

# Orocobre Limited: \$37 Million Placement Completed

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**- Enables "fast track" approach to Borax Argentina expansion initiatives**

**- Enhances balance sheet and increases working capital to support additional growth initiatives**

BRISBANE, AUSTRALIA--(Marketwired - Nov 13, 2013) - [Orocobre Ltd. \(TSX:ORL\)\(ASX:ORE\)](#) ("**Orocobre**" or "**the Company**") is pleased to announce that the Company's book build was significantly oversubscribed and has raised approximately A\$37.1 million in a placement to domestic and international institutional and sophisticated investors.

A\$20m of the proceeds of this capital raising is anticipated to be used to fund Borax Argentina expansion and efficiency initiatives, and A\$17m for corporate working capital.

The placement of approximately 17.66 million shares will be issued pursuant to Orocobre's 15% capacity under ASX Listing Rule 7.1 at a price of A\$2.10 per share, being a 7.0% discount to the ASX closing price prior to the Company entering into a trading halt on 11 November.

The Lead Manager and Bookrunner for the placement was Canaccord Genuity (Australia) Ltd.

Managing Director Richard Seville said, "We are very pleased with the strong demand and support for the placement from both our existing shareholders and new domestic and international institutional investors. This reflects the confidence in Orocobre and our lithium and industrial mineral assets in Argentina. Construction of our flagship Olaroz lithium project is running on schedule and within budget and we are looking forward to rapidly pushing ahead with the initiatives at Borax Argentina. The funding we have put in place will allow us to "fast track" our plans, and to create a strong platform for growth. Additionally, we considered it prudent to put in place a level of working capital "buffer" at the corporate level which we believe is appropriate for a Company of our size and opportunity."

## **Borax Argentina Background and Product Portfolio**

Borax Argentina SA was acquired from Rio Tinto in August 2012. The business has an operating history spanning 50 years. The operations, including three open pit mines, concentrators, refining capacity and significant land holdings, solidifies Orocobre's presence and operational experience in northern Argentina. The mining operations are located in Tincalayu, Porvenir and Sijes. The deposits contain mineralisation described as historical estimates and announced at the time of the purchase. The company is in the process of converting these historical estimates into JORC compliant resources.

There are three different product streams within the business.

## **Borax Chemical Products**

This product group includes borax decahydrate, borax pentahydrate and borax anhydrous. These products are produced from tincal mineral mined and concentrated at Tincalayu and transported 350 kms to Campo Quijano for refining. The refining plant at Campo Quijano is in the process of being relocated to the Tincalayu mine and modified to treat run of mine mineralisation. The capacity of the plant is 25,000 tpa of finished products and is currently only 60% utilised. The relocation of the refining plant will result in more efficient mineral utilisation and lower cost per unit of production. [Please refer to "Orocobre Announces Borax Plant Relocation" ASX announcement dated 1st July 2013 for further details.](#)

Borax chemicals are used in:

## **Boric Acid**

Currently, Borax Argentina produces boric acid from a 9,000 tonnes per annum plant at Campo Quijano near Salta city, processing ulexite mineralisation mined from Porvenir which is located 300kms away. The plant is designed to treat a high grade feed of ulexite mineralisation which has been selectively mined and then upgraded by drying and hand sorting. The Company announced a pre-feasibility study (4<sup>th</sup> November, 2013) to assess the feasibility of constructing a boric acid plant with a production capacity of 16-24,000 tpa boric acid at Olacapato, 40 kms from the Porvenir mine. The plant flowsheet will be designed to allow treatment of lower grade run of mine mineralisation than are currently being processed and with the aim of obtaining higher recoveries and reduced operating costs. Based on earlier internal company scoping studies, the estimated capital cost of the boric acid plant is in the range of US\$13-17million including 35% contingency.

There are potential advantages to the construction of a new and larger facility at Olacapato. In particular, by being able to process lower grade "run-of-mine" mineralisation the costly and time consuming process of drying and hand sorting would be eliminated and the mining and processing recovery of mineralisation increased. In addition, the long cartage by road transport would be eliminated and the increased production rate would provide economies of scale compared to current operations.

Boric acid is used in a wide variety of applications including glass, ceramics, fertilisers and wood preservatives. The market has a growth profile above world GDP growth. For standard and agricultural grade boric acid, pricing has ranged approximately between US\$750/t to \$1,250/t CIF over the past 5 years. [Please refer to the "Boric Acid Prefeasibility Study" ASX announcement dated 4<sup>th</sup> November 2013 for further details.](#)

## **Borate Minerals**

The centre of minerals production is at Sijes where there are open cut mines and a concentrator. The minerals produced are principally hydroboracite and colemanite. Colemanite is supplied predominantly into the ceramic market. Hydroboracite is a mineral almost entirely found to Argentina and possesses some performance characteristics that make it attractive for use in certain applications in the ceramic and agriculture markets.

Orocobre considers that Borax Argentina has promising organic growth prospects given its large asset base, strong production infrastructure and capable management team.

## **Historical Estimate for JORC Compliant Resource Conversion Programme**

The Company is currently undertaking a program of upgrading the historical estimates of mineralisation to JORC compliant resources.

The first to be completed is expected to be for the Porvenir Mine where ulexite is mined. Ulexite, is used to make boric acid currently at the chemical plant in Campo Quijano. This is expected during this quarter. The

second is expected to be the Tincalayu Mine where tincal is mined for the production of borax chemicals. This is expected in Q1 2014.

Once the conversion programme is completed at Tinacalayu and Porvenir, work will commence on the Sijes hydroboracite deposit and the other salar hosted ulexite deposits at Diablillos and Ratonés.

To view the map associated with this release, please visit the following link:  
<http://media3.marketwire.com/docs/911315.pdf>.

## **About Orocobre Limited**

[Orocobre Ltd.](#) is listed on the Australian Securities Exchange and Toronto Stock Exchange (TSX:ORL)(ASX:ORE), and is building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company is building in partnership with Toyota Tsusho Corporation the first large-scale, "greenfield" brine based lithium project in 20 years at its flagship Salar de Olaroz resource, with projected production of 17,500 tonnes per annum of low-cost battery grade lithium carbonate scheduled to commence in Q2, 2014. The Company also wholly-owns Borax Argentina, an important regional borate producer. Orocobre is included in the S&P/ASX 300 Index and was named 2012 Mining Company of the Year by Argentine mining magazine Panorama Minero and the Fundacion para el Desarrollo de la Minería Argentina ("Fundamin" or Foundation for Development of Argentina Mining). For further information, please visit [www.orocobre.com](http://www.orocobre.com).

## **Technical Information, Competent Persons' and Qualified Persons Statements**

The information in this report that relates to mineralisation at Borax Argentina sites has been prepared by Mr Murray Brooker. Murray Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Murray has sufficient relevant experience to qualify as a competent person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined in NI 43-101. The information in this report that relates to mineral processing has been prepared by Mr Peter Ehren. Peter Ehren is a Member of the Australasian Institute of Mining and Metallurgy and Chartered Professional and is a consulting mineral processing engineer. Mr Ehren is also a "Qualified Person" as defined in NI43-101. The Company confirms that it is not aware of any new information or data that materially affects the information included in the references above and that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified. Additional information relating to the Company's projects is available on the Company's website.

## **Caution Regarding Forward-Looking Information**

*This news release contains "forward looking information" within the meaning of applicable securities legislation. Forward looking information contained in this release may include, but is not limited to the completion of construction at the Olaroz project and the timing thereof, the commencement of commercial production at the Olaroz project and the timing thereof, the cost of construction relative to the estimated capital cost of the Olaroz project, the conversion of historical estimates to JORC compliant resources and the timing thereof, the relocation of and/or potential construction of plants in Borax Argentina SA, the timing thereof and potential future benefits of the relocation or construction of these plants.*

*The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the timely receipt of required approvals and completion of agreements on reasonable terms and conditions; the ability of the Company to obtain financing as and when required and on reasonable terms and conditions; the prices of lithium and potash; and the ability of the Company to operate in a safe, efficient and effective manner. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*

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