. The realised average price achieved was US\$5,419/tonne on a free on board basis (FOB)<sup>3</sup>. December quarter product pricing was below that of the September quarter following a decision to meet competitor pricing to ensure retention of market share
- Cash costs for the quarter (on cost of goods sold basis)<sup>4</sup> improved to US\$4,109/tonne, down 16% QoQ, excluding the export tax of US\$238/t for the quarter. This follows a significant focus on cost reduction across the business
- Operations remained operating cash flow positive with gross cash margins (excluding export tax) of US\$1,310/tonne, down 41% QoQ mainly due to the lower average price received, offset by better cost performance.

## LITHIUM GROWTH PROJECTS

- Construction of the Stage 2 Olaroz Lithium Facility Expansion has reached approximately 25% completion. Focus areas for this quarter included brine transport systems, ponds, rain diversion channels, new production wells and associated infrastructure
- Naraha Lithium Hydroxide Plant construction is progressing with more than 40% of planned works now completed.

## BORAX ARGENTINA

- Overall sales volume for the December quarter was 8,614 tonnes, down 31% QoQ and down 20% PCP
- Sales revenue was down 33% QoQ, with the average price received down 3% QoQ due to a reduction of sales in the Brazilian market.

## CORPORATE

- As at 31 December 2019, Orocobre corporate had available cash of US\$171.9 million of which US\$11.1 million has been set aside as a guarantee for the Naraha debt facility. Including SDJ and Borax cash and project debt, net group cash at 31 December 2019 was US\$115.5 million, down from US\$151.2 million at 30 September 2019<sup>5</sup> following provision of shareholder loans to fund Stage 2 Expansion activities
- The Orocobre 2019 Annual General Meeting was held on Friday 22 November, with all resolutions successfully passed as ordinary resolutions.

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

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

<sup>3</sup> 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.

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

<sup>5</sup> See explanation of net group cash in Finance section

# OLAROZ LITHIUM FACILITY

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

## SAFETY

As clearly defined in the Company's strategy, safety (along with quality and productivity) is a key focus. With the increase in Stage 2 Expansion related activities, additional measures are being put in place to mitigate the inherently increased risk of safety incidents occurring during the construction phase.

The central safety committee and five subcommittees (training, operational discipline, audit, risk management and incident investigation) continue to make good progress establishing improved 'operating discipline', via specialised operator training programs and more frequent risk assessments. This is already producing greater consistency in the quality of products produced.

Work continues consolidating Intellex as the central safety management database. Process hazard identification and control reporting have been established, as well the implementation of a Management of Change (MOC) process - a systematic approach to safely manage modifications to production processes.

Significant progress has been made with the reporting of safety observations after employees completed training aimed at increasing their awareness and understanding of near miss incidents. The 'root cause' investigation process for incidents involving injuries or incidents with high potential for injury is now more vigorous and is being applied consistently to all reportable events.

Two incidents were recorded at Olaroz during the quarter resulting in Lost Time Injuries (LTI), one occurred within the expansion team and one in the operations team. Both employees have returned to work on full duties. As at 31 December, operations had achieved 41 days without an LTI.

## OPERATIONAL UPDATE

### QUALITY

Market quality and specification requirements continue to evolve. To meet changing customer needs, Olaroz has implemented a continuous improvement and product development program. Activity to date has seen a reduction of product impurity levels, changes to product packaging and research on process variations.

For both industrial and battery grade products, this program is delivering higher processing capability and improved product quality and consistency.

### PRODUCTIVITY

Production for the December quarter was 3,586 tonnes down from 3,782 tonnes on PCP. Recognising current market conditions, the operational focus has been on process stability and product quality rather than maximising production tonnage. Ongoing refinement of the pond management system and brine inventory is expected to provide improved operational resilience with seasonal weather variations.

Production for the December quarter was slightly below forecast due to inventory control. However, production for the first-half of FY20 is in line with expectations. Good plant recovery was driven by more stable lithium concentration brine being delivered into the plant.

With production processes attaining greater stability, statistical analysis has confirmed a sustained improvement of process capability ( $C_{pk}$ ) regarding the final product analytical profile.

### COSTS/MARGINS

A regimented financial plan was implemented at the end of the quarter with the aim of reducing unit cash costs and sustaining the current competitive position as one of the world's lowest cost, brine based lithium carbonate producers.

Operating costs (on a cost of goods sold basis, excluding export tax) improved to US\$4,109/tonne down 16% QoQ and up 3% on PCP.



Costs for the quarter were positively impacted by higher brine concentration, reduced consumption of reagents, devaluation of the Peso and some benefit from the cost reduction program.

Gross cash margins for the quarter remained positive at 24% or US\$1,310/tonne (excluding export tax), down 41% QoQ and 80% on PCP.

Metric	December quarter 2019	September quarter 2019	Change QoQ (%)	PCP (Dec qtr 2018)	Change PCP (%)
<b>Production (tonnes)</b>	3,586	3,093	16%	3,782	-5%
<b>Sales (tonnes)</b>	3,287	3,108	6%	3,019	9%
<b>Average price received (US\$/tonne)<sup>3</sup></b>	5,419	7,111	-24%	10,587	-49%
<b>Cost of sales (US\$/tonne)<sup>4</sup></b>	4,109	4,885	-16%	3,974	3%
<b>Revenue (US\$M)</b>	17.8	22.1	-19%	32.0	-44%
<b>Gross cash margin (US\$/tonne)</b>	1,310	2,226	-41%	6,613	-80%
<b>Gross cash margin (%)</b>	24%	31%	-23%	62%	-61%
<b>Export tax (US\$/tonne)</b>	238	420	-43%	882	-73%

## SALES AND COMMERCIAL

Product sales were 3,287 tonnes of lithium carbonate with an average price of US\$5,419/tonne on an FOB basis and total sales revenue of US\$17.8 million. The average price received during the quarter was down 24% QoQ due to continued market softness.

As previously stated (see ASX Releases dated [20](#), [21](#) January 2020) Orocobre and its' joint sales and marketing agent, Toyota Tsusho Corporation (TTC), have been pursuing a commercial strategy of selling a greater proportion of the Olaroz Lithium Facility's products under long term sales agreements with key customers. Following the end of the quarter, two contracts have been finalised for supply of a total 7,200 tonnes of battery grade lithium carbonate and supply of a total 2,880 tonnes of micronised battery grade lithium carbonate.

## FUTURE GUIDANCE

Orocobre expects that full-year production for FY20 will be at least 5% higher than FY19. Expectations for the Q3 FY20 weighted average price will be provided with the half-year results.

## STAGE 2 EXPANSION AT OLAROZ

### PROGRESS TO DATE

As at 31 December, approximately US\$105 million has been spent on the first phase of expansion activities, which includes approximately US\$30 million of pre-payments to suppliers. Recent works include brine transport systems, ponds, rain diversion channels, commissioning of the secondary liming plant, roads and camp upgrades. The secondary lime plant will be converted to a slaking plant in Q3 FY20 which is expected to reduce operating costs. Approximately 25% of planned expansion works are now complete.

The construction, drilling and testing of new production wells continues to advance, with newly completed wells delivering flow rates and lithium concentrations that exceed original expectations.

Structural steel for the new carbonation module arrived in Chile at the end of the quarter and is being transported to Olaroz. Following the completion of contract awards, civil works are due to commence in Q3 FY20.

International engineering company Worley has completed engineering design work and commenced onsite supervisory works for the Stage 2 Expansion. Detailed engineering for the carbonate plant will be completed in Q3 FY20.

# NARAHALITHIUM HYDROXIDE PLANT

## PROGRESS TO DATE

The Naraha Plant, the first of its kind to be built in Japan, is designed to convert industrial 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 industrial grade ( $>99.0\% \text{Li}_2\text{CO}_3$ ) lithium carbonate.

Since construction commenced at the Naraha Plant there have been no LTIs recorded. The Veolia Joint Venture is undertaking weekly safety meetings and regular site safety checks, with project staff continuing to attend safety training in alignment with the project's safety management plan.

As at 31 December, approximately US\$39.3 million has been spent on the first phase of engineering, civil works and procurement at the Naraha Plant - this includes the first two progress payments made to Veolia. Construction activities to date are proceeding well with more than 40% of planned works now completed. Construction is expected to accelerate during Q3 FY20 as more than 95% of equipment purchase orders have now been placed.

Civil and architectural construction of several key plant components commenced during the quarter, including construction of  $\text{Li}_2\text{CO}_3$  and  $\text{LiOH}$  storage facilities, offices, laboratory, a wastewater treatment plant, the kiln structure, plant foundations, roads, parking facilities and liquid  $\text{CO}_2$  storage foundations. Fabrication of the Naraha Plant's Process and Utilities equipment will continue in Q3 FY20, with detailed engineering reviews currently underway for the plant's piping, insulation and local construction design, together with a review of the electrical and instrumentation design.

Discussions are ongoing with the Veolia Joint Venture's plant design engineers with the objective of minimising any impurity sources from plant feed and raw materials entering the plant.



*Aerial view of the Naraha Lithium Hydroxide Plant construction site*



# SHARED VALUE PROGRAM AND COMMUNITY

## EDUCATION

There are currently 15 community based SDJ employees and contractors undertaking secondary school studies via Orocobre's [Baccalaureate Program](#). As at 31 December 2019, these students had successfully completed courses in Spanish, Biology, History, Mathematics, Ethics and Social Studies. The three year secondary school education program currently has eight students in the final year, awaiting their secondary certification which is to be awarded in April 2020. These graduations will bring SDJ closer to the goal of 100% of the workforce being secondary qualified by 2025.

## EMPOWERMENT

A key component of the Shared Value Program in CY19/20 has been the delivery of collaborative infrastructure projects that support and empower local communities. The projects empower local communities not only through the delivery of key infrastructure (community halls, educational facilities) but also through the contracting of local suppliers to construct and deliver those projects.

One of these projects is the construction of network infrastructure (in collaboration with the provincial government and other key stakeholders) to provide natural gas to the community of Jama. As at 31 December, this project was nearing completion, with commissioning and final inauguration expected in Q3 FY20. Other projects nearing completion include the construction of community halls in Susques, Coranzulí, El Toro and Catua.

## PRODUCTION AND NATURAL RESOURCES

A major component of the Shared Value Program's Production and Natural Resources pillar is the circular economy: the re-utilisation of waste products to create a closed-loop system that generates valuable assets and infrastructure for the local communities.

An example of this is the ['Raising Recycled Walls'](#) Project that saw the construction of greenhouses (and other infrastructure) from recycled plastic bottles in collaboration with local community members, authorities and institutions. These greenhouses are providing valuable support for agricultural production and increased cultivation of crops during the winter months.

During the December quarter the Shared Value Team conducted a series of workshops in Olaroz to develop local furniture construction capabilities, using recycled wooden pallets sourced from the Olaroz Lithium Facility. The workshops lasted several days with over 25 items of furniture (including tables, chairs, benches and bookshelves) being constructed. The furniture will be used by local businesses and in the local schools, health centre and police station.



*Sales de Jujuy's Shared Value Team pictured with local community members as part of the 'Raising Recycled Walls' Project*

## MARKET AND SALES

Lithium market conditions remained difficult for most of the December quarter, however encouraging demand indicators and further supply curtailments emerged in late CY19/early CY20 and are expected to progressively improve market balance in CY20. The Company expects to see a weak market for the first half of CY20 with a potential market balance improvement becoming evident in the second half of CY20. In the short-term, higher than normal inventory levels in some parts of the supply chain are expected to temper price recovery concealing underlying improvements in demand.

### DEMAND

During the December quarter, the lithium market remained challenged by the same set of demand fundamentals as recent quarters, including slower Chinese electric vehicle (EV) market growth, a sluggish Chinese economy, United States (US)/China trade war and lackluster Energy Storage System (ESS) demand. While there was no demand catalyst to alleviate lithium price pressure, several positive demand signals emerged late in the December quarter/early CY20 relating to both the China and Ex-China EV market.

In November 2019, Tesla successfully opened the Shanghai Gigafactory, increasing production to ~1000 EVs per week and ~5% share of the China market by year end. Tesla later announced a reduction in the starting price of its China-built Model 3 sedans by 9% in January 2020 to help close the gap with local manufacturers. The company also announced plans to release a China-centric EV suited to local preferences with a competitive price of US\$25K. As sentiment showed early signs of turning in January 2020, the US and Chinese governments announced phase 1 of a trade deal defusing an 18-month period of uncertainty which commenced at approximately the same time the lithium market showed the first signs of softening.

Outside of China, Europe showed the most encouraging signs during the quarter including higher EV sales year-on-year, continued expansion commitments for cathode and battery capacity within Europe and a further 3.2 billion Euro (US\$3.55 billion) commitment from the European Commission to the local battery supply chain. Building on these 2019 achievements, the phase-in of the CO<sub>2</sub> emissions penalties during 2020 in preparation for full implementation in 2021 is anticipated to support momentum in the European EV market.

### SUPPLY

During the December quarter, seaborne carbonate prices Ex-China remained under pressure with persisting supply from Chinese producers exacerbated by soft domestic demand. Despite this pressure, Ex-China prices failed to reach the price lows recorded by Chinese carbonate imports late in the quarter as Chinese customers' preference for spot shipments facilitated continued price declines throughout the quarter.

Chinese imports of lithium chemicals grew at the expense of new, independent supply of spodumene concentrate. Growing pressure on non-integrated Australian hard rock suppliers became increasingly apparent resulting in one mine going into care and maintenance. Meanwhile, others announced a shift from continuous to campaign-based production driven by customer orders rather than the previous approach of maximizing operational output. It is anticipated that supply curtailments will continue in CY20 for those operations most sensitive to price pressure. South American brine producers continue to participate in the market due to their lower cost base.

## BORAX ARGENTINA S.A.

### SAFETY

Borax recorded no LTIs during the December quarter. As at 31 December, the Sijes mine had achieved 321 days without an LTI, Tincalayu had achieved 166 days without an LTI and Campo Quijano had achieved 274 days without an LTI.

## PRODUCTION, SALES AND OPERATIONAL UPDATE

The December quarter saw a decrease of sales in Brazil (where product prices are typically high), with a total of 8,614 tonnes sold (down 31% QoQ and down 20% PCP). Total sales revenue was down 33% QoQ, with the average price received down 3% QoQ due to the reduction of sales in a weaker Brazilian market.

## COMBINED PRODUCT SALES VOLUME BY QUARTER

Previous Year Quarters		Recent Quarters	
March 2018	9,079	March 2019	13,041 <sup>6</sup>
June 2018	10,590	June 2019	11,758
September 2018	9,407	September 2019	12,480
December 2018	10,741	December 2019	8,614

Business development projects are being converted into sales growth with new supply agreements being signed with world-class players in the fertilizer and industrial sectors. Additionally, new product distributors are being developed throughout Asia. Unit costs continue to be controlled.

## ADVANTAGE LITHIUM CORP.

Advantage Lithium Corp. (TSXV:AAL) manages a portfolio of high-quality assets in Argentina, including the Cauchari Joint Venture in which Orocobre holds a 25% interest. Orocobre also holds approximately 34.7% of Advantage's common shares. During the quarter Advantage released a Pre-Feasibility Study (PFS) in accordance with Canadian standards on the Cauchari Lithium Project to the TSXV.

## CORPORATE AND ADMINISTRATION

### FINANCE

#### CASH BALANCE

As at 31 December 2019, Orocobre corporate had available cash of US\$171.9 million of which US\$11.1 million has been set aside as a guarantee for the Naraha debt facility. The US\$51.6 million cash reduction from the previous quarter was the result of a US\$49.6 million shareholder loan made to the SDJ Joint Venture to fund Olaroz Stage 2 Expansion activities and repayment of approximately US\$17 million local working capital facilities due to currency control regulation implemented by the Argentine government, US\$2.1 million in corporate costs, US\$2.3 million other project investment payments and US\$0.2 million in Cauchari JV expenditure. This expenditure was partially offset by US\$2.6 million interest income.

Including SDJ and Borax cash and project debt, net group cash at 31 December 2019 was US\$115.5 million, down from US\$151.2 million at 30 September 2019 as calculated below:

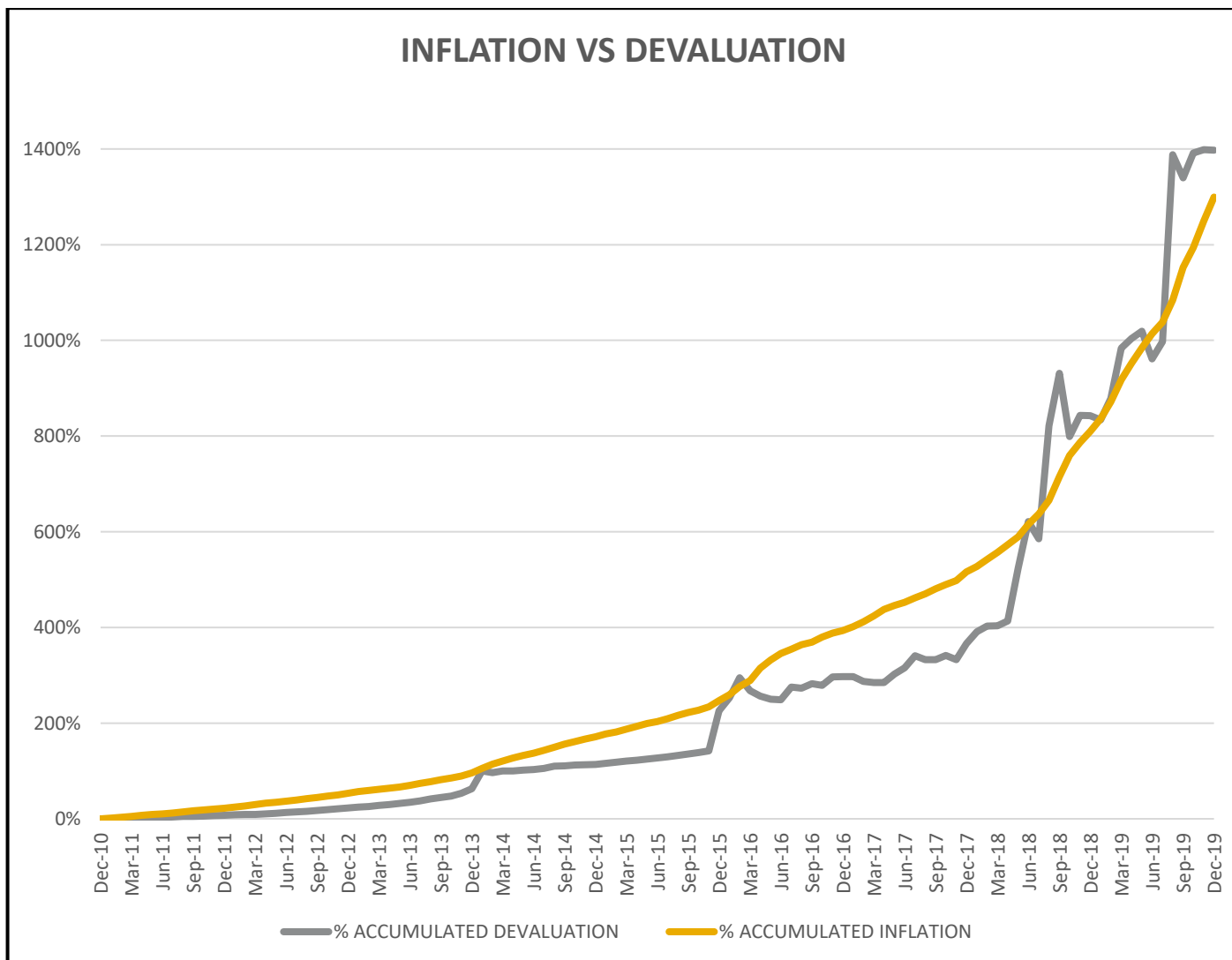
	US\$ Millions
ORE Corporate Cash	160.9
ORE Restricted Cash	11.1
<b>Total ORE Corporate Cash</b>	<b>171.9</b>
Net Cash from other Entities	0.4
SDJ Cash @ 66.5%	15.1
SDJ Restricted Cash @ 66.5%	11.4
SDJ External Debt @ 66.5%	-83.4
<b>Total Proportional Net Group Cash</b>	<b>115.5</b>

<sup>6</sup> Includes 2,312 tonnes of low value mineral product



## INFLATION VERSUS DEVALUATION

The ARS/US\$ exchange rate depreciated by 4% during the quarter from ARS57.59/US\$ at 30 September 2019 to ARS59.89 at 31 December 2019, whilst inflation for the same period was approximately 12%. When looking at the accumulated 12-month period from 1 January 2019 to 31 December 2019, devaluation of the ARS against the US\$ was 59% versus inflation of approximately 54%. Over time, inflation and devaluation generally cancel each other out.



## OTHER MATTERS

### 2019 ANNUAL GENERAL MEETING

Orocobre's [2019 Annual General Meeting](#) was held on Friday 22 November, with all resolutions successfully passed as ordinary resolutions following a poll at the meeting.

### NEW CORPORATE VIDEO

Late in Q2 FY20, Orocobre released a new Corporate Video highlighting some of the milestones the Company achieved throughout CY19. Click this link to view the video: <http://bit.ly/ORE-CorpVid2019>.

**Richard S. Anthon**  
Joint Company Secretary

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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, Huáncar, Puesto Sey, Pastos Chicos, Susques, Catua, Jama, El Toro, Coranzulí and San Juan de Quillaques, all of which receive the necessary 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 Mike Gunn, Consulting Processing Engineer, in accordance with NI 43-101.

The information in this report that relates to exploration reporting at the Cauchari JV 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 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 2019 and Sustainability Report 2018 available on the ASX website and at [www.sedar.com](http://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.