

## Orocobre Limited

ACN 112 589 910

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# Retail Entitlement Offer Information Booklet

Fully underwritten pro rata renounceable entitlement offer of 1 New Share for every 20 Existing Shares held at an issue price of \$6.55 per New Share

Retail Entitlement Offer closes 5.00pm (AEDT) on 2 February 2018

**If you are an Eligible Retail Shareholder, this document is important and requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the *Corporations Act 2001* (Cth) and has not been lodged with the Australian Securities & Investments Commission. If you have any questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA**

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Legal advisers

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# Important Notices

This Information Booklet is dated 19 January 2018.

The Entitlement Offer is being made without a prospectus under section 708AA Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Retail Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

Orocobre may make additional announcements after the date of this Information Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Retail Entitlement Offer.

No party other than Orocobre has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet or for any action you take in reliance on this Information Booklet.

The Lead Manager has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Information Booklet and there is no statement in this Information Booklet which is based on any statement made by it or by any of its affiliates, officers, employees or advisers. To the maximum extent permitted by law, the Lead Manager, its related bodies corporates and affiliates and each of their respective, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations or warranties regarding, and take no responsibility for, any part of this Information Booklet other than references to their names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Information Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Information Booklet.

## Foreign offers

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders and may not

Shares may not be offered or sold, directly or indirectly, to persons in the United States of America.

This Information Booklet is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet (including an electronic copy) in other jurisdictions may be restricted by law and, therefore, persons who come into possession of this Information Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Each Application will be subject to all requisite authorities and clearances being obtained for Orocobre to lawfully receive any or all of the Application Monies.

## Definitions, currency and time

Defined terms used in this Information Booklet are contained in Section 5. All references to currency are to Australian dollars and all references to time are to the time in Sydney, Australia unless otherwise indicated.

## Taxation consequences for Applicants

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 4 of this Information Booklet provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders who are Australian tax residents holding Shares on capital account. The guide does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Orocobre recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

This Information Booklet refers to the potential payment of a Retail Premium to certain investors. Orocobre may be required to withhold Australian tax to any Retail Premium that is paid to those investors under applicable laws. References to the payment of the Retail Premium in this Information Booklet should be read as payments net of any applicable withholding taxes. Eligible Retail Shareholders who are Australian tax residents and who have not previously provided a Tax File Number or Australian Business Number to Orocobre may wish to do so prior to the close of the Retail Entitlement Offer to ensure that any withholding tax is not deducted from any Retail Premium.

## Privacy

Orocobre collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the

Application is successful, to administer the Applicant's shareholding in Orocobre.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Orocobre (directly or through the Share Registry). Orocobre collects, holds and will use that information to assess your Application. Orocobre collects your personal information to process and administer your shareholding in Orocobre and to provide related services to you. Orocobre may disclose your personal information for purposes related to your shareholding in Orocobre, including to the Share Registry, Orocobre's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Orocobre holds about you. To make a request for access to your personal information held by (or on behalf of) Orocobre, please contact Orocobre through the Share Registry.

### **Governing law**

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

### **No representations**

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by Orocobre or any of its officers. Except as required by law, and only to the extent so required, none of Orocobre, or any other person, warrants or guarantees the future performance of Orocobre or any return on any investment made pursuant to this Information Booklet.

### **Past performance**

Investors should note that Orocobre's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Orocobre's future performance including Orocobre's future financial position or share price performance.

### **Forward looking statements**

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Orocobre and certain plans and objectives of the management of Orocobre. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not occur. Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements.

Neither Orocobre, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Orocobre. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

### **Risks**

Refer to the 'Key Risks' section of the investor presentation included in Section 2 of this Information Booklet for a summary of general and specific risk factors that may affect Orocobre.

### **Trading Entitlements and New Shares**

Orocobre and the Lead Manager will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Orocobre or the Share Registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or to which they do not hold or are not entitled.

Orocobre and the Lead Manager will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Orocobre or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or to which they do not hold or are not entitled.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional adviser.

### **Interpretation**

In this Information Booklet, references to:

- 'you' are references to Eligible Retail Shareholders and references to 'your Entitlement', 'your Entitlement and Acceptance Form' or similar expressions are references to the Entitlement or Entitlement and Acceptance Form of Eligible Retail Shareholders; and
- 'Section' is a reference to a section of this Information Booklet



19 January 2018

On 16 January 2018, Orocobre Limited (**Orocobre**) announced its plans to accelerate a larger phase 2 expansion of the Olaroz lithium facility in Argentina (**Olaroz**). The phase 2 Olaroz expansion will add 25,000 tonnes per annum of lithium carbonate production capacity, taking Olaroz's total production capacity to 42,500 tonnes per annum. Commissioning of the expansion is expected in the December half of CY2019. The total capital cost of the phase 2 expansion is expected to be US\$271m (on a 100% basis).

Orocobre's share of phase 2 expansion capital expenditure will be funded via a \$361 million capital raising comprised of a \$282 million strategic placement to Toyota Tsusho Corporation (**Strategic Placement**) and a fully underwritten c. \$79 million 1 for 20 accelerated renounceable entitlement offer with retail rights trading on the ASX (**Entitlement Offer**).

Toyota Tsusho Corporation is paying a price of \$7.50 per Share under the Strategic Placement, representing a premium of 17% to the 30 day VWAP as at closing of trade on ASX on 15 January 2018 of \$6.43.

I am pleased to offer you the opportunity to participate in the Entitlement Offer of new fully paid ordinary shares in Orocobre (**New Shares**) at an issue price of \$6.55 per New Share (**Issue Price**).

#### **Details of the Entitlement Offer**

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Institutional Entitlement Offer completed on 18 January 2018, raising gross proceeds of approximately \$34 million.

The Retail Entitlement Offer, to which this retail entitlement offer information booklet (**Information Booklet**) relates, is expected to raise gross proceeds of approximately \$45 million.

Under the Retail Entitlement Offer, eligible retail shareholders are entitled to subscribe for 1 New Share for every 20 existing fully paid ordinary shares in Orocobre (**Existing Shares**) held at 7:00pm (AEDT) on Friday, 19 January 2017 (**Record Date**) at the Issue Price of \$6.55 per New Share. This is the same price which was offered to institutional investors who participated in the Institutional Entitlement Offer.

The Issue Price of \$6.55 per New Share represents a discount of:

- 8.3% to the theoretical ex-rights issue price (**TERP**)<sup>1</sup> of \$7.14;
- 8.6% to the last traded price of Shares on 15 January 2018 (the day prior to announcement of the Entitlement Offer) of \$7.17; and
- 12.7% to the price per Share paid by Toyota Tsusho Corporation under the Strategic Placement of \$7.50.

New Shares will be issued on a fully paid basis and will rank equally with Existing Shares on issue.

The number of New Shares that you are entitled to subscribe for under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Information Booklet.

Your Entitlement may have value and it is important that you determine whether to take up, sell or transfer, or do nothing in respect of your Entitlement.

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<sup>1</sup> The theoretical ex-rights price of \$7.14 is calculated using Orocobre's closing price on 15 January 2018 assuming proceeds from the Entitlement Offer are approximately \$79 million. TERP is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. The TERP does not include New Shares to be issued under the Strategic Placement.



### **Additional Information**

The Orocobre Board encourages you to read this Information Booklet carefully (in particular, the “Risks” section set out in the investor presentation included in Section 2, which contains a number of key risks associated with an investment in Orocobre). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

**The Retail Entitlement Offer closes at 5.00pm (AEDT) on 2 February 2018 (Closing Date).**

For further information regarding the Retail Entitlement Offer, please call 1300 117 912 (within Australia) or +61 3 9415 4337 (outside Australia) between 8.30am to 5.00pm (AEDT) Monday to Friday during the offer period.

On behalf of the Orocobre Board, I encourage you to consider this investment opportunity and thank you for your ongoing support of Orocobre.

Yours sincerely

A handwritten signature in gold ink, appearing to read 'Rob Hubbard', written in a cursive style.

**Mr Robert Hubbard**

**Chairman**

## Summary of the Entitlement Offer

Entitlement Offer	
<b>Ratio</b>	1 New Share for every 20 Existing Shares held by an Eligible Shareholder
<b>Issue Price</b>	\$6.55 per New Share
<b>Size</b>	12,113,900 New Shares (subject to rounding of fractional entitlements)
<b>Gross proceeds</b>	Approximately \$79 million (subject to rounding of fractional entitlements)

### Key dates for the Retail Entitlement Offer

Activity	Date
Announcement of the Entitlement Offer	Tuesday, 16 January 2018
Entitlements commence trading on ASX on a deferred settlement basis	Friday, 19 January 2018
Record Date for Entitlement Offer (7.00pm AEDT)	Friday, 19 January 2018
Information Booklet and Entitlement and Acceptance Form despatched	Tuesday, 23 January 2018
Retail Entitlement Offer opens	Tuesday, 23 January 2018
Entitlements commence trading on ASX on a normal settlement basis	Wednesday, 24 January 2018
Entitlements ceases trading on ASX	Thursday, 25 January 2018
Closing Date (5.00pm AEDT)	Friday, 2 February 2018
Retail Shortfall Bookbuild	Wednesday, 7 February 2018
Settlement of the Retail Entitlement Offer	Monday, 12 February 2018
Issue of New Shares under the Retail Entitlement Offer	Tuesday, 13 February 2018
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Wednesday, 14 February 2018
Despatch of holding statements for New Shares	Thursday, 15 February 2018
Retail Premium (if any) despatched	Tuesday, 20 February 2018

This timetable is indicative only and subject to change. The Directors may, with the consent of the Lead Manager, vary these dates subject to the Corporations Act and the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Retail Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

### ENQUIRIES

If you require further information regarding the Retail Entitlement Offer, or if you would like a replacement Entitlement and Acceptance Form, please call 1300 117 912 (within Australia) or +61 3 9415 4337 (outside Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday.

# 1. Description and Effect of the Entitlement Offer

## 1.1 Overview

The Entitlement Offer is a fully underwritten accelerated renounceable pro rata offer with retail rights trading of approximately 12,113,900 New Shares at \$6.55 per New Share to raise approximately \$79 million (before direct offer costs including fees paid to advisers and to providers of specific services to cover share registry, printing and postage costs).

The Entitlement Offer has the following components:

- (a) **Institutional Entitlement Offer** – being an initial offer to eligible institutional Shareholders that received an offer (**Eligible Institutional Shareholders**). Entitlements allotted under the Institutional Entitlement Offer (**Institutional Entitlements**) were renounceable but not traded on ASX;
- (b) **Institutional Shortfall Bookbuild** – Institutional Entitlements not taken up and Entitlements of Ineligible Institutional Shareholders were sold through a bookbuild process on 18 January 2018. The premium paid in respect of those Entitlements was announced to ASX on 19 January 2018. Eligible Institutional Shareholders who elected not to take up all or part of their Institutional Entitlements, and Ineligible Institutional Shareholders, will receive the Institutional Premium for each of their Entitlement sold into the Institutional Shortfall Bookbuild;
- (c) **Retail Entitlement Offer** – being an offer to eligible retail Shareholders. Entitlements allotted under the Retail Entitlement Offer are renounceable and can be taken up in whole or in part, or traded on the ASX or transferred directly to another person (for issuer sponsored holdings) in whole or in part. This means that if you do not wish to take up all or part of your Entitlement, you may sell them on ASX, or transfer all or a part of your Entitlement, in order to realise value (if any) from your Entitlement. You may incur brokerage costs if you sell your Entitlement on ASX; and
- (d) **Retail Shortfall Bookbuild** – Entitlements which are not taken up by the close of the Retail Entitlement Offer and Entitlements of Ineligible Retail Shareholders will be sold through the Retail Shortfall Bookbuild. Any Retail Premium will be remitted proportionally to the holders of those Entitlements at the close of the Retail Entitlement Offer, and to Ineligible Retail Shareholders, subject to any withholding taxes.

Refer to Section 3.5 for additional information on the Retail Shortfall Bookbuild. The Directors reserve the right to issue any shortfall Shares at their discretion, but in any event not later than three months after the Closing Date.

## 1.2 Institutional Entitlement Offer

Orocobre has raised approximately \$34 million from Eligible Institutional Shareholders as part of the Institutional Entitlement Offer.

New Shares issued under the Institutional Entitlement Offer were issued at the same price and at the same ratio as those being offered under the Retail Entitlement Offer.

Orocobre released an ASX announcement on 19 January 2018 in relation to completion of the Institutional Entitlement Offer.

### 1.3 Retail Entitlement Offer

The Retail Entitlement Offer constitutes an offer only to persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (AEDT) on 19 January 2018;
- have a registered address on Orocobre's share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as a nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer,

#### (Eligible Retail Shareholders).

Eligible Retail Shareholders are entitled to acquire 1 New Share for every 20 Existing Shares held on the Record Date. Any fractional Entitlement will be rounded up to the nearest whole number of New Shares.

The Retail Entitlement Offer opens on 23 January 2018 and will close at 5.00pm (AEDT) on 2 February 2018.

This Information Booklet relates to the Retail Entitlement Offer and is relevant only to Eligible Retail Shareholders. A personalised Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet. If you are an Eligible Retail Shareholder, your choices with respect to your Entitlement are outlined in Section 3.1.

By returning a completed personalised Entitlement and Acceptance Form with payment or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are, therefore, advised to seek independent professional advice as to how to proceed.

Eligible Retail Shareholders should be aware that an investment in Orocobre involves risks. The key risks identified by Orocobre are summarised in the 'Key Risks' section of the investor presentation included in Section 2.

No New Shares will be issued if, to do so would, to the extent of the knowledge of Orocobre, result in a breach of the Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of Orocobre's issued voting shares under Chapter 6 of the Corporations Act, or would otherwise be contrary to the Corporations Act or the Listing Rules.

### 1.4 Ineligible Retail Shareholders

Shareholders who are not Eligible Retail Shareholders are **Ineligible Retail Shareholders**. Orocobre reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

The Retail Entitlement Offer is not being extended to the Ineligible Retail Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in foreign jurisdictions. Orocobre may (in its absolute

discretion) extend the Retail Entitlement Offer to Shareholders that have registered addresses outside Australia and New Zealand (except the United States of America) in accordance with applicable law.

Orocobre has appointed UBS AG, Australia Branch as the nominee to arrange for the sale of Entitlements of Ineligible Retail Shareholders through the Retail Shortfall Bookbuild and for the payment of any proceeds to those Shareholders, less any applicable withholding tax.

The sale of Entitlements may have Australian and overseas tax consequences. Ineligible Retail Shareholders should consult with their tax advisers regarding the taxation treatment of any proceeds they may receive.

## 1.5 Underwriting and management

The Lead Manager has agreed to underwrite the full amount of the Entitlement Offer on the terms set out in the Underwriting Agreement.

The Lead Manager will receive:

- (a) an underwriting fee of 2.25% (excluding GST) on the proceeds of the Entitlement Offer; and
- (b) a management and selling fee of 0.75% (excluding GST) on the proceeds of the Entitlement Offer.

Orocobre may, at its absolute discretion, pay the Lead Manager an incentive fee of up to 0.5% of the proceeds of the Entitlement Offer.

The Lead Manager is entitled to reimbursement of certain costs, charges and expenses incurred in connection with and incidental to the Entitlement Offer.

As is customary with these types of arrangements:

- (a) Orocobre has agreed, subject to certain exclusions, to indemnify the Lead Manager, its affiliates and related bodies corporate, and each of their respective officers, employees and agents against all loss, damage or liability of any kind related directly or indirectly to the Entitlement Offer;
- (b) Orocobre and the Lead Manager have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer; and
- (c) the Lead Manager may, in certain circumstances, terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:
  - (i) Orocobre withdraws the Entitlement Offer or indicates that it does not intend to or is unable to proceed with the Entitlement Offer;
  - (ii) a statement contained in the offer documents (including this Information Booklet and all ASX announcements in connection with the Entitlement Offer) is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive, or the offer documents omit any information they are required to contain (having regard to section 708AA of the Corporations Act and any other applicable requirements);
  - (iii) there are certain delays in the timetable for the Entitlement Offer without the consent of the Lead Manager;

- (iv) the S&P/ASX 200 Index falls to a level that is 15% or more below its level as at the close of trading on 15 January 2018;
- (v) Orocobre is removed from the official list of ASX, its Shares are suspended from quotation for two or more trading days (other than in respect of a trading halt in connection with the Entitlement Offer), or approval from quotation of the New Shares is not given by ASX;
- (vi) there are material financial or economic disruptions in key markets, or hostilities commence or there is a major escalation of hostilities in certain jurisdictions;
- (vii) any material adverse change, or an event that is likely to result in a material adverse change, occurs in the assets liabilities, financial position or performance, profits, losses or prospects of Orocobre and its subsidiaries (insofar as the position in relation to a subsidiary affects the overall position of Orocobre) from those respectively disclosed in any of the offer documents (including this Information Booklet and all ASX announcements in connection with the Entitlement Offer), or as most recently disclosed to ASX by Orocobre prior to the date of the Underwriting Agreement; or
- (viii) any of the Chief Executive Officer, Chief Financial Officer or the Chairman resigns or is terminated.

Neither the Lead Manager nor any of its related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information Booklet and they do not take any responsibility for this Information Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Lead Manager and its related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Lead Manager nor any of its related bodies corporate and affiliates nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties to you concerning the Retail Entitlement Offer, or any such information, and you represent, warrant and agree that you have not relied on any statements made by the Lead Manager or any of its related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Retail Entitlement Offer generally.

Orocobre will arrange for Entitlements which are not taken up by the close of the Retail Entitlement Offer to be sold to eligible institutional investors. Orocobre has engaged the Lead Manager to assist in selling Entitlements to subscribe for New Shares (including Entitlements that would have been issued to Ineligible Retail Shareholders had they been eligible to participate in the Retail Entitlement Offer), through the Retail Shortfall Bookbuild. However, it is important to note that the Lead Manager will be acting for and providing services to Orocobre in this process and will not be acting for or providing services to Shareholders or any other investors. The Lead Manager may also hold interests in the Shares of Orocobre or earn brokerage, fees or other benefits from Orocobre. The engagement of the Lead Manager by Orocobre is not intended to create any agency, fiduciary or other relationship between the Lead Manager and the Shareholders or any other investor.

## 1.6 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares. The rights and liabilities attaching to the New Shares are set out in Orocobre's constitution, a copy of which can be obtained by contacting Orocobre.

## 1.7 Allotment

Orocobre has applied for quotation of the New Shares on ASX in accordance with the Listing Rules. Allotment of the New Shares under the Retail Entitlement Offer will take place as soon as practicable after the close of the Retail Entitlement Offer.

Application Monies will be held by Orocobre on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

## 1.8 Further information

Eligible Shareholders can obtain a copy of this Information Booklet from the Orocobre website at [www.orocobreoffer.com/offer](http://www.orocobreoffer.com/offer) or by contacting 1300 117 912 (within Australia) or +61 3 9415 4337 (outside Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday during the offer period. Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry on 1300 117 912 (within Australia) or +61 3 9415 4337 (outside Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday.

## 1.9 Offer under section 708AA of the Corporations Act

The Entitlement Offer is being made pursuant to provisions of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84) which allow entitlement offers to be made without a prospectus. This Information Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Orocobre and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Information Booklet and other announcements by Orocobre made available at [www.asx.com.au](http://www.asx.com.au) (including announcements which may be made by Orocobre after publication of this Information Booklet).

## 1.10 Foreign Shareholders

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place which, or to any person to whom, it would be unlawful to make such an offer. The Retail Entitlement Offer is being made without a disclosure document under section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84) and no action has been taken to register this Information Booklet in Australia or any other jurisdiction.

### (a) New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product

disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

**(b) United States of America**

This Information Booklet is not an offer to sell, nor a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act or the securities law of any state or other jurisdiction of the United States of America and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.



## 2. Investor Presentation and ASX Announcement



### ASX/TSX ANNOUNCEMENT

16 January 2018

*NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES*

- **Orocobre delivers a strong December quarterly result – record quarterly production of 3,937 tonnes, up 84% on the September quarter, cash operating margin at 66% and pond issues rectified**
- **Orocobre secures A\$361 million (US\$287 million)<sup>1</sup> funding initiative for upsized 25,000 tonne Phase 2 Olaroz expansion in partnership with Toyota Tsusho**

Orocobre Limited (ASX: ORE, TSX: ORL) ("Orocobre" or "the Company"), a leading lithium chemicals producer, today released its strong December quarter 2017 results, with record quarterly production of 3,937 tonnes of lithium carbonate at a FOB cash cost of US\$3,946/tonne. The Company also announced a significant strategic funding initiative of A\$361 million (US\$287 million) to accelerate an increased Phase 2 expansion at the Olaroz lithium facility in Argentina of 25,000 tonnes per annum ("tpa").

The Phase 2 Olaroz expansion will add 25,000 tpa of lithium carbonate production capacity (up from the originally planned 17,500 tpa), taking Olaroz's total production capacity to 42,500tpa at full production capacity and positioning Orocobre as one of the world's largest and lowest cost lithium chemicals producers. Commissioning of the expansion is expected in the December half of calendar year 2019 and operating costs for Phase 2 are expected to be lower than Phase 1, further enhancing Orocobre's low cost base. The total capital cost of Olaroz Phase 2 is expected to be approximately A\$340 million (US\$271 million, on a 100% basis) and final Orocobre and Olaroz JV Board approvals are expected by mid-2018. Long lead time activities including drilling of new bores have already commenced.

Orocobre and Toyota Tsusho Corporation ("Toyota Tsusho") are finalising plans to jointly develop a 10,000 tpa lithium hydroxide plant in Fukushima, Japan with expected operating costs of US\$1,500/tonne (down from US\$2,500/tonne). Development subsidies of approximately US\$27 million have been indicatively approved (but not yet finalised) by the Japanese Government. After subsidies and proposed Japanese bank debt financing (which is proposed to be at subsidised interest rates), Orocobre's equity contribution will be approximately US\$6 million towards the estimated total capital cost of US\$60-70 million. A final investment decision is expected in mid calendar year 2018.

Orocobre's share of Phase 2 expansion capital expenditure will be funded via a A\$361 million (US\$287 million) capital raising ("Capital Raising") comprised of a A\$282million (US\$224 million) strategic placement ("Strategic Placement") to Toyota Tsusho priced at an attractive c.17% premium to Orocobre's 30 day volume weighted average price ("VWAP") and an underwritten c.A\$79 million (US\$63 million) 1 for 20 accelerated renounceable entitlement offer with retail rights trading on the ASX ("Entitlement Offer").

<sup>1</sup> A\$:US\$ as at close of trade on 15 January 2017 of 0.7963 used throughout

OROCOBRE LIMITED ABN 31 112 589 910. Level 1, 349 Coronation Drive, Milton, QLD 4064  
TELEPHONE +61 7 3871 3985 FACSIMILIE +61 7 3720 8988 EMAIL mail@orocobre.com.au  
WEBSITE www.orocobre.com.au

The Capital Raising will give Orocobre an appropriately sized, flexible and strong balance sheet as it proceeds with Phase 2 construction and the Strategic Placement delivers material potential ancillary benefits which would not be available to Orocobre via other funding options. The Entitlement Offer provides Orocobre shareholders with an opportunity to participate in the Company's next phase of growth at a material discount to the Strategic Placement price.

Orocobre Managing Director and CEO Richard Seville said: "The growth and funding initiatives we have announced today enhance Orocobre's strategic positioning at all levels – financial, commercial, customer and partner. We have achieved the optimal funding solution to deliver a larger Phase 2 expansion at Olaroz and strengthen our strategic relationship with Toyota Tsusho and Japanese industry."

"The stronger than expected demand we and Toyota Tsusho are observing in the market and the production stability we have achieved in Phase 1 means we are executing Olaroz Phase 2 at the right time and are uniquely positioned given the strategic importance of lithium to Toyota Tsusho and Japanese industry."

"Toyota Tsusho is approximately 22% owned by Toyota Motor Corporation and approximately 11% by Toyota Industries Corporation and is the sole general trading arm of Toyota Group. Toyota Tsusho is a long-term strategic joint venture partner and the relationship we have developed over a number of years is one that many companies in our sector would covet. We look forward to progressing additional lithium production opportunities in partnership with Toyota Tsusho in the years ahead."

#### **DECEMBER QUARTERLY HIGHLIGHTS**

- Production up 84% to 3,937 tonnes of lithium carbonate
- Sales up 67% to 3,460 tonnes
- Record revenue of US\$40 million, up 72%
- Improved average price received of US\$11,550/tonne
- Cost of sales down 21% to US\$3,946/tonne
- Strengthened cash margins (up 23%) to US\$7,604/tonne
- Phase 1 pond management issues rectified, FY18 guidance of approximately 14,000 tonnes is unchanged

Full production details are provided in the report lodged with the ASX/TSX today.

#### **STRATEGIC PLACEMENT**

Based on strong demand being observed by both Orocobre and Toyota Tsusho, the Olaroz joint venture agreed to pursue an expanded Olaroz Phase 2. After carefully considering a range of financing alternatives, Orocobre determined that the optimal funding option was a strategic placement to Toyota Tsusho which delivers attractive ancillary benefits including (amongst others) potential low cost Japanese bank debt support on similar terms to the Olaroz Phase 1 facility.

Orocobre and Toyota Tsusho propose that the debt package will be supported by the Japan Oil, Gas and Metals National Corporation ("JOGMEC") which will provide further balance sheet flexibility as Phase 1 continues to produce positive free cashflow while Phase 2 is under construction.

#### **Key terms of the Strategic Placement to Toyota Tsusho include:**

- The placement will raise A\$282 million via the issue of c.37.5m shares at a price of A\$7.50 per share – a c.17% premium to Orocobre's 30 day VWAP as at Monday, 15 January 2018 (A\$6.43). The placement will be conducted in two tranches:

- The first tranche of 31.2 million shares ("**Tranche 1 Shares**") is expected to settle on Thursday, 18 January 2018. It will raise A\$234 million and will be completed under the company's existing issuance capacity pursuant to Listing Rule 7.1. Toyota Tsusho will be entitled to participate in the Entitlement Offer in respect of the Tranche 1 Shares and has indicated it will take up all of its entitlements; and
- The second tranche of 6.3 million shares, subject to rounding under the Entitlement Offer ("**Tranche 2 Shares**"), will occur shortly after shareholder approval is obtained for the placement of the Tranche 2 Shares. It will raise A\$47 million and is subject to shareholder approval at the General Meeting to be held on Monday, 26 February 2018.
- The placement of the Tranche 2 Shares is subject to the approval of Orocobre shareholders, whereas the placement of the Tranche 1 Shares is not. Toyota Tsusho and its associates will not be entitled to vote on the placement of the Tranche 2 Shares
- Following completion of the Capital Raising, Toyota Tsusho will hold 15% of Orocobre's issued capital on a fully expanded basis. (The term "**fully expanded basis**" means Orocobre's issued share capital after completion of the placement of the Tranche 1 Shares, the issuance of the shares under the Entitlement Offer and the placement of the Tranche 2 Shares)
- Toyota Tsusho will be entitled to nominate one non-executive director to the Orocobre Board, for so long as it has a relevant interest in at least 10% of the shares of Orocobre
- Two year standstill agreement which caps Toyota Tsusho's relevant interest in Orocobre shares at 15% on a fully expanded basis, subject to certain exceptions
- Anti-dilution rights for two years but subject to Toyota Tsusho having a relevant interest in at least 10% of the shares
- Orocobre and Toyota Tsusho have also agreed that Toyota Tsusho will be appointed as exclusive sales agent for Phase 2 (in addition to Phase 1) with Orocobre and Toyota Tsusho having joint control over strategic marketing, the allocation of volume to customers and commercial terms

The terms of the Strategic Placement are contained in the subscription agreement that has been entered into between Orocobre and Toyota Tsusho. A copy of the subscription agreement will be attached to Toyota Tsusho's Form 603 ("Notice of initial substantial holder") which will be filed with the ASX following completion of placement of the Tranche 1 Shares.

#### **ENTITLEMENT OFFER**

The Entitlement Offer comprises a fully underwritten 1 for 20 accelerated pro rata renounceable entitlement offer that includes the ability to trade retail entitlements on the ASX.

The Entitlement Offer will raise approximately A\$79m and provides existing shareholders with the opportunity to participate in the funding solution for Phase 2 at a discount to the strategic placement price paid by Toyota Tsusho.

The Offer Price of A\$6.55 represents a 8.6% discount to Orocobre's closing price of A\$7.17 on the ASX at Monday 15 January 2018 and a 8.3% discount to TERP of A\$7.14.

Richard Seville said: "The Entitlement Offer gives existing shareholders an opportunity to participate in the company's next phase of growth at a discounted price and the renounceable structure provides alternatives to those shareholders not wishing or able to participate."

The Entitlement Offer will consist of an accelerated institutional entitlement offer ("**Institutional Entitlement Offer**") and a retail entitlement offer that includes the ability for eligible retail shareholders to trade their retail entitlements on the ASX ("**Retail Entitlement Offer**").

Under the Entitlement Offer, eligible shareholders are entitled to subscribe for 1 new Orocobre ordinary share for every 20 existing Orocobre ordinary shares (“**Entitlement**”) held as at 7.00pm (AEDT) on Friday, 19 January 2018.

New Orocobre ordinary shares issued under the Entitlement Offer will rank equally with existing Orocobre shares in all respects.

Further details about the Entitlement Offer including the indicative timetable are set out in Appendix A.

#### **JAPANESE BANK DEBT FUNDING**

Toyota Tsusho will use its best endeavours to procure project financing for Olaroz Phase 2 targeting similar terms to those obtained by the Olaroz JV for Phase 1. Orocobre and Toyota Tsusho have agreed to target total project financing of up to US\$100 million.

Toyota Tsusho will also use its best endeavours to obtain a guarantee from JOGMEC to support the project finance loan. If any additional project financing guarantees are required to be cash-backed, Orocobre and Toyota Tsusho will provide such guarantees on a 75:25 split.

#### **LITHIUM HYDROXIDE PLANT**

Orocobre and Toyota Tsusho have agreed to accelerate plans to build the Lithium Hydroxide Plant in Fukushima, Japan including advancing engineering studies, with final investment decisions to be made in mid calendar year 2018.

At this time, Orocobre and Toyota Tsusho expect to develop a plant with 10,000 tpa of lithium hydroxide production capacity at a total capital expenditure of US\$60-70 million based on detailed quotations from two competing engineering groups. Operating costs are expected to be approximately US\$1,500/tonne, down from the previous estimate of US\$2,500/tonne.

The Japanese Government has indicatively agreed to provide capital expenditure subsidies of approximately US\$27 million. When combined with proposed Japanese bank debt financing (proposed to include subsidised interest rates), the Orocobre equity contribution is expected to be approximately US\$6 million.

The project is expected to enhance margins on the volume of Olaroz lithium carbonate production used as feedstock, diversify Orocobre’s lithium product range and enhance Orocobre and Toyota Tsusho’s relationships with key lithium end users in Japan.

#### **GENERAL MEETING**

The Company will be calling a general meeting of shareholders on Monday, 26 February 2018 to, amongst other things, approve the issue of additional shares to Toyota Tsusho under Tranche 2 of the Strategic Placement. A notice of meeting will be issued to ASX and despatched to shareholders shortly.

#### **ADVISERS**

UBS AG, Australia Branch has acted as Financial Adviser to Orocobre on the Strategic Placement. Jones Day has acted as legal adviser to Orocobre on the Strategic Placement and Entitlement Offer.

Toyota Tsusho has appointed Nomura as financial adviser and Herbert Smith Freehills as Australian legal adviser.

## APPENDIX A – FURTHER INFORMATION ABOUT THE ENTITLEMENT OFFER

### Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from Tuesday, 16 January 2018 to Wednesday, 17 January 2018 (AEDT).

Eligible institutional shareholders can choose to take up all, part or none of their Entitlements (“**Institutional Entitlements**”). Institutional Entitlements cannot be sold on ASX. Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Institutional Entitlements that would have been offered to ineligible institutional shareholders had they been entitled to participate, will be offered for sale through the institutional shortfall bookbuild (“**Institutional Shortfall Bookbuild**”) opening on Wednesday, 17 January 2018 and closing on Thursday 18 January 2018. Any proceeds from the sale of Institutional Entitlements under the Institutional Shortfall Bookbuild in excess of the issue price for new shares will be remitted proportionally to those institutional shareholders, less any applicable withholding tax.

Orocobre shares have been placed in trading halt while the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild are undertaken.

### Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Offer will open at 9:00am (AEDT) on Tuesday 23 January 2018 and close at 5:00pm (AEDT) on Friday, 2 February 2018.

Eligible retail shareholders will be allotted Entitlements (“**Retail Entitlements**”) which can be traded on the ASX. If they do not wish to take up all or part of their Retail Entitlements, they can seek to sell all or part of their Retail Entitlements on the ASX or by transferring them directly to another person to realise value for those Retail Entitlements ahead of the retail shortfall bookbuild (discussed below). Retail Entitlements can be traded on the ASX from Friday, 19 January 2018 (on a deferred settlement basis) to Thursday, 25 January 2018. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be eligible to purchase or trade Retail Entitlements on the ASX or take up Retail Entitlements purchased on ASX or transferred directly from another person.

Eligible retail shareholders should carefully read the retail entitlement offer information booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Tuesday, 23 January 2018 and which will be made available on the ASX website on or before that date.

Retail Entitlements which are not exercised by the close of the Retail Entitlement Offer, and Retail Entitlements that would otherwise have been offered to ineligible retail shareholders had they been entitled to participate, will be sold through the retail shortfall bookbuild opening on Wednesday, 7 February 2018 (“**Retail Shortfall Bookbuild**”). Any proceeds in excess of the issue price for new shares from the sale of Retail Entitlements under the Retail Shortfall Bookbuild will be remitted proportionally to those retail shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those retail shareholders.

It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Retail Entitlements after the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements. In the event that holders are not able to take up their Retail Entitlements, those Retail Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.

**Indicative timetable and key dates**

<b>Event</b>	<b>Date<sup>1</sup></b>
Trading halt, announcement of Entitlement Offer and Institutional Entitlement Offer opens	Tuesday, 16 January 2018
Institutional Entitlement Offer closes	Wednesday, 17 January 2018
Institutional Shortfall Bookbuild opens	Wednesday, 17 January 2018
Institutional Shortfall Bookbuild closes	Thursday, 18 January 2018
Announcement of completion of Institutional Entitlement Offer and Institutional Shortfall Bookbuild Shares recommence trading on an ex-entitlement basis Retail Entitlements commence trading on a deferred settlement basis Entitlement Offer record date (7:00pm AEDT)	Friday, 19 January 2018
Retail entitlement offer information booklet and notice of meeting despatched to Eligible Retail Shareholders Retail Entitlement Offer opens	Tuesday, 23 January 2018
Retail Entitlements conclude trading	Thursday, 25 January 2018
Settlement of new shares issued under the Institutional Entitlement Offer and institutional shortfall bookbuild	Monday, 29 January 2018
Allotment and commencement of trading of new shares issued under the Institutional Entitlement Offer	Tuesday, 30 January 2018
Retail Entitlement Offer closes (5:00pm AEDT)	Friday, 2 February 2018
Retail Shortfall Bookbuild opens	Wednesday, 7 February 2018
Retail Shortfall Bookbuild closes	Thursday, 8 February 2018
Settlement of new shares issued under the Retail Entitlement Offer	Monday, 12 February 2018
Allotment of new shares issued under the Retail Entitlement Offer	Tuesday, 13 February 2018
Commencement of trading of new shares issued under the Retail Entitlement Offer	Wednesday, 14 February 2018
Holding statements dispatched to retail shareholders	Thursday, 15 February 2018
General Meeting of shareholders	Monday, 26 February 2018
Release of FY18 half year results	Tuesday, 27 February 2018

1. All dates and times are indicative only and subject to change

### **Eligibility of Canadian Investors and TSX Matters**

A holder of shares who is resident in Canada is not entitled to participate in the Retail Entitlement Offer, but certain eligible institutional shareholders who receive an offer (to be determined at the sole discretion of the Company and the underwriter) will be entitled to participate in the Institutional Entitlement Offer, provided that each such investor is an “accredited investor” (as such term is defined in National Instrument 45-106 – Prospectus Exemptions (“NI 45-106”). Accordingly, the Company will only issue Institutional Entitlements to a holder of shares who is a resident of Canada and where the Company and the underwriter, in their sole discretion, determine that such holder is an eligible institutional shareholder and an “accredited investor” and that the issue of Institutional Entitlements to and subscription for shares by such person is otherwise lawful and in compliance with all securities and other laws applicable to such person.

Neither the Retail Entitlements nor the Institutional Entitlements will be listed for trading on the Toronto Stock Exchange. The Company intends to rely on the exemption available to Eligible Interlisted Issuers under Section 602.1 of the TSX Company Policy in respect of the transactions described in this press release.

### **Further information**

Further details on the December Quarterly results, Strategic Placement and the Entitlement Offer are set out in the Investor Presentation lodged with the ASX today. This includes important information on the Entitlement Offer, including key risks involved in an investment in Orocobre and the selling restrictions in respect of the Institutional Entitlement Offer. Eligible retail shareholders should carefully read the retail entitlement offer information booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Tuesday, 23 January 2018 and which will be made available on the ASX website on or before that date.

Retail shareholders who have any questions about the Retail Entitlement Offer should speak with their broker or advisor and/or call the Orocobre Offer Information Line on 1300 117 912 (within Australia) or +61 3 9415 4337 (outside Australia) from 8.30am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer.

### **About Orocobre Limited**

Orocobre Limited (Orocobre) is a dynamic global lithium carbonate supplier and an established producer of boron. Orocobre is dual listed on the Australia and Toronto Stock Exchanges (ASX: ORE), (TSE: ORL). Orocobre’s operations include its Olaroz Lithium Facility in Northern Argentina, Borax Argentina, an established Argentine boron minerals and refined chemicals producer and a 33% interest in Advantage Lithium.

For further information, please visit [www.orocobre.com](http://www.orocobre.com)

### **Restriction on distribution of this announcement**

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

# STRONG DECEMBER QUARTER AND A STEP CHANGE IN GROWTH

16 JANUARY 2018



Not for release to US wire services or distribution in the United States

## DISCLAIMER

This investor presentation (**Presentation**) has been prepared by Orocobre Limited (the **Company** or **Orocobre**). It contains general information about the Company as at the date of this Presentation and the proposed accelerated renounceable pro-rata entitlement offer to be made by the Company of new fully-paid ordinary shares in the Company (**New Shares**) to eligible institutional shareholders and eligible retail shareholders of the Company under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) (**Entitlement Offer**).

The information in this Presentation should not be considered to be comprehensive or to comprise all of the material which a shareholder or potential investor in the Company may require in order to determine whether to deal in shares. The information in this Presentation is of a general nature only and does not purport to be complete.

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

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The Entitlement Offer made to eligible retail shareholders (**Retail Entitlement Offer**) will be on the basis of information to be contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand (**Information Booklet**), and made available following its lodgement with ASX. Any eligible shareholder in Australia and New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Information Booklet in deciding to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Information Booklet and the entitlement and application form.

This Presentation may not be released in the United States. This Presentation does not constitute an offer to sell, or solicitation to an offer to buy securities in the United States or in any other jurisdiction which would be illegal. Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities act of any other state or other jurisdiction in the United States. Accordingly, the entitlements and New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act any other applicable state securities laws.



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## DISCLAIMER (CONT.)

The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Certain statements in this Presentation are forward-looking statements. You can identify these statements by the fact that they use words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "may", "assume", "should", "could", "predict", "propose", "forecast", "outlook" and words of similar import. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking information may include, but is not limited to, the successful ramp-up of the Olaroz Project, and the timing thereof; the design production rate for lithium carbonate at the Olaroz Project; the expected brine grade 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; 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 2017 and Sustainability Report 2017 available on the ASX website and at [www.sedar.com](http://www.sedar.com).

No representation, warranty or assurance (express or implied) is given or made by the Company that the forward-looking statements contained in this Presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct.



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## DISCLAIMER (CONT.)

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this Presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statements are based. Nothing in this Presentation shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date of this Presentation.

US investors should note that while the Company's reserve and resource estimates comply with the JORC Code, they may not comply with Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission (**SEC**). In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

To the maximum extent permitted by law, the Company, the lead manager and their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees, agents and advisers expressly disclaim all liability (including without limitation, liability for negligence) for any direct or indirect loss or damage which may be suffered by any person in relation to, and take no responsibility for, any information in this Presentation or any error or omission therefrom, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information contained in this Presentation.

Neither the lead manager nor any of its affiliates or related bodies corporate, or any of their respective directors, officers, partners, employees, or agents (**Lead Manager Group**) have caused or authorised the issue, submission, dispatch or provision of this Presentation, nor do they make any recommendation as to whether any potential investor should participate in the offer of New Shares. The Lead Manager Group does not make and does not purport to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by the Lead Manager Group. Further, no member of the Lead Manager Group accepts any fiduciary obligations to or relationship with any investor potential investor in connection with the Entitlement Offer or otherwise.

Determination of eligibility of investors for the purpose of the Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the lead manager. The Company and the lead manager disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

By attending an investor presentation or briefing, or by accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out in this disclaimer.



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## AGENDA

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1. Strong December quarterly result
2. Transaction highlights
3. Olaroz Phase 2 and Lithium Hydroxide
4. Delivery of a full funding solution
5. Summary



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## STRONG DECEMBER QUARTERLY RESULT

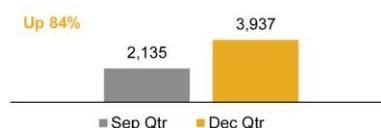


# STRONG DECEMBER QUARTERLY RESULT

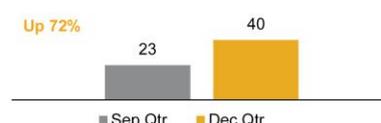
## Record production and FY18 guidance of approximately 14,000 tonnes is unchanged<sup>1</sup>

- Record quarterly production of 3,937 tonnes of lithium carbonate – up 84% on the September quarter
- Record quarterly sales revenue of US\$40 million (up 72% on the September quarter) on 3,460 tonnes
- Oloroz sales price of US\$11,550 / tonne FOB<sup>2</sup>, prices continue to rise and expected to increase by 25% in the June 2018 half vs December 2017 half
- FOB cash cost of US\$3,946 / tonne<sup>3</sup> and record gross cash margin of US\$7,604 / tonne
- Oloroz was again cashflow positive – now seven consecutive quarters of positive cashflow
- Orocobre group cash balance at 31 December 2017 of US\$50.2 million
- Pond management issues rectified
- Production continues to improve year on year
- FY18 guidance of approximately 14,000 tonnes is unchanged

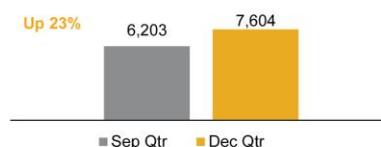
### Production (Tonnes)



### Revenue (US\$m)



### Margin (US\$/tonne)



1. Oloroz 100% basis
2. Orocobre reports price as "FOB" (Free On Board) which excludes additional insurance and freight charges included in "CIF" (Cost, Insurance and Freight or delivered to destination port) pricing. The key difference between an FOB and CIF agreement is the point at which responsibility and liability transfer from seller to buyer. With a FOB shipment, this typically occurs when the goods pass the ship's rail at the export port. With a CIF agreement, the seller pays costs and assumes liability until the goods reach the port of destination chosen by the buyer. The Company's pricing is also net of Toyota Tsusho commissions. The intention in reporting FOB prices is to provide clarity on the sales revenue that flows back to SDJ, the joint venture company in Argentina
3. Excludes royalties and head office costs



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## TRANSACTION HIGHLIGHTS



# TRANSACTION OVERVIEW

Following a record December quarter, Orocobre announces a number of transactions relating to the Company's next phase of growth, fully funded

25,000 tonne lithium carbonate expansion at Olaroz	<ul style="list-style-type: none"> <li>Capacity of Phase 2 increased to 25,000 tonnes of lithium carbonate per annum ("tpa"), up from 17,500 tpa</li> <li>Responding to very strong demand in lithium markets observed by Orocobre and Toyota Tsusho Corporation ("Toyota Tsusho" or "TTC")</li> <li>Total Olaroz capacity of 42,500 tpa post completion of Phase 2</li> <li>Construction of Phase 2 to commence by mid 2018 calendar year</li> <li>Targeting commissioning of Phase 2 production from H2 CY2019</li> <li>Total capex for Phase 2 of US\$271 million, including US\$25 million contingency</li> </ul>
15% placement to strategic partner, Toyota Tsusho, at a c.17% premium	<ul style="list-style-type: none"> <li>15% placement to Toyota Tsusho for A\$282 million</li> <li>Placement price of A\$7.50 represents a c.17% premium to Orocobre's 30 day VWAP of A\$6.43ps (as at close on Monday, 15 January 2018)</li> <li>Toyota Tsusho entitled to a non-executive Board nominee and sales agency rights over Phase 2 production – but Orocobre and Toyota Tsusho will have joint control over strategic marketing, customer allocation and commercial terms</li> <li>Customary standstill and anti-dilution arrangements</li> </ul>
Project financing	<ul style="list-style-type: none"> <li>Toyota Tsusho will use its best endeavours to procure project financing for Olaroz Phase 2 targeting similar terms to those obtained by the Olaroz JV for Phase 1. Orocobre and Toyota Tsusho have agreed to target total project financing of up to US\$100 million</li> <li>Execution of final binding project financing documentation expected during Q2 CY2018</li> </ul>
Approximately US\$63m / A\$79m Entitlement Offer	<ul style="list-style-type: none"> <li>Fully underwritten 1 for 20 pro-rata accelerated renounceable entitlement offer with retail rights trading on the ASX to raise gross proceeds of approximately US\$63 million / A\$79 million<sup>2</sup></li> <li>Offer price of A\$6.55 represents an 8.3% discount to TERP<sup>1</sup> and a 12.7% discount to the Toyota Tsusho placement price</li> <li>Toyota Tsusho will fully participate in the entitlement offer</li> <li>Provides Orocobre with an appropriate level of cash liquidity as the Company undertakes Phase 2 project development</li> </ul>
Lithium hydroxide plant progressing	<ul style="list-style-type: none"> <li>Indicative subsidies from the proposed Japanese Government (approximately US\$27m) plus proposed Japanese bank debt with subsidised interest rate expected to result in Orocobre equity funding requirement of c. US\$6m</li> <li>Orocobre and Toyota Tsusho are in the process of contractor selection with construction to commence mid 2018</li> <li>Capex of US\$60-70 million, operating costs down to approximately US\$1,500/tonne from US\$2,500/tonne</li> </ul>



1. The TERP is a theoretical price at which Orocobre shares trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Orocobre shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Orocobre's closing price of A\$7.17 on Monday, 15 January 2018.

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# INVESTMENT HIGHLIGHTS

Orocobre is a low cost and high margin producer	<ul style="list-style-type: none"> <li>Phase 1 is one of the lowest cost, high margin lithium assets in the world with production cost of &lt;US\$4,000/t (from FY18E)</li> <li>Phase 2 expected to have lower production costs than Phase 1</li> <li>Sale price for lithium carbonate in the June 2018 half year is expected to be 25% higher than in the December 2017 half</li> <li>Lithium Hydroxide plant expected to further enhance margins</li> </ul>	<p><b>Broker estimated 2020E lithium cost curve</b></p> <p>Source: Deutsche Bank research report "Lithium Market Update" 14 November 2017, p.18, Orocobre Mgmt.</p>
Fully funded and larger Phase 2	<ul style="list-style-type: none"> <li>Expanded Phase 2 production from 17,500 tpa to 25,000 tpa</li> <li>Appropriately sized and flexible balance sheet</li> <li>Funding arrangements provide attractive ancillary benefits including potential access to low-cost Japanese debt</li> </ul>	<p><b>Lithium carbonate production (tonnes)</b></p> <p>Production (tonnes): FY15 (126), FY16 (6,903), FY17 (11,862), FY18 (Est.) (14,000), Olaroz Phase 1 + Phase 2 (25,000)</p> <p>Price (US\$/t): FY15 (5,100), FY16 (7,535), FY17 (9,763), FY18 (Est.) (12,791)</p> <p>+204% vs FY18E</p>
Long life project with material organic upside potential	<ul style="list-style-type: none"> <li>World class asset with very large resource capable of sustaining multiple expansions</li> <li>Attractive pipeline of organic growth options including the near-term Fukushima Lithium Hydroxide plant</li> <li>Work to commence on assessing potential for Olaroz Phase 3</li> <li>Cauchari (via Advantage Lithium) provides additional production growth potential both as a standalone project and to potentially supplement Olaroz brine supply</li> </ul>	<p><b>Long life, expandable resource</b></p> <p><b>Olaroz Phase 3 provides further organic growth</b></p> <p><b>Lithium hydroxide plant</b></p>



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# OLAROZ PHASE 2 & LITHIUM HYDROXIDE



## UPSIZING EXPANDED PRODUCTION AT OLAROZ

Increased scale for Olaroz Phase 2 (25,000 tonnes vs 17,500 tonnes) resulting from better than expected demand as observed by Orocobre and TTC

### Key Olaroz expansion metrics

Capacity	<ul style="list-style-type: none"> <li>25,000 tonnes primary grade lithium carbonate</li> <li>Total Olaroz capacity of 42,500 tonnes of lithium carbonate</li> <li>Product mix to be 17,500 tonnes purified lithium carbonate and 25,000 tonnes primary lithium carbonate, of which 9,500 tonnes will be converted to 10,000 tonnes lithium hydroxide</li> </ul>
Commissioning	<ul style="list-style-type: none"> <li>2H CY2019</li> </ul>
Run-rate operating cost	<ul style="list-style-type: none"> <li>Less than Phase 1 operating costs as no purification circuit</li> </ul>
Capital costs	<ul style="list-style-type: none"> <li>Total development capital – US\$271 million (excluding VAT of c. US\$42 million)</li> </ul>
Construction	<ul style="list-style-type: none"> <li>Subject to Orocobre and JV Board approvals and commencing following confirmation of project financing, approvals and EPCM arrangements</li> <li>Construction expected to be completed during 2H CY2019</li> </ul>
Approvals	<ul style="list-style-type: none"> <li>Pond and related infrastructure construction approval obtained</li> <li>Processing plant construction approval expected to be granted shortly</li> </ul>

### Development capex breakdown (US\$m, 100% Olaroz)

Wells and Ponds	140
Processing	67
Other	39
Contingency	25
<b>Total (ex VAT)</b>	<b>271</b>

# LITHIUM HYDROXIDE PLANT UPDATE

Orocobre and TTC continue to progress the Lithium Hydroxide plant which will further enhance Orocobre's strong margins

## Update

- Orocobre and Toyota Tsusho finalising studies to develop a lithium hydroxide plant (LiOH Plant) in Japan
- The LiOH Plant will process  $\text{Li}_2\text{CO}_3$  from Olaroz and deliver value-added LiOH to customers agreed between Orocobre and Toyota Tsusho
- Estimated capital cost of US\$60-70 million (pre subsidies and financing) for a 10,000 tpa LiOH plant which will deliver premium product at premium pricing
  - Provides product diversification suitable for different battery technologies
  - Ownership to match current Olaroz ownership proportions (excluding JEMSE)
  - Potential for significant margin growth on primary  $\text{Li}_2\text{CO}_3$  converted to LiOH
- Operating costs estimated to be approximately US\$1,500/tonne, down from initial estimate of US\$2,500/tonne
- Japanese Government has provided indicative approval for the subsidies of approximately US\$27 million. After the proposed Japanese bank debt financing (which is proposed to also include Government subsidised interest rates), Orocobre equity contribution is expected to be approximately US\$6 million
- Orocobre and Toyota Tsusho are targeting commissioning during H2 CY2019

## Target LiOH Plant metrics

Capacity	<ul style="list-style-type: none"> <li>10,000 tpa LiOH</li> </ul>
Commissioning	<ul style="list-style-type: none"> <li>H2 CY2019</li> </ul>
Run-rate operating cost	<ul style="list-style-type: none"> <li>Approximately US\$1,500/t excluding cost of <math>\text{Li}_2\text{CO}_3</math></li> </ul>
Capital costs	<ul style="list-style-type: none"> <li>US\$60-70 million</li> <li>Proposed financial support from the Japanese Government and proposed project financing expected to reduce Orocobre equity contribution to approximately US\$6 million</li> <li>Project financing expected on favourable terms</li> </ul>
Next steps	<ul style="list-style-type: none"> <li>Finalise term sheet</li> <li>Finalise debt finance and indicative subsidies</li> <li>Finalise engineering and feasibility studies</li> </ul>

*Significant potential to grow margins for minimal incremental equity*



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# DELIVERY OF A FULL FUNDING SOLUTION



## SOURCES AND USES OF FUNDS

US\$287 / A\$361 million raised via placement and rights issue to fully fund Olaroz Phase 2 capex, with additional flexibility provided by **material Phase 1 free cash flow**

		US\$m	A\$m
<b>Sources</b>	Placement to TTC	224	282
	Entitlement offer	63	79
	Cash at 31 December 2017	1 50	63
	<b>Total sources (excluding free cashflow from Phase 1)</b>	<b>337</b>	<b>424</b>
<b>Uses</b>	100% Olaroz expansion capex	2 271	340
	VAT on 100% capex (recoverable)	3 42	53
	Less: targeted PF amount	4 (100)	(126)
	Olaroz 100% JV equity funding required	213	267
	<b>ORE share of equity funding (75%)</b>	<b>160</b>	<b>201</b>
	<b>ORE remaining cash allocated as below:</b>	<b>5 178</b>	<b>223</b>
	Olaroz	75	94
	Other corporate	103	129
<b>Total uses</b>	<b>337</b>	<b>424</b>	

- 1 Cash of US\$50m as at 31 December 2017
- 2 Approximately US\$271 million in capex includes approximately US\$25 million contingency (see page 12 for details)
- 3 VAT is 100% recoverable following completion of Phase 2 construction
- 4 Toyota Tsusho will use its best endeavours to seek project financing on similar terms as the Mizuho Olaroz Phase 1 loan. The parties are targeting US\$100 million in project financing (gearing of c. 32% including VAT)
- 5 The cash balance of US\$178m has been allocated as follows:
  - US\$75m will be used to cash back Japanese bank project financing guarantees but, as agreed with TTC, can also be drawn by Orocobre to fund any additional Olaroz Phase 2 capex overruns (see page 18 for further details)
  - The remaining cash balance of US\$103m, is intended to provide Orocobre with a level of cash liquidity appropriate for a company of its scale and capital expenditure profile.
  - The low cost structure of Olaroz Phase 1 and positive price environment means that Olaroz Phase 1 cashflows will provide an additional source of liquidity to fund expansion capex and pursue further opportunities



Figures may not sum due to rounding

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## TOYOTA TSUSHO PLACEMENT KEY TERMS

<b>TTC overview</b>	<ul style="list-style-type: none"> <li>TTC is approximately 22% owned by Toyota Motor Corporation ("TMC") and approximately 11% owned by Toyota Industries and is the sole general trading arm of the Toyota Group</li> <li>TTC is a global organisation with a market capitalisation of A\$19bn and has c. 58,000 employees worldwide</li> <li>As at 30 September 2017, TTC had a cash balance of c. A\$5bn</li> </ul>
<b>Size and pricing</b>	<ul style="list-style-type: none"> <li>Following completion of the Entitlement Offer and placement, Toyota Tsusho will hold 15% of Orocobre's issued capital on a fully expanded basis. (The term "fully expanded basis" means Orocobre's issued share capital after completion of Tranche 1 of the placement, the issuance of the shares under the Entitlement Offer and Tranche 2 of the placement)</li> <li>Placement price of A\$7.50 per share represents a c.17% premium to Orocobre's 30 day VWAP of A\$6.43 (as at close on Monday, 15 January 2018)</li> <li>Total of US\$224m / A\$282m raised with c.37.5m shares bought in the Placement                             <ul style="list-style-type: none"> <li>Tranche 1: c.31.2m shares – expected to settle on Thursday, 18 January; Toyota Tsusho will be entitled to participate in the Entitlement Offer in respect of its Tranche 1 shares and has indicated it will take up all of its entitlements</li> <li>Tranche 2: c.6.3m shares – subject to shareholder approval</li> </ul> </li> </ul>
<b>Board nominee</b>	<ul style="list-style-type: none"> <li>Toyota Tsusho entitled to nominate one non-executive director to the Orocobre board for so long as it has a relevant interest of at least 10%</li> </ul>
<b>Marketing and customers</b>	<ul style="list-style-type: none"> <li>Toyota Tsusho will have exclusive sales agency rights over all Olaroz Phase 2 production</li> <li>However, Orocobre and Toyota Tsusho have joint control over strategic marketing, customer allocation and commercial terms</li> </ul>
<b>Procuring Japanese funding support</b>	<ul style="list-style-type: none"> <li>Toyota Tsusho has agreed to procure project financing on a best endeavours basis from a Japanese bank for Olaroz Phase 2 up to an amount of US\$100 million</li> <li>Toyota Tsusho has also agreed to procure, on a best endeavours basis, Japan Oil, Gas and Metals National Corporation ("JOGMEC") support similar to that obtained for Phase 1</li> <li>Further details about the potential project financing arrangements are set out on page 18</li> </ul>
<b>Standstill</b>	<ul style="list-style-type: none"> <li>Two year standstill agreement which caps Toyota Tsusho's relevant interest in Orocobre shares at 15% on a fully expanded basis, subject to certain exceptions</li> </ul>
<b>Anti-dilution</b>	<ul style="list-style-type: none"> <li>Toyota Tsusho will be entitled to participate on the same terms offered to any other existing or potential new shareholders in any equity raising (including the Entitlement Offer announced today)</li> <li>Two year period and subject to a minimum 10% shareholding</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>If Orocobre is required to provide cash backing for any project financing guarantee, Orocobre may, to the extent agreed with Toyota Tsusho, draw down on the cash in certain circumstances, including to cover cost overruns or working capital requirements occasioned by delayed production of Phase 2</li> </ul>

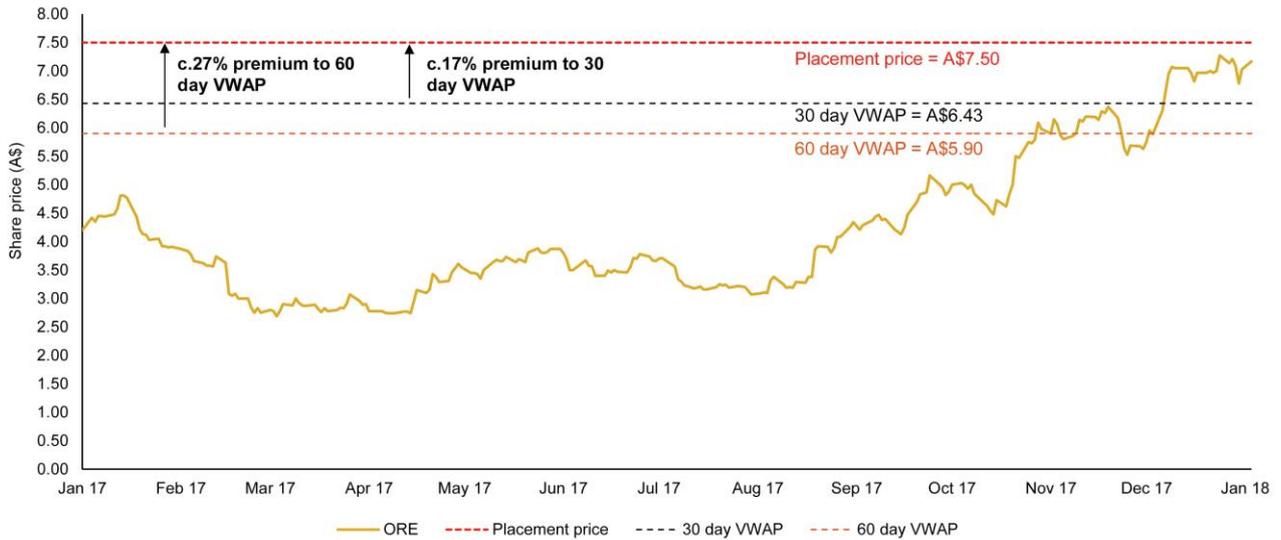


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# PLACEMENT SECURED IN THE CONTEXT OF STRONG SHARE PRICE PERFORMANCE

Placement to TTC represents c.17% premium to the 30 day VWAP and is above the all-time share price high

## Orocobre share price



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# PROPOSED PHASE 2 DEBT FUNDING ARRANGEMENTS

<b>Targeted amount</b>	<ul style="list-style-type: none"> <li>US\$100 million</li> <li>Final amount will be subject to financing bank due diligence (including review by financiers of Phase 2 engineering studies) and approvals</li> </ul>
<b>Guarantees required</b>	<ul style="list-style-type: none"> <li>Toyota Tsusho will procure, on a best endeavours basis, JOGMEC guarantee to support the Phase 2 project finance facility</li> <li>If any additional project financing guarantees are required to be cash-backed, Orocobre and Toyota Tsusho will provide such guarantees on a 75:25 split</li> </ul>
<b>Cash backing for guarantees</b>	<ul style="list-style-type: none"> <li>If the guarantees require cash backing, the parties will provide their pro rata share</li> <li>Orocobre may, to the extent agreed with Toyota Tsusho, draw down on the cash in certain circumstances, including to cover cost overruns or working capital requirements occasioned by delayed production of Phase 2</li> </ul>
<b>Due diligence and approvals</b>	<ul style="list-style-type: none"> <li>Orocobre and Toyota Tsusho will cooperate to assist potential financiers through a standard due diligence process</li> <li>Part of the due diligence process will be a review of the final Olaroz Phase 2 engineering study</li> <li>Toyota Tsusho has confirmed that Japanese banks will assess the opportunity</li> </ul>
<b>JOGMEC participation</b>	<ul style="list-style-type: none"> <li>Orocobre and Toyota Tsusho propose that JOGMEC will support the Phase 2 financing on a similar basis to which it provided guarantees for Phase 1 project finance</li> </ul>
<b>Process and expected timing</b>	<ul style="list-style-type: none"> <li>Toyota Tsusho is required to procure the above arrangements on a "best endeavours" basis</li> <li>Orocobre and Toyota Tsusho will make due diligence available as soon as possible following settlement of the private placement and entitlement offer</li> <li>Execution of final binding project financing documentation expected during 2Q CY2018</li> </ul>



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## ENTITLEMENT OFFER OVERVIEW

Offer size and structure	<ul style="list-style-type: none"> <li>Fully underwritten 1 for 20 pro-rata accelerated renounceable entitlement offer with retail entitlements trading on the ASX ("<b>Entitlement Offer</b>") to raise gross proceeds of approximately US\$63 / A\$79 million</li> </ul>
Offer price	<ul style="list-style-type: none"> <li>A\$6.55 per share, representing a discount of:               <ul style="list-style-type: none"> <li>8.3% to TERP<sup>1</sup>, being A\$7.14 per share; and</li> <li>8.6% to the closing price of Orocobre's shares of A\$7.17 per share on Monday, 15 January 2018</li> </ul> </li> </ul>
Director participation	<ul style="list-style-type: none"> <li>All eligible Orocobre Directors are participating in the Entitlement Offer</li> </ul>
TTC participation	<ul style="list-style-type: none"> <li>New shares issued under the TTC placement Tranche 1 will be eligible to participate in the Entitlement Offer and TTC has committed to take up its entitlements in the Entitlement Offer</li> </ul>
Institutional Entitlement Offer	<ul style="list-style-type: none"> <li>Institutional Entitlement Offer is:               <ul style="list-style-type: none"> <li>Open from 16 January 2018 to 17 January 2018; and</li> <li>Entitlements not taken up and entitlements of ineligible security holders will be placed into the Institutional Shortfall Bookbuild which will close 18 January 2018</li> </ul> </li> </ul>
Retail Entitlement Offer	<ul style="list-style-type: none"> <li>Eligible retail shareholders in Australia and New Zealand have a number of options under the Retail Entitlement Offer<sup>2</sup> <ul style="list-style-type: none"> <li>Elect to take up all or part of their pro rata entitlement by the retail offer close date on 2 February 2018</li> <li>Sell or transfer all or part of their entitlement to another person, or trade it on the ASX through a broker between 19 January 2018 (on a deferred settlement basis) and 25 January 2018</li> <li>Do nothing and let their entitlement be offered for sale through the retail shortfall bookbuild process managed by the lead manager, with any proceeds in excess of the offer price (net of any withholding tax and expenses) paid to the shareholder</li> </ul> </li> </ul>
Ranking	<ul style="list-style-type: none"> <li>New shares will rank equally with existing shares</li> </ul>



1. The TERP is a theoretical price at which Orocobre shares trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Orocobre shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Orocobre's closing price of A\$7.17 on Monday, 15 January 2018

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## ENTITLEMENT OFFER TIMETABLE

Event	Date <sup>1</sup>
Trading halt, announcement of Entitlement Offer and Institutional Entitlement Offer opens	Tuesday, 16 January 2018
Institutional Entitlement Offer closes	Wednesday, 17 January 2018
Institutional Shortfall Bookbuild closes	Thursday, 18 January 2018
Announcement of completion of Institutional Entitlement Offer and Institutional Shortfall Bookbuild Shares recommence trading on an ex-entitlement basis Retail entitlements commence trading on deferred settlement basis Entitlement Offer record date (7:00pm AEDT)	Friday, 19 January 2018
Retail Entitlement offer information booklet and notice of meeting despatched to Eligible Retail Shareholders Retail Entitlement Offer opens	Tuesday, 23 January 2018
Retail Entitlements conclude trading	Thursday, 25 January 2018
Settlement of new shares issued under the Institutional Entitlement Offer and Institutional Shortfall Bookbuild	Monday, 29 January 2018
Allotment and commencement of trading of new shares issued under the Institutional Entitlement Offer	Tuesday, 30 January 2018
Retail Entitlement Offer closes (5:00pm AEDT)	Friday, 2 February 2018
Retail Shortfall Bookbuild opens	Wednesday, 7 February 2018
Settlement of new shares issued under the Retail Entitlement Offer	Monday, 12 February 2018
Allotment of new shares issued under the Retail Entitlement Offer	Tuesday, 13 February 2018
Commencement of trading of new shares issued under the Retail Entitlement Offer	Wednesday, 14 February 2018
Holding statements dispatched to retail shareholders	Thursday, 15 February 2018
General Meeting	Monday, 26 February 2018
Anticipated release of FY18 half year results	Tuesday, 27 February 2018



1. All dates and times are indicative only and subject to change

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## SUMMARY

### 1. Strong December quarterly result

- Record quarterly production of 3,937 tonnes at record margins of 66%
- Operating costs of US\$3,946 / tonne
- FY18 guidance of approximately 14,000 tonnes is unchanged

### 2. Transaction highlights

- Strong market conditions (as observed by both Orocobre and TTC) have resulted in a larger than previously planned Phase 2
- Very attractive full funding solution

### 3. Olaroz Phase 2 and Lithium Hydroxide

- Phase 2 production expanded from 17.5ktpa to 25ktpa
- Phase 2 operating costs expected to be lower than Phase 1
- Lithium Hydroxide plant will further expand margins

### 4. Delivery of a full funding solution

- A\$282m / US\$224m placement to TTC at a c.17% premium to 30 day VWAP, with significant potential ancillary benefits
- TTC has committed to procuring US\$100m in project financing (expected to be low cost) and JOGMEC support for Phase 2 debt funding, in-line with Phase 1 arrangements
- Approximately A\$79m / US\$63m entitlement offer to provide shareholders with the opportunity to participate at a materially lower price to the TTC placement price



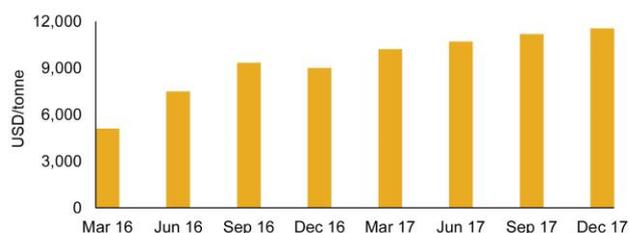
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## MARKETS



## OROCOBRE HAS ACCESS TO ALL KEY MARKETS

### Weighted Price USD/Tonne (FOB)



GEOGRAPHIC DISTRIBUTION OF LITHIUM CARBONATE SALES



- Geographically diverse customer base including Japan, South Korea, Europe, USA and China
- Continuing to sell into industrial, chemical and battery markets
- Average price received continues to improve, now seeing consistent >US\$14,000/t contract pricing (average across all products)
- SQM recently noted that market growth is likely to be around 14%



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## THE LITHIUM MARKET IS BECOMING MORE DEFINED

### Lithium Market Fundamentals remain strong

- June 2018 half prices to be up 25% on December 2017 half
- Significant headwinds for new production, supply additions remain over-estimated

### The end game is becoming clearer – for example

- UK and France have banned the sale of internal combustion engine vehicles by 2040, China heading in the same direction, and India to only sell EVs by 2030
- Austria, China, Denmark, Germany, Ireland, Japan, the Netherlands, Portugal, Korea and Spain have set official targets for electric car sales
- 750k EVs were sold last year, OPEC suggests that by 2040 the global vehicle fleet will include 266 million EVs, Bloomberg New Energy Finance suggests by 2040 there could be 530 million, or one third of all cars will be EVs!

### The lithium supply model has to change to meet coming demand

- Demand growth is going to outstrip projected new supply
- Access to technical skills and experience will mean brownfields expansions are lowest risk and fastest to market
- Access to finance remains a key constraint for new projects – few projects or companies have access to low-cost debt like Olaroz
- Strategic relationships will be key for lithium producers and lithium consumers

**There is a clear opportunity for Orocobre to emulate the multi-phase Atacama development and create significant value for shareholders.**



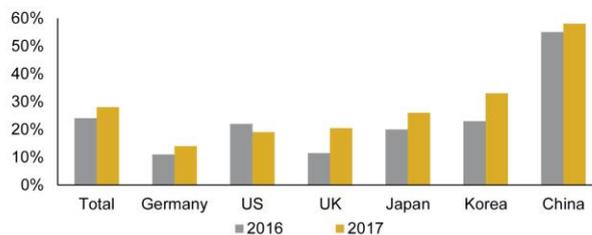
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# SENTIMENT CONTINUES TO SURPRISE ON THE UPSIDE

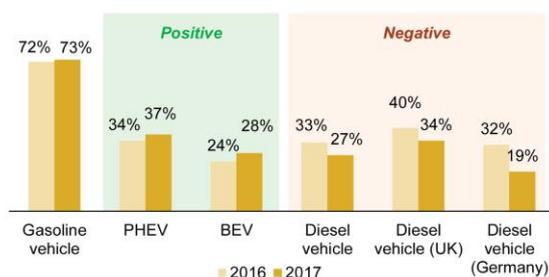
## Propensity to buy electric vehicles is rising, meaning prices will be higher for longer

- A recent UBS survey of consumers in key vehicle markets has revealed an increasing propensity to buy an EV
  - Consumer sentiment is more positive than previously thought
  - Forward demand is therefore likely to be higher than current pricing models suggest – expecting 16% EV penetration by 2025
- Reasons not to buy EVs will likely diminish
  - Improving battery life = better vehicle range
  - EVs will be cheaper to buy and own
  - Access to charging infrastructure, while currently a key inhibitor, will improve
- **Orocobre is well placed to maximise value from ongoing structural change in the vehicle market – leading operating experience, established access to key markets and access to low-cost financing**

## Share of consumers likely to buy a BEV by region



## Likelihood of purchase consideration by vehicle type



Source: UBS research

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# MANAGEMENT



## EXPERIENCED MANAGEMENT TEAM



### **Richard Seville, Managing Director and CEO**

- Richard joined the Board of Orocobre as Managing Director in 2007, when it was an unlisted Argentinian explorer, chaired by Neil Stuart. Neil and Richard took Orocobre through to listing on the ASX in December 2007.
- Richard is a mining geologist and geotechnical engineer and has over 30 years' experience in exploration, development and production, and over 20 years in the corporate field as a Director involved in resource development funding.
- He is a graduate of the Royal School of Mines and James Cook University in North Queensland and holds a Bachelor of Science Degree with Honours in Mining and Geology and a Master of Engineering Science. Richard is also a director of Leyshon Resources.



### **Neil Kaplan, Chief Financial Officer and Joint Company Secretary**

- Neil was appointed Chief Financial Officer on 7 January 2013 and Company Secretary on 1 July 2013. Neil is a Chartered Accountant and brings a wealth of knowledge to the Company with over 20 years of experience in managerial and finance positions obtained on four different continents.
- Neil's experience in the resources sector was achieved working in executive financial roles for Glencore International and formerly TSX listed company Coalcorp Mining, both based in Colombia. Neil holds a Bachelor of Accountancy degree from the University of the Witwatersrand in South Africa and is a member of both the Institute of Chartered Accountants in Australia (ICAA) and South African Institute of Chartered Accountants (SAICA).



### **Alex Losada, Chief Operating Officer**

- Alex joined Orocobre as General Manager of Operations in May 2016 and has more than 25 years' experience in senior management roles in Australia and overseas as a Non-Executive Chairman, Non-Executive Director, Managing Director, Vice President of Exploration, Country Manager, Project Manager and Business/Market Development Manager and has past experience as a consultant for mining and technology companies, government agencies and universities.
- 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.



### **Rick Anthon, General Counsel and Joint Company Secretary**

- Rick was appointed Joint Company Secretary on 10 March 2015. Rick is a practising lawyer with over 30 years' experience in both corporate and commercial law. He also has extensive experience in the resource sector, as a director of a number of resource companies and as legal adviser, including project acquisition and development, capital raising and corporate governance.



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## ARGENTINE REGULATORY AND OPERATING ENVIRONMENT



# ARGENTINA IS AN ATTRACTIVE PLACE TO INVEST AND OPERATE

## Key Highlights

- Recent Congressional elections demonstrate support for reform agenda, Presidential elections in 2019
- Positive changes in capital flow
  - Holdouts agreement ends debt default
  - FX restrictions removed
  - Free capital mobility
  - Float of Peso
- Increased GDP growth
- Positive real interest rates
- Normalisation of inflation
  - Central bank targeting ~5% by 2019\*
- Fiscal balance
- Corporate tax cuts proposed
- Recent ratings upgrade by Moody's of the Government of Argentina's local and foreign currency issuer and senior unsecured ratings to B2 from B3

## Higher confidence in the Argentine recovery (UBS, 27 September 2017)

*Argentina is consolidating a gradual but sure-footed improvement in its macroeconomic framework: activity is picking up, inflation is falling, the fiscal deficit is shrinking, credit is booming, and the governing coalition is gaining political traction. No doubt, there are both external and domestic risks to this story, but we have returned from this trip with our confidence on the Argentine recovery in coming months and even years reinforced.*

## Corporate tax cuts (UBS, 27 September 2017)

*The objective of the reform is not to raise revenues...but rather to eliminate distortions in the system. This may include the reduction or substitution of highly distortionary taxes...but will also focus on shifting the burden of taxation away from corporations and more towards individuals. Given the government's focus on investment as a driver of growth, we should not be surprised by the latter.*



Source: Cohen Stockbrokers

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## KEY RISKS



## KEY RISKS

This section discloses some of the key risks attaching to an investment in Orocobre. Before investing or increasing your investment in Orocobre, you should consider whether this investment is suitable for you having regard to publicly available information and your personal circumstances and following consultation with your professional advisors. The risks in this section are not, and should not be considered to be or relied on as, an exhaustive list of the risks relevant to an investment in Orocobre. The risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor

Category of risk	Description
Operating and development	<ul style="list-style-type: none"> <li>The ability of Orocobre to achieve production targets, or meet operating and capital expenditure estimates on a timely basis cannot be assured. The development of the Phase 2 development and expansion at Olaroz will require approvals, permits or licences not yet obtained that may not be received on a timely basis. A specific risk in this area is that approval is required for the construction of the processing plant for the Phase 2 expansion at Olaroz (Phase 2) and the application may not be approved by the Jujuy Provincial Government. The speed with which the Jujuy Provincial Government reviews and processes that application will be outside Orocobre's control</li> <li>There is a risk that current estimates of the cost of the Phase 2 development at Olaroz are incorrect and further unanticipated funding may be required in the future. There is also a risk that the development timetable for Phase 2 takes longer than planned and further injections of working capital are required before Phase 2 commences commercial production</li> <li>In addition, decisions regarding development and expansion projects may be subject to the successful outcome of operational reviews, test work, studies and trial brine extraction</li> <li>The assets of Orocobre are subject to uncertainty with resource tonnes, grade, recovery, ground conditions, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, rain particularly in summer, snow falls in excess of average or anticipated conditions, electrical storms, flooding or other extreme weather events which will affect production given the nature of the operations at Olaroz or may affect access to Olaroz for employees or consumables required for plant operation. If faced by Orocobre, these circumstances could result in Orocobre not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on Orocobre's financial and operational performance</li> <li>In the absence of an improvement in the operating conditions of Orocobre's subsidiary Borax Argentina SA further injections of cash may be required from Orocobre in the immediate future and it may be necessary to further impair the carrying value of Borax Argentina SA in Orocobre's accounts</li> <li>The operations of the Company are located at the Salar de Olaroz, a brine salt deposit located at an altitude of 4000m and in a relatively remote location. Exar Minerals SA, is also progressing the development of a facility at Olaroz which will result in Exar extracting brine from the Salar de Olaroz. The failure to maintain effective basin management practices may have a long term deleterious effect on production</li> <li>Production at Olaroz has previously been affected by issues related to the management of brine inventories in the Olaroz pond system. The Company considers that it has rectified the issues known to it, but the management of the ponds remains a complex and ongoing process and any future failure to manage the pond systems as efficiently as possible, may impact on production at Olaroz. Estimations of brine inventories which are used in modelling production forecasts are inherently complex and key inputs to these models can be difficult to measure to high degrees of accuracy</li> <li>Production costs for the Company's product may be negatively affected by a rise in the cost of key inputs such as lime and soda ash, or a rise in other costs such as labour (as discussed below)</li> </ul>



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## KEY RISKS

Category of risk	Description
Funding risks	<ul style="list-style-type: none"> <li>In the ordinary course of operations and development, Orocobre is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. Orocobre's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position</li> <li>Orocobre expects project financing to be secured later in 2018 following completion of final engineering studies for Phase 2. However, the commitment of TTC to procure debt funding is on a best endeavours basis only and consequently there is no guarantee that all or any of the required project financing will be available. If this project financing is not secured, equity funding may be required for a larger portion of Phase 2 project costs</li> </ul>
Geographical concentration risk	<ul style="list-style-type: none"> <li>The majority of Orocobre's earnings are derived from projects located in Argentina. Any circumstance or event which negatively impacts Argentina could materially affect the financial performance of Orocobre more significantly than if it had a geographically diversified asset base</li> </ul>
TTC settlement risk	<ul style="list-style-type: none"> <li>A subscription agreement has been entered into with Toyota Tsusho Corporation (TTC) in relation to the <b>A\$282</b> million strategic placement at an issue price of <b>A\$7.50</b> per share. Under that agreement, the placement is scheduled to settle on <b>Thursday, 18 January 2018</b>. Approximately <b>A\$47</b> million of the placement from TTC is subject to approval of the shareholders of Orocobre and there is a risk that this approval may not be obtained. Failure to obtain this approval may result in Orocobre receiving less funding. If settlement does not complete, in whole or part, for any reason, Orocobre will have less funding available for Phase 2, which may prevent or delay the implementation of the project</li> </ul>
Market fluctuation risk	<ul style="list-style-type: none"> <li>Orocobre's revenues and cash flows are derived from the sale of lithium carbonate and borax products. Therefore, the financial performance of Orocobre is exposed to fluctuations in the prices of these products. Product prices may be influenced by numerous factors and events which are beyond the control of Orocobre</li> </ul>
Sovereign risk and Government policy changes	<ul style="list-style-type: none"> <li>Possible sovereign risks associated with operating in Argentina include, without limitation, changes in the terms of mining legislation, changes in the foreign ownership requirements in Argentina, changes to royalty arrangements, changes to taxation rates and concessions, expropriation by the federal or provincial governments or private entities and changes in the ability to enforce legal rights</li> <li>Any of these factors may, in the future, adversely affect the financial performance of Orocobre and the market price of its shares. No assurance can be given regarding future stability in Argentina or any other country in which Orocobre may, in the future, have an interest</li> <li>Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the control of Orocobre and may affect Orocobre's profitability</li> <li>At present, the Argentinian Government is considering the introduction of proposed Federal mining laws that may, if implemented, vary the royalty regime that the Olaroz project currently operates under</li> <li>Changes in community attitudes on matters such as taxation, competition policy, environment and land rights issues may bring about reviews and possibly changes in government policies. Such changes may affect Orocobre's plans or its rights and obligations in respect of its projects or licences. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by Orocobre</li> </ul>



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## KEY RISKS

Category of risk	Description
Risks to achieving increased production	<ul style="list-style-type: none"> <li>While Orocobre considers there to be a reasonable basis for its production forecasts, the forecasts are subject to a number of factors, many of which cannot be foreseen and are beyond the control of Orocobre. These factors may cause the production forecasts not to be achieved or to be achieved later than expected</li> </ul>
Labour market risks	<ul style="list-style-type: none"> <li>Orocobre is dependent upon a number of key management personnel and executives to manage the day-to-day requirements of its businesses. The loss of the services of one or more of such key management personnel could have an adverse effect on Orocobre</li> <li>Orocobre needs to be able to recruit appropriately skilled and qualified individuals to achieve high standards of operational practices. The location of the Company's operating assets means it may be difficult to recruit and retain appropriately qualified employees. Additionally, there a number of new mining projects being developed in Northern Argentina and Chile that will be competing for skilled labour. There can be no guarantee that personnel with the appropriate skills will be available. If such potential employees are available the costs of employment may increase significantly above current levels.</li> </ul>
Environment and Community	<ul style="list-style-type: none"> <li>The operations of Orocobre are subject to laws and regulations concerning the environment. It is Orocobre's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, however Orocobre's activities could have an adverse impact on the environment</li> <li>Orocobre's method of production, being the brine evaporative method, is to a significant degree driven by solar radiation and other environmental factors and therefore is susceptible to seasonal variations and is particularly susceptible to abnormal weather and climatic events. There is a risk that adverse weather and climate events can cause significant variability in the projects production profile and may negatively impact Orocobre's operations and financial performance, as was experienced in a 2017 weather event</li> <li>The ongoing support of the local communities and the appropriate management of local community expectations is very important to the efficient and profitable operations of Orocobre at Olaroz and in Argentina. The failure of Orocobre to maintain and further develop its community engagement programmes and provide education employment and other economic and social benefits to the local communities would risk disaffection on the part of the communities which may have adverse implications for Orocobre's operations in the local area and Argentina generally</li> </ul>



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## KEY RISKS

Category of risk	Description
Resource estimate risk	<ul style="list-style-type: none"> <li>The Mineral Resources for Orocobre's assets are estimates only and no assurance can be given that any particular recovery level of lithium will in fact be realised. Orocobre's estimates comply with the JORC Code, however Mineral Resources and Ore Reserves are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience. Estimates that are valid when made may change significantly when new information becomes available</li> </ul>
Exploration risk	<ul style="list-style-type: none"> <li>Exploration activities are speculative by nature and therefore are often unsuccessful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in additional reserves. If the exploration activities undertaken by Orocobre do not result in additional reserves, this may have an adverse effect on Orocobre's financial performance</li> </ul>
Joint venture risk	<ul style="list-style-type: none"> <li>The Olaroz project is developed under a joint venture with TTC and the provincial government of Jujuy. As with any joint venture, there is an inherent risk of default or breach of the joint venture agreement by a party to the agreement, which may adversely affect the Olaroz project and/or Orocobre's business</li> </ul>
Health, safety and security risk	<ul style="list-style-type: none"> <li>While Orocobre maintains a strong focus on health and safety, the mining industry presents a number of inherent health and safety risks and Orocobre employees and professional services contractors undertake work in environments where risk of personal injury is present</li> <li>If Orocobre's safety performance deteriorates or if there was a serious incident on one of its projects, Orocobre may suffer reputational damage, impacting its ability to retain employees, which may in turn negatively affect its financial position. In addition, if Orocobre fails to comply with the necessary occupational health and safety legislative requirements across the jurisdictions in which it operates, this could result in fines, penalties and compensation for damages</li> </ul>
Litigation risk	<ul style="list-style-type: none"> <li>In the normal course of business, Orocobre may be involved in complaints, disputes or litigation both in Australia and internationally by shareholders, customers, suppliers, clients, government agencies or third parties, including disputes or litigation arising from contract claims. Such matters may have an adverse effect on Orocobre's reputation, divert its financial and management resources from more beneficial uses, and have a material adverse effect on Orocobre's future financial performance or position. In particular, claims or disputes may not always be resolved through negotiation with the parties directly and may lead to litigation</li> </ul>
Discretion in use of capital	<ul style="list-style-type: none"> <li>The board and management of Orocobre have discretion concerning the use of Orocobre's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, Orocobre's financial and/or operational performance may suffer</li> </ul>



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## KEY RISKS

Category of risk	Description
Foreign exchange, interest rates and inflation	<ul style="list-style-type: none"> <li>Aside from the usual commercial and economic risks associated with the Companies activities the Company is subject to the following economic risks:</li> <li>Orocobre is an Australian business that reports in US dollars. Revenue is derived from the sale of products in US dollars. Movements in the US\$/A\$ exchange rate, the Argentinian Peso/A\$ exchange rate or the US\$/Argentinean Peso exchange rate may adversely or beneficially affect Orocobre's cash flows</li> <li>Sales de Jujuy SA, the operating joint venture company, has borrowed funds to construct Phase 1 and is looking to borrow funds to partially fund construction of Phase 2 in addition to having working capital facilities. Consequently, an increase in interest rates will adversely impact anticipated returns for Orocobre</li> <li>High inflation rates have been a persistent economic problem in Argentina. To the extent inflation rates are not offset by devaluation of the Argentine Peso, the operating costs of Orocobre are likely to increase</li> </ul>



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## INTERNATIONAL SELLING RESTRICTIONS



# INTERNATIONAL SELLING RESTRICTIONS

## Canada

A holder of shares who is resident in Canada is not entitled to participate in the Retail Entitlement Offer, but certain eligible institutional shareholders in Canada who receive an offer (to be determined at the sole discretion of the Company and the underwriter) will be entitled to participate in the Institutional Entitlement Offer, provided that each such investor is an "accredited investor" (as such term is defined in National Instrument 45-106 – Prospectus Exemptions ("NI 45-106")). Accordingly, the Company will only issue entitlements to a holder of shares who is a resident of Canada and where the Company and the underwriter, in their sole discretion, determine that such holder is an eligible institutional shareholder and an "accredited investor" and that the issue of entitlements to and subscription for new shares ("New Shares") by such person is otherwise lawful and in compliance with all securities and other laws applicable to such person.

## China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the People's Republic of China to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

## European Economic Area (Austria, Luxembourg, Norway, Sweden)

In relation to Austria, Luxembourg, Norway and Sweden (each a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, an offer of New Shares may not be made to the public in that Relevant Member State, other than:

- a) to any legal entity that is a qualified investor as defined in the Prospectus Directive; or
- b) In any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive;

provided that no such offer of securities shall require the Company or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of the above, the expression an "offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State (and amendments thereto, including Directive 2010/73/EU to the extent implemented in that Relevant Member State), and the expression "Prospectus Directive" means Directive 2003/71/EC and any amendment thereof includes any relevant implementing measure in that Relevant Member State.



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# INTERNATIONAL SELLING RESTRICTIONS

## France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers (the "AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation. Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

## Germany

This document and the Entitlement Offer is only being made in Germany pursuant to an exemption from the requirement to publish a prospectus that has been approved by the German Federal Financial Supervisory Authority BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht) and published in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz). This document has not been, and will not be, registered with or approved by BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht).

Accordingly, in Germany, the Entitlement Offer and documents or other materials in relation to the Entitlement Offer or the New Shares are only addressed to, and are only directed at, qualified investors (qualifizierte Anleger) in Germany within the meaning of Section 3 para. 2 sentence 1 no. 1 in accordance with Section 2 no. 6 of the German Securities Prospectus Act.

## Hong Kong

WARNING: This document has not been, and will not be, registered in Hong Kong, nor has it been authorised by any regulatory authorities in Hong Kong. The New Shares may not be offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (i) to "professional investors" within the meaning of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and any rules made under that ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares may be issued or may be in the possession (and no advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession) of any person for the purpose of issue, whether in Hong Kong or elsewhere, that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (chapter 571, Laws of Hong Kong) and any rules made under that ordinance. No person allotted New Shares may dispose, transfer or on sell, or offer to dispose, transfer or on sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such New Shares.



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# INTERNATIONAL SELLING RESTRICTIONS

This document and the information within are strictly confidential to the person whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by recipient to any other person or used for any purpose in Hong Kong.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Japan

The offering of entitlements under the Entitlement Offer ("Entitlements") and the New Shares has not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as set forth in Article 2, paragraph 3, item 2(a) of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means, unless otherwise provided herein, any person resident in Japan, including any corporation or other entity organised under the laws of Japan) other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan or to, or for the benefit of, any resident of Japan that is not a Qualified Institutional Investor, and acquisition by any Qualified Institutional Investors of Entitlements or New Shares from current holder is conditional upon the execution of an agreement to restriction on transferability and to comply with the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan..

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to retail investors within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these equity securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



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# INTERNATIONAL SELLING RESTRICTIONS

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to sale restrictions in Singapore and comply accordingly.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.



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# INTERNATIONAL SELLING RESTRICTIONS

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## United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## United States

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This presentation may not be distributed or released in the United States. The securities in the proposed offering have not been and will not be registered under the United States Securities Act of 1933 as amended (the "US Securities Act"), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in the proposed offering may not be offered, or sold, directly or indirectly, in the United States, except in a transaction exempt from, or subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.



## 3. How to Apply

### 3.1 Choices available to Eligible Retail Shareholders

If you are an Eligible Retail Shareholder, you may take any one, or a combination, of the following actions:

- (a) take up all or part of your Entitlement (refer to Section 3.2);
- (b) sell or transfer all or part of your Entitlement:
  - (1) on ASX through your broker (refer to Section 3.3); or
  - (2) by transferring it directly to another person (refer to Section 3.4); or
- (c) do nothing and allow your Entitlement to be sold through the Retail Shortfall Bookbuild (refer to Section 3.5).

If you are an Eligible Retail Shareholder, the number of New Shares to which you are entitled under the Retail Entitlement Offer is shown on the accompanying Entitlement and Acceptance Form. If you have more than one eligible registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and will have a separate Entitlement for each holding.

Ineligible Retail Shareholders may not take up any of their Entitlement.

**The Closing Date for acceptance of the Retail Entitlement Offer is 5.00pm (AEDT) on 2 February 2018** (however, that date may be varied by Orocobre, in accordance with the Listing Rules and the Underwriting Agreement). Orocobre reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the 'Key Risks' section of the investor presentation included in Section 2 for a summary of general and specific risk factors that may affect Orocobre.

### 3.2 Take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, follow the instructions set out on the Entitlement and Acceptance Form.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with Section 3.7 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5.00pm (AEDT) on 2 February 2018 at the following address:

Orocobre Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne Victoria 3001  
Australia

You may also take up all of your Entitlement by payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY®, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5.00pm (AEDT) on 2 February 2018.

Refund amounts, if any, will be paid in Australian dollars and without any interest. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the Closing Date. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to [www.investorvote.com/au](http://www.investorvote.com/au) and following the instructions.

### 3.3 Sell all or part of your Entitlement on ASX

If you wish to sell your Entitlement on ASX, you can do so through your broker. You should provide the details requested by your broker from your Entitlement and Acceptance Form.

You should allow sufficient time for your instructions to be carried out by your broker. Please note that you may incur brokerage costs if you choose to sell your Entitlement through your broker.

It is expected that trading of Entitlements on ASX will:

- (a) commence trading at approximately 10.00am (AEDT) on 19 January 2018 on a deferred settlement basis until approximately 4.00pm (AEDT) on 23 January 2018; and
- (b) resume trading from 10.00am (AEDT) on 24 January 2018 on a normal settlement basis until approximately 4.00pm (AEDT) on 25 January 2018.

There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve. Prices for Entitlements may rise and fall over the trading period and will depend on many factors, including the demand for and supply of Entitlements on ASX and the value of Shares relative to the Issue Price. If you sell your Entitlement during the trading period, you may receive a higher or lower amount than another Shareholder who sells Entitlements at a different time during the trading period or through the Retail Shortfall Bookbuild. Up to date information about the current price of Entitlements on ASX can be obtained from [www.asx.com.au](http://www.asx.com.au).

**To the maximum extent permitted by law, Orocobre and the Lead Manager disclaim all liability that may arise if you trade your Entitlement before they are allotted, or before you receive your Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Orocobre or its Share Registry or failure to maintain your updated details on Orocobre's share register or otherwise.**

If you sell your Entitlement, you will forego any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your percentage shareholding in Orocobre will also be diluted.

### 3.4 If you wish to transfer all or part of your Entitlement other than on ASX

For Eligible Retail Shareholders with issuer sponsored holdings only, if you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Transfer Form to the Share Registry in relation to the part of your Entitlement that you wish to transfer. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application Monies with the Entitlement and Acceptance Form related to the Entitlement transferred to them to the Share Registry.

You can obtain a Renunciation and Transfer Form from the Share Registry. The Renunciation and Transfer Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the Entitlement transferred to them must be received by the Share Registry at the mail delivery address set out in Section 3.2 no later than 5.00pm (AEDT) on 2 February 2018.

If the Share Registry receives both a completed Renunciation and Transfer Form and a completed Entitlement and Acceptance Form from you, the transfer will take priority over the application for New Shares.

You may only transfer your Entitlement to a transferee with an address in Australia or New Zealand, who is not in the United States and who is not acting for the account or benefit of a person in the United States. If the transferee does not meet these requirements, then the transferee will not be eligible to purchase, trade, take up or exercise Entitlements.

If you transfer your Entitlement, you will forego any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your percentage shareholding in Orocobre will also be diluted.

### 3.5 **Do nothing and allow your Entitlement to be sold through the Retail Shortfall Bookbuild**

If you do not take up, sell or transfer all of your Entitlement, any remaining Entitlements will be sold through the Retail Shortfall Bookbuild to eligible institutional investors. You will receive the Retail Premium, if any, in respect of those Entitlements that are sold, net of any applicable withholding tax.

If you have an Australian bank account and it is recorded on Orocobre's share register you will receive the Retail Premium by direct transfer to your bank account. All other Eligible Retail Shareholders will receive payment by cheque in Australian dollars.

There will be tax consequences in respect of proceeds received from the sale of the Entitlements through the Retail Shortfall Bookbuild. A summary of the Australian tax consequences is set out in Section 4. You should also consult with your tax adviser before making a decision in respect of the Retail Entitlement Offer.

You will not incur brokerage costs on any Retail Premium received from the Retail Shortfall Bookbuild.

There is no guarantee that a Retail Premium will be achieved as the premium may be zero. The outcome of the Institutional Shortfall Bookbuild is not indicative of the outcome of the Retail Shortfall Bookbuild and the Retail Premium may be less than, equal to or greater than the Institutional Premium.

The Retail Premium achieved, if any, will depend on a number of factors, including market conditions, demand for and supply of Entitlements and the value of Shares relative to the Issue Price. To the extent permitted by law, Orocobre, the Lead Manager, their related bodies corporate and affiliates, and each of their respective directors, officers, employees and representatives disclaim any liability, including for negligence, for any failure to sell Entitlements in the Retail Shortfall Bookbuild at a price in excess of the Issue Price.

The Retail Premium may not be the highest price available, but will be determined having regard to a number of factors, including, but not limited to, general market conditions, expected share price performance and having binding and bona fide offers which, in the reasonable opinion of the Lead Manager, will, if accepted, result in otherwise acceptable allocations to clear the entire book.

If your Entitlement is sold, you will forego any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your percentage shareholding in Orocobre will also be diluted.

Ineligible Retail Shareholders will receive the Retail Premium, if any, less any applicable withholding tax, for Entitlements that have been sold on their behalf in the Retail Shortfall Bookbuild (refer to Section 1.4 for further information).

The Directors reserve the right to issue any shortfall Shares at their discretion, but in any event not later than three months after the Closing Date.

### 3.6 Consequences of not accepting all of your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out, any New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be sold to by the Lead Manager or any sub-underwriter.

Your percentage shareholding in Orocobre will be diluted if you do not accept all of your Entitlement.

### 3.7 Payment

The consideration for the New Shares is payable in full on application by a payment of \$6.55 per New Share. The completed Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies (unless you make payment by BPAY® as noted below). Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Orocobre Limited – Retail Entitlement Offer**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. It is your responsibility to ensure your BPAY® payment is received by the Share Registry by no later than 5.00 pm (AEDT) on 2 February 2018. Your financial institution may implement earlier cut-off times with regard to electronic payment, and you should take that into consideration.

Eligible Retail Shareholders must not forward cash by mail. Receipts for payment will not be issued.

### 3.8 No minimum subscription

There is no minimum subscription amount for the Retail Entitlement Offer.

### 3.9 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form with the requisite Application Monies, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms of this Information Booklet and, once paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is at their sole discretion and final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) acknowledge that you have read and understand this Information Booklet and the accompanying Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Retail Entitlement Offer, this Information Booklet and Orocobre's constitution;
- (c) authorise Orocobre to register you as the holder(s) of the New Shares allotted to you;
- (d) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;

- (f) acknowledge that, once Orocobre or the Share Registry receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law;
- (g) agree to apply for the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies, at the Issue Price per New Share;
- (h) authorise Orocobre, the Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (i) acknowledge and agree that:
  - (1) determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Orocobre and the Lead Manager; and
  - (2) Orocobre and the Lead Manager and each of their respective related bodies corporate and affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent by law;
- (j) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form;
- (k) acknowledge that the information contained in this Information Booklet and your Entitlement and Acceptance Form is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (l) acknowledge that the Information Booklet is not a prospectus and does not contain all of the information that you may require in order to assess an investment in Orocobre and is given in the context of Orocobre's past and ongoing continuous disclosure announcements to ASX;
- (m) acknowledge that you have read and understood the statements of risks in the 'Key Risks' section of the investor presentation included in Section 2 and that an investment in Orocobre is subject to risks;
- (n) acknowledge that none of Orocobre, the Lead Manager or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Orocobre, nor do they guarantee the repayment of capital;
- (o) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of the New Shares on the Record Date;
- (p) authorise Orocobre to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (q) you represent and warrant (for the benefit of Orocobre, the Lead Manager and their respective related bodies corporate and affiliates) that you did not receive an invitation to an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;

- (r) you represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (s) are not in the United States of America and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States of America (to the extent such person holds ordinary shares in Orocobre for the account or benefit of such person in the United States) and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (t) acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia;
- (u) have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States of America or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States of America;
- (v) you understand and acknowledge that neither the Entitlement nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlement may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlement nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- (w) you are subscribing for or purchasing Entitlements or New Shares in an ‘offshore transaction’ (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act; and
- (x) if you are acting as nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

### 3.10 Representations by acquirers of Entitlements

Investors who acquire Entitlements on ASX or otherwise will be deemed to agree to make and be subject to the representations, declarations, warranties and agreements in Section 3.9 (with references to the Entitlement and Acceptance Form to be read as including any other form provided or required to be provided to Orocobre, the Share Registry or the investor’s broker).

The Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by person who are acting for the benefit of persons in the United States.

Investors should note that Entitlements can only be exercised by a person who qualifies as an Eligible Retail Shareholder (other than in respect of being a Shareholder as at the Record Date), or unless the person is an “eligible person” as determined by Orocobre in its sole discretion provided that such person is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person will be holding Entitlements or New Shares for the account or benefit of a person in the United States).

An investor who does not satisfy the above requirements will not be entitled to take up Entitlements or subscribe for New Shares. It is the responsibility of investors to ensure they meet these requirements. Any Entitlements that are not able to be taken up by investors will be sold into the Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement, or whose Entitlement is sold through the Retail Shortfall Bookbuild. You may incur brokerage costs if you sell all or part of your Entitlement on ASX through a broker.

No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

### **3.11 No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

### **3.12 Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand or any other country to the extent Orocobre may determine it is lawful and practical to make the Retail Entitlement Offer.

Orocobre is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlement. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Retail Entitlement Offer by the beneficiary complies with applicable foreign laws. Orocobre is not able to advise on foreign laws.

## 4. Australian Tax Considerations

### 4.1 Introduction

This section is a general summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders.

The taxation implications of the Retail Entitlement Offer will vary depending your particular circumstances. Accordingly, you should seek and rely upon the professional advice of your own taxation or financial adviser before concluding on the particular taxation treatment that will apply to you.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- hold your Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- are subject to the “taxation of financial arrangements” rules (commonly referred to as the TOFA rules) in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to your holding of Shares, Entitlements or New Shares; or
- acquired the Shares in respect of which the Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme; or
- acquired Entitlements otherwise than because you are an Eligible Retail Shareholder (e.g. where the Entitlements are acquired on ASX).

If you are such a Shareholder, you should seek your own independent professional tax advice applicable to your particular circumstances.

The comments are necessarily general in nature and are reflective of the comments in the Commissioner of Taxation’s public ruling Taxation Ruling 2017/4 (Income Tax: taxation of rights and retail premiums under renounceable rights offers where shares are held on capital account). The comments are based on Australian taxation law and administrative practice as at the time of issue of this Information Booklet.

The comments do not take into account any financial objectives, tax positions or investments needs to any particular Shareholder. As the taxation implications of the Retail Entitlement Offer will depend upon an Eligible Retail Shareholder’s particular circumstances, all Eligible Retail Shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Eligible Retail Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered by taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.

Neither Orocobre nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Retail Entitlement Offer.

## 4.2 Income tax consequences of Entitlements

### (a) Issue of Entitlements

The issue of Entitlements to Australian resident Eligible Retail Shareholders should not, of itself, give rise to any amount of assessable income or capital gain for Eligible Retail Shareholders.

### (b) Exercise of Entitlements

The exercise of Entitlements should not, of itself, result in any amount being included in an Eligible Retail Shareholder's assessable income and should not give rise to any capital gain under the capital gains tax (CGT) provisions.

Eligible Retail Shareholders that exercise their Entitlements will receive New Shares. The amount paid to exercise Entitlements (i.e. the Issue Price) and any non-deductible incidental costs will form the cost base of the New Shares acquired through exercise for CGT purposes.

### (c) Sale on ASX or transfer of Entitlements

The Entitlements are classified as assets for CGT purposes. Entitlements may be sold on the ASX or through a sale or transfer to a third person.

Eligible Retail Shareholders will have no first element of cost base for their Entitlements under the CGT rules. Eligible Retail Shareholders will realise a capital gain equal to the Issue price (or deemed market value sale price if Entitlements are sold or transferred for no consideration or on non-arm's length terms) less any incidental costs of disposal. This capital gain will be included in assessable income after the application of current year or carry forward capital losses.

Eligible Retail Shareholders will be treated as having acquired their Entitlements on the same date they acquired the Shares which gave rise to the Entitlements. This means that if an Eligible Retail Shareholder (who is an individual, trust or complying superannuation fund) has held their existing Shares for 12 months prior to the date of sale or transfer of their Entitlements, they should be entitled to discount the amount of any capital gain resulting from the sale of the Entitlements (after the application of any current year or carry forward capital losses). The amount of this discount is 50% for individuals and trustees and 33 1/3% for complying superannuation entities. This is referred to as the 'CGT discount'. The CGT discount is not available for companies that are not trustees. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of discount capital gains. Eligible Retail Shareholders under an employee share scheme should seek specific tax advice on the acquisition date of Shares which give rise to the Entitlements in respect of an employee share scheme.

### (d) Sale of Entitlements through Retail Shortfall Bookbuild

Eligible Retail Shareholders who do not or cannot exercise, sell or transfer their Entitlements will have their Entitlements offered for sale on their behalf in the Retail Shortfall Bookbuild on 7 February 2018 and any Retail Premium will be remitted proportionally to the holders of those Entitlements.

In Taxation Ruling TR 2017/4, the Commissioner of Taxation has stated that such a sale should constitute a CGT event to the Eligible Retail Shareholder and be dealt with under the CGT provisions in the manner set out in section 4.2(c) above, and the Retail Premium received by the Eligible Retail Shareholder. The Commissioner of Taxation has also confirmed that Retail Premiums paid to Eligible Retail Shareholders are not ordinary income, or a dividend, for tax purposes.

### 4.3 Income tax consequences of New Shares

Dividends paid on the New Shares should be frankable for imputation purposes. Generally, provided that an Eligible Retail Shareholder is a 'qualified person' and the Commissioner of Taxation does not make a determination under the dividend streaming rules to deny the benefit of the franking credits to the Eligible Retail Shareholder, the Eligible Retail Shareholder:

- should include the amount of the dividend as well as an amount equal to the franking credits attached to the dividend in their assessable income in the income year in which they receive the dividend; and
- should qualify for a tax offset equal to the franking credits attached to the dividend, which can be applied against their income tax liability for the relevant income year.

An Eligible Retail Shareholder should be a 'qualified person' if the 'holding period rule' and the 'related payments rule' are satisfied. Generally:

- to satisfy the 'holding period rule', an Eligible Retail Shareholder must have held their New Shares 'at risk' for a continuous period of at least 45 days (excluding the day of disposal) within a period beginning on the day after the day on which they acquired and ending on the 45th day after they become ex-dividend. To be held 'at risk', an Eligible Retail Shareholder must retain 30% or more of the risks and benefits associated with holding their New Shares. Where an Eligible Retail Shareholder undertakes risk management strategies in relation to their New Shares (e.g. by the use of limited recourse loans, options or other derivatives), the Eligible Retail Shareholder's ability to satisfy the 'at risk' requirement of the 'holding period rule' may be affected; and
- under the 'related payments rule', an Eligible Retail Shareholder who is obliged to make a 'related payment' (essentially a payment passing on the benefit of the dividend to another person), in respect of a dividend must hold the New Shares 'at risk' for at least 45 days (not including the days of acquisition and disposal) within each period beginning 45 days before and ending 45 days after they become ex-dividend.

An Eligible Retail Shareholder who is an individual is automatically treated as a 'qualified person' for these purposes if the total amount of the tax offsets in respect of all franked amounts to which the Shareholder is entitled in an income year does not exceed \$5,000. This is referred to as the 'small shareholder exemption'. However, an Eligible Retail Shareholder will not be a 'qualified person' under the small shareholder exemption if 'related payments' have been made, or will be made, in respect of such amounts.

In relation to the tax consequences on disposal of New Shares, any gain or loss realised on disposal should be taxable under the CGT provisions. The cost base for New Shares will be the amount paid for them (i.e. the Issue Price) together with certain incidental costs of acquisition and disposal. The New Shares will be treated as having been acquired on the date the relevant Shareholder exercised their Entitlements to buy the New Shares (i.e. the date the Shareholder returned their completed Entitlement and Acceptance Form). This means that the New Shares would need to be held for at least 12 months after this date in order for an Eligible Retail Shareholder (who is an individual, trust or complying superannuation fund) to be eligible for the CGT discount concession on disposal of the New Shares.

#### 4.4 **Provision of TFN or ABN**

Australian tax legislation imposes withholding tax (currently at a rate of 47%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided. Eligible Retail Shareholders that have not previously provided their TFN or ABN (if applicable) to Orocobre may wish to do so prior to the close of the Retail Entitlement Offer to ensure that withholding tax is not deducted from any amounts payable to them.

An Eligible Retail Shareholder is not required to provide their TFN or ABN to Orocobre.

#### 4.5 **Other Australian taxes**

No Australian GST or stamp duty should be payable on the issue, receipt, exercise, sale, transfer or disposal of New Shares or Entitlements.

GST is not payable in relation to the payment of dividends by Orocobre.

## 5. Definitions

These definitions are provided to assist the understanding some of the expressions used in this Information Booklet.

"\$" or "AUD" means Australian dollars.

"ABN" means Australian Business Number.

"Applicant" means an Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or has arranged for payment through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

"Application" means a duly completed Entitlement and Acceptance Form submitted to Orocobre accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

"Application Monies" means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY®.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means ASX Limited ACN 008 624 691, or the securities exchange operated by it (as the case requires).

"Business Day" means a business day as defined in the Listing Rules.

"CGT" means capital gains tax.

"Closing Date" means 2 February 2018, being the day the Retail Entitlement Offer closes, or any other date that the Directors in their absolute discretion determine after consultation with the Lead Manager, subject to the Listing Rules.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Directors" means the directors of Orocobre as appointed from time to time.

"Eligible Institutional Shareholder" means an institutional Shareholder to whom the Lead Manager, on behalf of Orocobre, made an offer under the Institutional Entitlement Offer (and who, for the avoidance of doubt, is not an excluded institutional shareholder under the Underwriting Agreement).

"Eligible Retail Shareholder" has the meaning given in Section 1.3.

"Eligible Shareholder" means an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

"Entitlement" means the right to subscribe for New Shares under the Retail Entitlement Offer.

"Entitlement and Acceptance Form" means the personalised acceptance form accompanying this Information Booklet.

"Entitlement Offer" means an accelerated renounceable pro rata entitlement offer with retail rights trading to Eligible Shareholders to raise approximately \$79 million at the Issue Price on the basis of 1 New Share for every 20 Existing Shares held on the Record Date, comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer.

"Existing Shares" means the Shares already on issue in Orocobre as at the Record Date.

"**GST**" means Goods and Services Tax.

"**Ineligible Institutional Shareholder**" means an institutional Shareholder that is not an Eligible Institutional Shareholder.

"**Ineligible Retail Shareholder**" means a retail Shareholder that is not an Eligible Retail Shareholder.

"**Information Booklet**" means this retail entitlement offer information booklet.

"**Institutional Entitlement**" means an entitlement under the Institutional Entitlement Offer.

"**Institutional Entitlement Offer**" means the institutional component of the Entitlement Offer to Eligible Institutional Shareholders.

"**Institutional Premium**" means the excess of the price at which New Shares were sold under the Institutional Shortfall Bookbuild over the Issue Price.

"**Institutional Shortfall Bookbuild**" means a bookbuild for the Institutional Entitlement Offer, through which the Institutional Entitlements not taken up and Entitlements of Ineligible Institutional Shareholders were sold.

"**Issue Price**" means \$6.55 per New Share.

"**Lead Manager**" means the lead manager and underwriter to the Entitlement Offer.

"**Listing Rules**" means the official listing rules of ASX.

"**New Shares**" means Shares to be allotted and issued under the Entitlement Offer.

"**Orocobre**" means Orocobre Limited ACN 112 589 910.

"**Record Date**" means 7.00pm (AEDT) on 19 January 2018.

"**Renunciation and Transfer Form**" means the renunciation and transfer form which must be completed to transfer all of part of any Entitlements other than on ASX.

"**Retail Entitlement Offer**" means the retail component of the Entitlement Offer to Eligible Retail Shareholders.

"**Retail Premium**" means the excess of the price at which New Shares were sold under the Retail Shortfall Bookbuild over the Issue Price.

"**Retail Shortfall Bookbuild**" means a bookbuild for the Retail Entitlement Offer, through which Entitlements which are not taken up by the close of the Retail Entitlement Offer, and Entitlements of Ineligible Retail Shareholders, will be sold.

"**Shareholders**" means holders of Shares.

"**Shares**" means fully paid ordinary shares in the capital of Orocobre.

"**Share Registry**" means Computershare Investor Services Pty Limited ACN 078 279 277.

"**Strategic Placement**" means the strategic institutional placement undertaken by Orocobre to Toyota Tsusho Corporation announced 16 January 2018.

"**TERP**" means theoretical ex-rights issue price.

“**TFN**” means an Australian tax file number.

“**Underwriting Agreement**” means the underwriting agreement dated 16 January 2018 between Orocobre and the Lead Manager.

“**US Securities Act**” means the *United States Securities Act of 1933*, as amended.

# Corporate Directory

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## **Orocobre Limited**

Level 1, 349 Coronation Drive  
Brisbane, QLD 4064  
[www.orocobre.com](http://www.orocobre.com)

## **Directors**

Mr Robert Hubbard (Non-Executive Chairman)  
Mr Richard Seville (CEO and Managing Director)  
Mr John Gibson (Non-Executive Director)  
Ms Leanne Heywood (Non-Executive Director)  
Mr Federico Nicholson (Non-Executive Director)  
Mr Fernando Oris de Roa (Non-Executive Director)  
Mr Courtney Pratt (Non-Executive Director)

## **Joint Company Secretaries**

Mr Rick Anthon (General Counsel and Joint Company Secretary)  
Mr Neil Kaplan (CFO and Joint Company Secretary)

## **Legal advisers**

Jones Day  
Level 31, Riverside Centre  
123 Eagle Street  
Brisbane, QLD 4000  
[www.jonesday.com](http://www.jonesday.com)

## **Share Registry**

Computershare Investor Services Pty Limited  
Level 1, 200 Mary Street  
Brisbane, QLD 4000  
[www.computershare.com.au](http://www.computershare.com.au)