



19 July 2016

ASX/TSX ANNOUNCEMENT

Quarterly Report of Operations
for the Period Ended 30 June 2016



HIGHLIGHTS

OLAROS LITHIUM FACILITY

- Operational ramp up continues with production of 2,971 tonnes of lithium carbonate. This represents an increase of 640 tonnes or 27% over the previous quarter and is in line with forecast
- Operating cash flow was positive during the quarter
- Production forecast for Q3 is in the range of 3,300 to 3,600 tonnes
- The average price achieved for shipments in Q2 was ~US\$7,500/tonne FOB¹ with a significant number of back orders filled
- Q3 lithium carbonate price expectations are >US\$10,000/tonne FOB¹ with good potential for further growth moving into CY2016
- “In process” tonnes recovered from the purification circuit were reduced to zero in June as a result of minor modifications to the circuit
- A cyclone bank will be installed in the next three months to augment the thickener capacity and allow the nameplate production run rate to be achieved in November, a two month delay
- The scoping study for the Olaroz Stage 2 expansion is advancing without delay and results are expected by the end of September. Feasibility Studies including basic engineering and economic studies will commence by October 2016 in line with the schedule, with an expectation of capacity addition within the range of 17,500 to 25,000 tonnes per annum lithium carbonate equivalent (LCE)
- A draft report of the first stage of the evaluation of the Bateman Advanced Technologies (BAT) LiSX™ process has been received. Following the provision of comments, a final report will be issued shortly by BAT

BORAX ARGENTINA

- Operations continued to be EBITDA positive during the quarter. This has been achieved through substantial changes in operating practice and improved efficiencies.
- Plant modifications at Tincalayu completed on time and materially on budget in April. Commissioning and ramp up commenced in May with full production to be achieved in September. Boric acid plant changes at Campo Quijano are expected to be completed in July. These modifications are expected to result in improved unit costs at both facilities.
- Sales volume in the quarter was 9,274 tonnes, representing a 16% increase quarter-on-quarter, excluding sales of low value tincal ore
- Expansion studies to achieve increased production at Tincalayu commenced in Q2 with a scope of 100-120,000 tonnes per annum borax decahydrate equivalent production
- Business focus remains on the minimisation of unit costs through the current on-going operational improvement program and sales growth through a product and market diversification strategy

CORPORATE

- Appointment of Mr Alex Losada to the role of General Manager of Operations. Alex is responsible for overseeing the operations of both the Olaroz Lithium Facility and Borax Argentina SA.

¹ Net of agency fees, international freight and insurance

OLAROS LITHIUM FACILITY

[For more information on Olaroz please click here](#)

The Olaroz Lithium Facility is Orocobre's flagship project located in the Jujuy province of Argentina. Together with partners, Toyota Tsusho Corporation (TTC) and Jujuy Energia y Minería Sociedad del Estado (JEMSE), Orocobre is now operating the first large scale lithium brine plant to be commissioned in approximately 20 years.

The Olaroz Lithium Facility joint venture is operated through Argentine subsidiary Sales de Jujuy SA (SDJ SA). The effective equity interests are: Orocobre 66.5%, TTC 25.0% and JEMSE 8.5%.

PRODUCTION UPDATE AND GUIDANCE

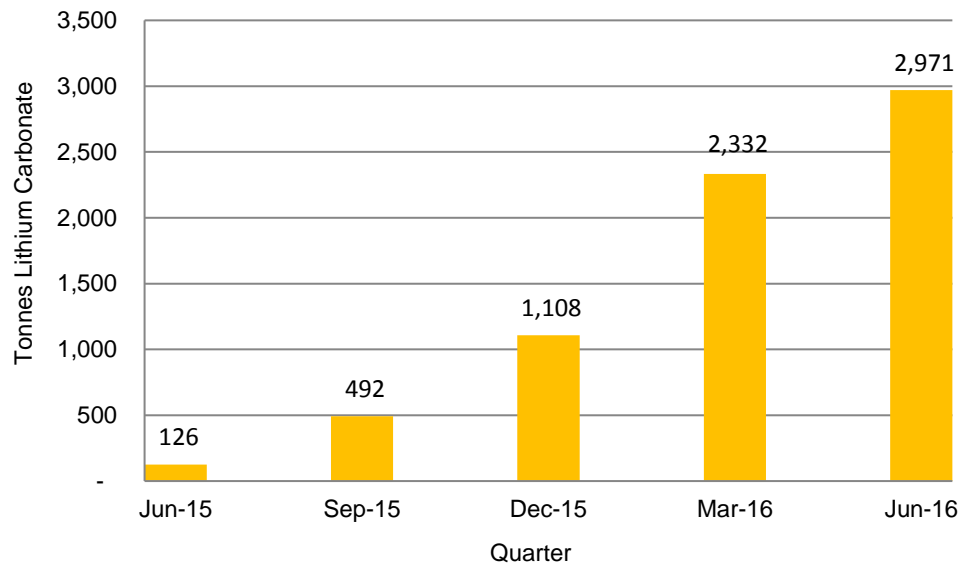
During the June quarter, 2,971 tonnes of lithium carbonate was produced. This is an increase 640 tonnes or 27% over the previous quarter and in line with forecast. Production in Q3 is forecast to be between 3,300 and 3,600 tonnes.

The focus continues to be on improvements in operating practice, plant optimisation and process control. With the operation achieving good performance in the primary circuit, the focus has been the purification circuit. Following various minor modifications, the circuit is now operating with improved control and increased residence times in reactors and good temperature profiles through all parts of the circuit. In addition, changes to carbon dioxide injection points and diffusor design modification have resulted in the elimination of "in process" material and the achievement of more stable operating conditions throughout the circuit.

With these changes made, the circuit has a capacity of approximately 40 tonnes per day of purified product. However, production above this level is currently limited by thickener residence time post the purified product crystallisers. The thickener is the final step in the purification circuit prior to product entering the drying circuit. Throughput will be increased in coming months by adding a cyclone bank to augment the thickener capacity thereby allowing nameplate production rate to be achieved in November, a delay of two months.

Positive operating cash flow was achieved in Q1 and this continued in Q2.

Olaroz Production



Olaroz Lithium Facility



Gas generator power station at Olaroz

BRINE INVENTORY

At the end of the quarter, brine inventory was approximately 38,200 tonnes of lithium carbonate equivalent.



The salar (salt lake) and the road to the bore fields

SALES ORDERS

Commercial shipments of lithium carbonate continue to be dispatched from the Olaroz Lithium Facility to Europe, Asia and the USA. Normal production is sold as either battery, technical or industrial grade products and sold into the chemical manufacturing, industrial and battery application sectors. “In process” material (recovered from within tanks in the purification circuit) has previously been sold to plants in China for further processing. Minor modifications to the purification circuit have now reduced this “in process” inventory to zero and improved the availability of the circuit. Commercial dispatches of high purity product to battery market customers continued during the quarter and additional customers will be supplied in Q3.

Many back orders were filled during the quarter with approximately 50% of volume and orders supplied above the ~\$US7,500/tonne price level. The Company maintains price guidance on an FOB¹ basis for Q3 at >US\$10,000/tonne. To manage risk, inventory of lithium carbonate is kept to a minimum and a reasonable time allowance is made from material production to sales recognition. During this period, a vessel must be booked, and official documentation including a bill of lading and commercial invoice must be produced and subsequently transported to the port. In addition, container shipping schedules commonly drift which can extend the timeline.



Inventory at Olaroz

SHORT-TERM LITHIUM MARKET OUTLOOK

The lithium market continued to tighten during the June 2016 quarter with robust demand being met by constrained supply.

Sale prices for Olaroz Lithium Facility product have been steadily increasing and are expected to be an average of over US\$10,000/tonne FOB¹ in Q3. Strong market demand and supply side constraints are resulting in continued upward pressure on market prices for lithium carbonate. Customer demand is in excess of CY2016 production forecast. The market is likely to be out of balance in 2016 and heavily

¹ Net of agency fees, international freight and insurance

dependent upon new hard rock entrants delivering on forecast for CY2016. The Company expects that supply discussions for 2017 and beyond with large strategic customers will begin in September/October 2016.

Customers with back orders from previous quarters were eager to fulfil contracted volumes and set new contracts in place for the September 2016 quarter at price levels above US\$10,000 per tonne FOB, which is double recent historical levels ~ US\$5,000/tonne FOB. It is expected that prices will remain above US\$10,000/ tonne on an FOB basis as demand outpaces supply growth in the second half of 2016 and into 2017.

All available forward indicators of market demand remain positive including:

- Increasing Government subsidisation for electric vehicle (EV) production and/or purchase in China, the USA and Europe
- Continued production of EV buses in China following the introduction of a Government incentive program requiring large volumes of lithium
- Continued construction of EV gigafactories with seven plants currently being built and 12 expected by 2020
- Growing consumer awareness and interest in EV's - over the next two years, 25 new makes and models of electric cars have been announced for release
- Strong demand from other (non-EV) battery applications including mobile phones, laptops and tablets
- Healthy demand from traditional end-use markets

The Company's short term outlook is for a continued tight market dynamic with new supply required to meet growing demand not becoming available for some considerable time.

EXPANSION STUDY FOR OLAROZ

A scoping study to evaluate a potential Stage 2 expansion of 17,500 to 25,000 tonnes per annum was commenced in Q2. The study is assessing constructing a similar plant facility to the existing Olaroz Lithium Facility. The possible production of lithium hydroxide is also considered. This study will be finished by the end of September 2016. The feasibility studies will start by October 2016 and will be finished in Q2 2017.

PLANNED FOR CAUCHARI

Further drilling of Cauchari is planned for Q3 2016 to define a larger resource and conduct pumping tests. The Environmental Impact Study is awaiting approval by government. Cauchari is immediately south of the Olaroz plant, with an inferred resource of 470,000 tonnes lithium carbonate equivalent, 1.6 million tonnes potassium chloride and 122,000 tonnes boron. Cauchari has potential for incremental production to feed into the expanded facilities at Olaroz.



Olaroz liming plant at night

MOU FOR DEVELOPMENT OF LITHIUM HYDROXIDE PLANT

- In November, the Company signed a Memorandum of Understanding (MOU) with Bateman Advanced Technologies (BAT) a subsidiary of Tenova S.p.A., a worldwide supplier of advanced technologies, products and engineering services. BAT has developed world leading proprietary technology for the production of lithium salts including lithium hydroxide directly from brines.
- The BAT process “LiSX™” is expected to facilitate the production of lithium hydroxide for a cost that is targeted to be in the bottom quartile of current lithium hydroxide producers.
- The MOU sets out the basis on which the parties have agreed to jointly work together in a staged process towards the development and ultimate commissioning of a large scale lithium hydroxide plant capable of producing between 15,000 to 25,000 tonnes per annum of lithium hydroxide monohydrate directly from brine (concentrated or otherwise) utilising proprietary technology developed or enhanced by BAT.
- During this first stage, BAT’s Mini Pilot Plant is located at the premises of BAT in Israel with the objective of better refining the design parameters of a pilot plant that will be located at an Orocobre site. During April 2016 the scrubbing and stripping test was undertaken and Tenova-Bateman has just finished the continuous run of the lithium solvent extraction test. In parallel, membrane test work was undertaken in order to optimize operation parameters. The electrolysis of the lithium sulfate solution obtained from the LiSX™ process was then completed. A complete report including test work results, and order of magnitude OPEX and CAPEX will be delivered in July.
- At the end of this stage, Orocobre will make an assessment as to whether or not to proceed to the next stage under the MOU. For further details, please refer to the Company’s announcement “MOU for Development of Lithium Hydroxide Plant”, 13 November, 2015.

BORAX ARGENTINA

Borax Argentina has extensive operations and a 50-year production history, producing borax chemicals, boric acid and boron minerals. Production currently comes from the principal mines at Tincalayu and Sijes, with concentrators at both locations and chemical plants at Tincalayu and Campo Quijano producing refined products.

Operations continued to be EBITDA positive through this quarter due to improvements in unit costs following the operational improvement and efficiency initiatives implemented over previous months.

PRODUCTION IMPROVEMENT PROJECTS COMPLETED

The relocation of the pentahydrate manufacturing plant to Tincalayu and the augmentation of the borax decahydrate plant were completed during the quarter, on time and materially on budget. This project consolidates the production of decahydrate and pentahydrate in the same location, allowing for a 100 tonnes per day maximum production rate of borax decahydrate (up from the current 70 tonnes per day), lower unit production costs for both decahydrate and pentahydrate and opening up options to export finished product directly from Tincalayu to international markets via Chilean ports.

Previously announced changes to the boric acid plant at Campo Quijano to increase throughput and make the plant more suitable for processing hydroboracite ores are expected to be completed in July. The boric acid plant and borax anhydrous manufacturing will remain at Campo Quijano.

The production efficiency review of the Borax Argentina which commenced in Q1 CY2016 continued through Q2 delivering improvements in mining and processing unit costs at Tincalayu and Sijes. Further improvements are expected at the Campo Quijano and Sijes operations.

Tincalayu Expansion Study

A study commenced in Q2 CY2016 to evaluate a potential expansion of the Tincalayu refined borates operation from its current production capacity of 30,000 to 100-120,000 tonnes per annum.

It is anticipated that the potential expansion will further enhance efficiencies in the production of refined borates at Tincalayu and contribute to an improved manufacturing unit costs. This study will consolidate the work already undertaken on a new gas pipeline, for which permitting is underway.

MARKET CONDITIONS

Borax Argentina has been experiencing challenging market conditions with the economic recession in Brazil having a notable impact as it is historically the largest market. The second largest market Argentina, has faced similar conditions. As previously advised, the downturn, coupled with increased competition from other producers has resulted in downward pressure on market prices and volumes. Although these conditions remain, efforts to diversify the product and market offering in Brazil and Argentina have proven effective with sales to new customers being achieved and the company positioned well for recovery in these markets.

SALES AND MARKET DEVELOPMENT

Sales and market development is focused on product and market diversification while reinforcing positions with domestic customers; this strategy is based on sound rationale to leverage Borax Argentina's geographic position and the benefits of shorter lead times.

OPERATIONS

Approximately 9,274 tonnes of combined product were sold during the quarter. This is an increase of 1,268 tonnes on the previous quarter, on a comparable basis excluding sales of low value tincal ore. The result reflects the decline in Brazilian demand, tempered somewhat by sales to other markets.

There were no tonnes of tincal sold this quarter.

COMBINED PRODUCT SALES VOLUME BY QUARTER*

Previous Year Quarters		Recent Quarters	
September 2014	8,304	September 2015	8,124
December 2014	8,745	December 2015	10,078
March 2015	8,981	March 2016	8,006
June 2015	9,558	June 2016	9,274

*Combined product sales volumes include borax chemicals, boric acid and boron minerals and does not include sale of tincal ore of 4,021 tonnes in September 2014 quarter, 4,225 tonnes in the December 2014 quarter and 2,061 tonnes in June 2015 quarter.

CORPORATE AND ADMINISTRATION

SENIOR EXECUTIVE APPOINTMENT

Mr Alex Losada has been appointed to the role of General Manager of Operations. Alex will be responsible for overseeing the operations of both the Olaroz Lithium Facility and Borax Argentina SA.

As well as providing guidance and support to the General Managers of the Olaroz Lithium Facility and Borax Argentina SA, Alex will be responsible for driving the initiation and completion of the expansion studies for both the Olaroz Lithium Facility Stage 2 expansion (17,500 - 25,000 tonnes per annum LCE) and the Borax Tincalayu refined borates production expansion from the current level of 30,000 to 100-120,000 tpa of borax decahydrate equivalent.

Alex has extensive experience in leading feasibility and engineering studies, evaluating and implementing new technologies and dealing with diverse groups of stakeholders. Alex holds a Bachelor Degree (Honours) in Geological Sciences from Universidad Nacional del Sur (Argentina) and a PhD in Economic Geology and Geochemistry from Monash University (Australia) is a competent person as defined under JORC and NI43-101 and is a member of the Australian Institute of Mining and Metallurgy.

CASH/CREDIT

Unrestricted cash on hand (i.e. cash not committed to Standby Letters of Credit (SBLC)) at the end of the quarter was A\$47.8 million from a corporate perspective and A\$47.1 million from a group perspective (taking into account a Borax Argentina net overdraft of A\$0.7 million). SDJ SA had available facilities of US\$2.8 million.

For comparison, last quarter the unrestricted cash on hand was A\$49.8m from a corporate perspective and A\$49.3m from a group perspective (taking into account a Borax Argentina net overdraft of A\$0.5m).

At a consolidated level, the net cash position reduction of ~A\$1M was the result of the net effect from foreign exchange gains, from US\$ held SBLCs and Term Deposits, of A\$2.5 million offset by corporate costs of A\$1.9 million and investing outflows of A\$1.7 million for the quarter.

FINANCE

The AR\$ remained stable during the quarter maintaining an average of AR\$14.3/USD and closing at AR\$15/US\$ largely as a result of the agreement reached between the Argentine Government and its foreign lenders. The flow on effect provided Olaroz with the opportunity to convert 80% of its AR\$ working capital facility to a US\$40 million loan resulting in lower finance costs for the period.

There were no JV partner contributions or loans made to SDJ SA during the quarter as Olaroz was cash flow positive and there were no debt servicing payments required during the quarter for the Project Financing. VAT reimbursement presentations for April 2015 to February 2016 have been lodged and approved.

Orocobre Limited will be changing its presentation currency from Australian Dollars to US Dollars in the annual report for the year ended 30 June 2016. In addition to this, Sales de Jujuy S.A. changed its functional currency from Argentine Peso to US Dollar from 1 May 2016.

These changes will reduce the impact of movements in exchange rates on reported results and provide shareholders with a more accurate reflection of the Company's and its Joint Venture's underlying performance, given a large majority of its revenues are generated in US Dollar.

To assist shareholders during the transition, historical financial information for the years ended 30 June 2014 and 2015, and the half year ended 31 December 2015 will be restated in US Dollar and included in the annual report. These changes will be accounted in accordance with Australian Accounting Standards and International Financial Reporting Standards.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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 building a substantial Argentinian-based industrial minerals company through the construction and operation of its 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 JEMSE, the first large-scale, greenfield brine based lithium project in 20 years at the Salar de Olaroz with planned production of 17,500 tonnes per annum of low-cost battery grade 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 will result in low cut-off grades, which will maximise resource recovery.
- The process route is designed with a zero liquid discharge design. All 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 freshwater 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 fresh water consumption of <20 l/s, which is low by industry standards.

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.

The Company continues to follow the community and shared value policy to successfully work with suppliers and the employment bureau to focus on the hiring of local people from the communities of Olaroz, Huancar, Puesto Sey, Pastos Chicos, Catua, Susques, Jama, El Toro, Coranzulí, San Juan and Abrampampa. The project implementation is through EPCM (Engineering, Procurement and Construction Management) with a high proportion of local involvement through construction and supply contracts and local employment. The community and shared value policy continues to be a key success factor, training local people under the supervision of high quality experienced professionals.

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 projects is available on the Company's website in "Technical Report – Salar de Olaroz Lithium-Potash Project, Argentina" dated May 30, 2011, (the Olaroz Report), the "Technical Report – Salinas Grandes Project" dated April 30, 2010 and the "Technical

Report – Salar de Cauchari Project, Argentina” dated April 30, 2010, respectively, which have each been prepared by John Houston, Consulting Hydrogeologist, together with, in the case of the Olaroz Report, Mike Gunn, Consulting Processing Engineer, in accordance with NI 43-101.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information contained in this release may include, but is not limited to, the completion of commissioning, the commencement of commercial production and ramp up of the Olaroz Lithium Facility and the timing thereof, the cost of construction relative to the estimated capital cost of the Olaroz Lithium Facility, the meeting of banking covenants contained in project finance documentation, the design production rate for lithium carbonate at the Olaroz Lithium Facility, the expected brine cost and grade at the Olaroz Lithium Facility, the expected operating costs at the Olaroz Lithium Facility and the comparison of such expected costs to expected global operating costs, the estimation and conversion of exploration targets to resources at the Olaroz Lithium Facility, the viability, recoverability and processing of such resources, the potential for an expansion at the Olaroz Lithium Facility, the capital cost of an expansion at the Olaroz Lithium Facility; the future performance of the relocated borax plant and boric acid plant, including without limitation the plants estimated production rates, financial data, the estimates of mineral resources or mineralisation grade at Borax Argentina mines, the economic viability of such mineral resources or mineralisation, mine life and operating costs at Borax Argentina mines, the projected production rates associated with the borax plant and boric acid plant, the market price of borate products whether stated or implied, demand for borate products and other information and trends relating to the borate market, taxes including recoveries of IVA, royalty and duty rate and the ongoing working relationship between Orocobre and the Province of Jujuy, TTC and Mizuho Bank.

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk of further changes in government regulations, policies or legislation; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; that further funding may be required, but unavailable, for the ongoing development of the Company’s projects; fluctuations or decreases in commodity prices and market demand for product; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with weather patterns and impact on production rate; risks associated with commissioning and ramp up of the Olaroz Lithium Facility to full capacity; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Olaroz Lithium Facility; general risks associated with the further development of the Olaroz Lithium Facility; general risks associated with the operation of the borax plant or boric acid plant; a decrease in the price for borates resulting from, among other things, decreased demand or an increased supply of borates or substitutes, as well as those factors disclosed in the Company’s Annual Report for the year ended June 30, 2015 filed 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/2010.

Name of entity

OROCOBRE LIMITED

ABN

31 112 589 910

Quarter ended ("current quarter")

30 JUNE 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	6,581	27,587
1.2 Payments for (a) exploration and evaluation	(78)	(331)
(b) development	-	-
(c) production	(5,888)	(29,314)
(d) administration	(3,114)	(14,105)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	902	2,223
1.5 Interest and other costs of finance paid	(274)	(1,782)
1.6 Income taxes paid	-	-
1.7 Other – Foreign exchange profit	-	1,311
Net Operating Cash Flows	(1,871)	(14,411)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)Payment for subsidiary net of cash acquired	-	(8,072)
(d) other fixed assets	(1,535)	(4,876)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	(725)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(1,535)	(13,673)
1.13 Total operating and investing cash flows (carried forward)	(3,406)	(28,084)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,406)	(28,804)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	117,825
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	4,362
1.17	Repayment of borrowings	(159)	(567)
1.18	Dividends paid	-	-
1.19	Other: Joint venture funding	-	(49,573)
	Cost of Share Issue	-	(4,641)
	Net financing cash flows	(159)	67,406
	Net increase (decrease) in cash held	(3,565)	39,322
1.20	Cash at beginning of quarter/year to date (Note)	97,110	56,177
1.21	Exchange rate adjustments to item 1.20	2,517	563
1.22	Cash at end of quarter	96,062	96,062

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	334
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities – Borax Argentina Plant relocation	498	498
3.2	Loan facilities- Borax Argentina productive assets including the expansion of the boric acid plant	2,591	2,591

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	80
4.2	Payment to other Entities	12,750
4.3	Production	5,000
4.4	Administration	3,850
4.5	Capex	-
Total		21,680

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank – Note 1	53,792	58,413
5.2	Deposits at call –Note 2	42,996	39,191
5.3	Bank overdraft – Note 3	(726)	(494)
5.4	Other		
Total: cash at end of quarter (item 1.22)		96,062	97,110

Note 1:- Included in the A\$53,792 are deposits of A\$48,953 related to the Company issuing Standby Letters of Credit (SBLC's) on behalf of the joint venture company SDJ SA. Such SBLCs have been provided due to a working capital requirement for SDJ SA which has arisen principally due to delays in the production start up. A SBLC allows Orocobre to provide working capital to SDJ SA by depositing funds in US\$ and AR\$ as security in a restricted term deposit. This allows a SBLC to be issued which in turn allows SDJ SA to draw down funds in Argentina from a bank in US\$ and AR\$ (peso) value. The SBLCs issued in Australia and Argentina in effect guarantees the line of credit or bank overdraft provided in Argentina. Net funds available after SBLCs and overdrafts are A\$47,109.

Note- 2 The deposits at call relates to US Dollar deposits held by Orocobre Ltd.

Note 3:- The bank overdraft is related to the Company's subsidiary Borax Argentina SA.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			

Appendix 5B
Mining exploration entity quarterly report

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.2 Interests in mining tenements acquired or increased				
6.2 Interests in mining tenements acquired or increased (cont'd)				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	209,479,867	209,479,867		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted Options	550,000	Nil	\$1.50	30 Nov 2016
Unlisted Options	200,000	Nil	\$1.50	31 May 2018
Unlisted Options	100,000	Nil	\$2.53	1 Oct 2017
Performance Rights				
Performance Rights	420,609	Nil	Nil	30 Sept 2016
Performance Rights	160,658	Nil	Nil	31 Aug 2016
Performance Rights	456,590	Nil	Nil	31 Aug 2017
Performance Rights	794,762	Nil	Nil	31 Aug 2018
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Options Expired/lapsed during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Joint Company Secretary)

Date: 19 July 2016

Print name: Neil Kaplan

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Appendix 5B

Schedule of Tenements

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
Olaroz				
	1842-S-12	2988.17	66.5%	Argentina
	1274-P-2009	5972	66.5%	Argentina
	131-I-1986	100	66.5%	Argentina
	039-M-1998	98.4	66.5%	Argentina
	112-S-04	100	66.5%	Argentina
	117-A-44	100	66.5%	Argentina
	114-S-44	100	66.5%	Argentina
	40-M-1998	100	66.5%	Argentina
	029-M-1996	100	66.5%	Argentina
	126-T-44	100	66.5%	Argentina
	393-M-44	98.4	66.5%	Argentina
	112-D-44	299,94	66.5%	Argentina
	125-S-44	100	66.5%	Argentina
	319-T-2005	1473.97	66.5%	Argentina
	056-L-1991	300	66.5%	Argentina
	519-L-2006	2000	66.5%	Argentina
	520-L-2006	1896.52	66.5%	Argentina
	521-L-2006	2048	66.5%	Argentina
	522-L-2006	2000	66.5%	Argentina
	147-L-2003	1927.92	66.5%	Argentina
	724-L-2007	3336.19	66.5%	Argentina
	725-L-2007	2940.11	66.5%	Argentina
	726-L-2007	2889.98	66.5%	Argentina
	727-L-2007	3117.26	66.5%	Argentina
	728-L-2007	3182.35	66.5%	Argentina
	503-L-2006	6130	66.5%	Argentina
	943-R-2008	563.98	66.5%	Argentina
	1136-R-2009	1199.34	66.5%	Argentina
	1137-R-2009	1205	66.5%	Argentina
	944-R-2008	432.3	66.5%	Argentina
	1134-R-2009	895.70	66.5%	Argentina
	1135-R-2009	1.104,47	66.5%	Argentina
	963-R-2004	1194.84	66.5%	Argentina
	964-R-2008	799.84	66.5%	Argentina
	945-R-2008	428.08	66.5%	Argentina
Cauchari				
	259-R-2004	495.4	85%	Argentina
	260-R-2004	444.26	85%	Argentina

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	948-R-2008	885.10	85%	Argentina
	949-R-2008	1770.01	85%	Argentina
	950-R-2004	1997.09	85%	Argentina
	1155-P-2009	1500	85%	Argentina
	968 R 2008	703.34	85%	Argentina
	1081 P 2008	1995	85%	Argentina
Subject to government energy easement	1.119-P-2009	2493.07	85%	Argentina
Subject to government energy easement	1082 P 2008	1468	85%	Argentina
Subject to government energy easement	1101 P 2008	2483.9	85%	Argentina
	966 R 2008	117.37	85%	Argentina
	965 R 2008	1345	85%	Argentina
	951-R-2008	795	85%	Argentina
	1083 P 2008	1445.68	85%	Argentina
	1.118-P-2009	2395.70	85%	Argentina
	1130-P-2009	1239.96	85%	Argentina
	952-R-2008	487.58	85%	Argentina
	1084 P 2008	1526.78	85%	Argentina
	1156-P-2009	66.17	85%	Argentina
	1086 P 2008	1716.63	85%	Argentina
	1085 P 2008	1197.90	85%	Argentina
Jujuy				
	184-Z-1996	300	85%	Argentina
	817-I-2007	1142.55	85%	Argentina
	1098 P 2008	645.26	85%	Argentina
	1099 P 2008	1393.48	85%	Argentina
	1120 P-2009	2499	85%	Argentina
	1.125 -P-2009	2429.25	85%	Argentina
	1.121-P-2009	2222	85%	Argentina
	1.122 -P-2009	2498.48	85%	Argentina
	1.123 -P-2009	1250.58	85%	Argentina
	1124-P-2009	2499	85%	Argentina
	1129_P- 2009	2300	85%	Argentina
	604-T-2006	1162,89	85%	Argentina
	788-M-2007	1162	85%	Argentina
	183-Z-2004	494	85%	Argentina
	184-D-1990	100	85%	Argentina

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
Salta				
	19391	2411.97	85%	Argentina
	18199	500	85%	Argentina
	67	100	85%	Argentina
	18834	495.82	85%	Argentina
	17734	200	85%	Argentina
	60	100	85%	Argentina
	1110	100	Nil-earning	Argentina
	1104	100	85%	Argentina
	13699	100	85%	Argentina
	18808	100	85%	Argentina
	266	100	85%	Argentina
	18183	2778	85%	Argentina
	12970	100	85%	Argentina
	19891	100	85%	Argentina
	62	100	85%	Argentina
	17681	400	85%	Argentina
	44	100	Nil-earning	Argentina
	8170	300	85%	Argentina
	1107	100	Nil-earning	Argentina
	18481	97.04	85%	Argentina
	1112	100	85%	Argentina
	13487	100	85%	Argentina
	14329	100	85%	Argentina
	57	100	85%	Argentina
	68	100	85%	Argentina
	17538	95.43	85%	Argentina
	14589	100	85%	Argentina
	18924	300	85%	Argentina
	18925	99.94	85%	Argentina
	19206	869	85%	Argentina
	11577	100	85%	Argentina
	11578	100	85%	Argentina
	11579	100	85%	Argentina
	11580	100	85%	Argentina
	1111	100	85%	Argentina
	18833	270	85%	Argentina
	17321	186	85%	Argentina
	53	100	85%	Argentina
	19742	2490.07	85% T	Argentina
	19744	2499.97	85% T	Argentina
	19766	1000	85% T	Argentina

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	48	100	85% (Borax has the usufruct)	Argentina
	203	100	85% (Borax has the usufruct)	Argentina
	204	100	85% (Borax has the usufruct)	Argentina
	54	100	85% (Borax has the usufruct)	Argentina
	63	100	85% (Ramón Nuñez has the usufruct ober sodium chloride for 40 years)	Argentina
	50	100	100%	Argentina
	1105	100	100%	Argentina
	65	100	85% (Ramón Nuñez has the usufruct ober sodium chloride for 40 years)	Argentina
	70	100	85% (Ramón Nuñez has the usufruct ober sodium chloride for 40 years)	Argentina
	206	100	85% (Borax has the usufruct)	Argentina
	86	300	85%	Argentina
	17744	500	85%	Argentina
	18533	97.03	85%	Argentina
	17580	100	85%	Argentina
Diablillos				
	1190	99.65	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	18009	99	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	18010	200	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	1187	99.7	85%(Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	1189	100	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
	1177	100	85% (Colorado SA has an usufruct for 40 years: i) over the solid borates and ii) over the gold, copper, silver and molybdenum)	Argentina
Tincalayu				
	1271	300	100%	Argentina
	1215	300	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	1495	200	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	7772	471	100%	Argentina
	5596	300	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	5435	300	100%	Argentina
	8529	900	100%	Argentina

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	13572	647	100%	Argentina
	13848 (Diana)	100	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
	17335 (Valerio)	274,32	100 % (Galaxy Lithium has an usufruct on the brines)	Argentina
Sijes				
	8587	799	100%	Argentina
	11800	488	100%	Argentina
	11801	400	100%	Argentina
	11802	3399	100%	Argentina
	14121	10	100%	Argentina
	5786	200	100%	Argentina
Pozuelos				
	1208	194	Lithea Inc (Borax has usufruct over the borates)	Argentina
	5569	300	Lithea Inc (Borax has usufruct over the borates)	Argentina
	4959	200	Lithea Inc (Borax has usufruct over the borates)	Argentina
	13171	200	Lithea Inc (Borax has usufruct over the borates)	Argentina
	13172	200	Lithea Inc (Borax has usufruct over the borates)	Argentina
Ratones				
	62066	300	Eramine sudamerica S.A. (Borax has usufruct over the borates)	Argentina
	3843	300	Eramine sudamerica S.A. (Borax has usufruct over the borates)	Argentina
Cauchari				
Boroquímica Group – File No. 90-B-1994	394	300	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	336	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	347	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	354	160	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	340	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	444	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	353	300	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	350	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	89	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	345	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina

Tenement Name	Tenement Number	Area (Hectares)	Orocobre Interest	Location of Tenements
	344	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	343	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	352	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	351	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	365	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	122	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	221	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	190	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	116	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	117	300	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	389	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	306	24	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	402	119	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	195	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	220	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	259	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	43	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	341	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	42	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	438	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	160	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	378	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	339-C	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	377-C	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina
	191-R	100	100% (Exar (LAC) has the usufruct over the brines)	Argentina

Diablillos Group File No. 11.691	1175	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1176	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1164	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1172	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1166	100	100% (Potasio y Litio de Argentina S.A. has	Argentina
			an usufruct on the brines)	
	1179	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1180	200	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1182	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1195	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines) Argentina	Argentina
	1206	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1168	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1163	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1167	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1170	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1174	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1171	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	7021	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1181	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	12653	200	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1173	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1169	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	1178	100	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina
	12652	200	100% (Potasio y Litio de Argentina S.A. has an usufruct on the brines)	Argentina