

Highlights

- The Cauchari project lies between Orocobre's producing Olaroz Lithium facility and the pre-development Cauchari project of [Lithium Americas Corp.](#)
- The Cauchari project currently contains an inferred resource of approximately 470,000 tonnes lithium carbonate equivalent and 1.6 million tonnes of potash (potassium carbonate) equivalent.
- A revised exploration target of between 5.6 million tonnes and 0.25 million tonnes of lithium carbonate equivalent and 19 million tonnes of potash (potassium carbonate) equivalent is estimated beneath the resource to 350 metres deep in the eastern properties and to 450 metres deep in the western properties. *The potential quantity and grade of the exploration target is conceptual in nature, and there has been insufficient drilling to determine a mineral resource. The Exploration Target is outlined. It is uncertain if further exploration drilling will result in the determination of a Mineral Resource.*
- Brine chemistry (Mg/Li ratio 2.8) is similar to that at Olaroz and initial evaluation of the process suggests the brine could be processed to produce lithium carbonate and potassium carbonate.

In conjunction with announcement of the joint venture (JV) between [Orocobre Ltd.](#) (the Company or Orocobre) and [Advantage Lithium](#) the Cauchari project ("Cauchari") in Jujuy Province, North West Argentina the company provides the following technical details.

As announced on October 22, 2012, the project currently contains an inferred resource in two adjoining areas of the salar, with a total of 470,000 tonnes of lithium carbonate and 1.6 million tonnes of potash (potassium carbonate) equivalent. This is equivalent to 470,000 tonnes of lithium carbonate and 1.6 million tonnes of potash (potassium carbonate) being equivalent to one tonne of lithium and 1.91 tonnes of potash being equivalent to one tonne of potassium. Details are given in Table 1.

To view Table 1, please visit the following link: <http://media3.marketwire.com/docs/ori1123tab1.pdf>.

As per Canadian reporting requirements Advantage Lithium will release an NI 43-101 resource report within 45 days of this announcement.

Due to differences in drill hole depths the resource was divided into a northern and a southern resource area. The resource was estimated based on drilling, with the estimate extending to 170 metres depth in the northern area of the properties and 50 metres depth in the southern area.

The resource boundaries are constrained by the company's property holdings, drilling results and geophysical survey interpretation. The Company and Competent Person/Qualified person consider it is inappropriate to apply them in a fluid resource where extraction is not possible, due to the limited drilling and pit sampling completed on the project to date. The property boundaries were used as the well boundaries. Hole CAU006R was excluded from the resource due to a different drilling and sampling methodology and sub 100 mg/l Li composite results.

The brine body has attractive chemistry, with a low magnesium to lithium ratio (2.8) in the five diamond holes and a high potassium to lithium ratio in the diamond holes CAU001D-4D, rising to 114 in hole CAU005D in the eastern part of the resource area. Initial evaluation of the brine chemistry using a process route similar to that at the adjacent Olaroz project.

Introduction

The Cauchari Project is located immediately south of the Company's Olaroz lithium-potassium project (Figure 1), within the Province of Jujuy, Argentina. The company drilled five diamond and one rotary vertical drill holes in the Cauchari properties, followed by chemical analyses of the brine. The maiden resource estimate in 2012, by independent consulting hydrogeologist Murray Brooker, and other conclusions presented in the report.

Orocobre activities have concentrated on exploration and development planning at the Olaroz salar project since 2008 with the project's lithium facility has a design capacity 17,500 tonnes per annum of lithium carbonate production and the company has recently completed the Joint venture of the Cauchari project allows the company to concentrate on optimised operations and expansion at Olaroz.

To view Figure 1, please visit the following link: <http://media3.marketwire.com/docs/ori1123fig1.pdf>.

Geology, Data and Interpretation

The company collected Audiomagnetotelluric (AMT) and gravity geophysical measurements in the salar prior to drilling in 2011. The results suggest the eastern JV properties contain in excess of 350-400 metres of salar sediments, providing an attractive target for future exploration. Drilling by [Lithium Americas Corp.](#) has intersected brine bearing salar sediments to 450 metres (DDH7) and recent drilling to the north in Olaroz has intersected sediments to a depth of 450 metres with geophysical surveys indicating a potentially greater basin depth. No drilling has intersected the base of the salar.

In late 2011 Orocobre drilled a total of six drill holes (five diamond and one rotary) in the Cauchari salar with the deepest hole CAU006R. The holes were drilled with an average spacing of 3.3 kilometres. Drilling intersected from surface a sequence of silt and clay up to 60 metres thick of clastic sediment to the base of drilling. Down-hole geophysical logging data was collected to assist with correlation between holes. Photographs of the core taken by a geologist and photographs of the core taken. Details of the exploration undertaken in the drilling program were provided by Orocobre.

The western Cauchari properties are adjacent to where [Lithium Americas Corp.](#) interprets brine to continue beneath the Archibarca

(NI43-101 report, July 12, 2012) suggests that brine continues beneath a near surface fresh water zone and a mixed zone on both the eastern and western Cauchari properties and this is a priority area for future work.

Resource Estimation

The 31.04 km² areal extent of the maiden 2012 Cauchari resource was controlled by the location of the property boundaries, drilling resource estimate is based on geological controls from the six holes drilled, with rotary drill hole CAU006R lying outside the resource boundaries. The vertical spacing of 1.5, 3 and 6 metres during the diamond drilling. The location of the holes was controlled by access to the salar, with commencement of the wet season in early January. Drill holes were located with a hand held GPS.

Mean Sy (Drainable Porosity) values from the porosity analyses were used to calculate a weighted Sy value for each drill hole, based on the continuous Sy value was also calculated for each hole, where geophysical logging (neutron logs) was available. Continuous Sy values were used to calculate porosities (recorded every centimetre down hole during geophysical logging) and Pt values; using a modification of the methodology used for the lithology-weighted and the continuous Sy values were then averaged to obtain a Sy value for each hole, as input to the resource estimate.

The averaged Sy data for each hole was used to calculate an equivalent brine thickness at the location of each diamond hole over a 100m² area. The value = equivalent brine thickness for each hole as m/m².

The mass of lithium (Li), potassium (K) and boron (B) for the square metre centred on each diamond hole was calculated by multiplying the mass (kg) (litres) by the kg/l concentration of each element of interest in the diamond hole. This mass data from the diamond holes was then multiplied by the concentration maps of kg/m² for Li, K and B. The sum of the individual grid cells provides the total resource mass as presented in Table 1.

Future Drilling by the Joint Venture

Only one of the holes in the 2011 drilling program, upon which the resource estimate is based, reached the then target depth of 250 metres. In addition to the 350-450 metres plus, there is considerable potential to add to the existing resource. Consequently, the company believes further drilling is warranted to the resource.

A revised exploration target has been estimated to quantify the potential in addition to that beneath the resource announced in 2011 on the western properties of the Cauchari project. This western target represents the extension of the deeper aquifer units present at Olaró, which are likely to extend beneath the Archibarca alluvial fan into these western properties.

Exploration Target

Based on available geophysics, geology and geochemistry it is possible to define an exploration target beneath the resource and in the western properties. The relationship of an exploration target to the CIM and JORC resource definitions is shown in Figure 2.

It must be stressed that an exploration target is not a mineral resource. The potential quantity and grade of the exploration target is not known. It is necessary to define a Mineral Resource in the volume where the Exploration Target is outlined. It is uncertain if further exploration drilling will result in a Mineral Resource.

The exploration target is where, based on the available geological evidence, there is the possibility of defining a mineral resource. In order to meet the requirements the exploration target defined at Cauchari is:

- Not to be considered a resource or reserve,
- Based on information summarized below.

To view Figure 2, please visit the following link: <http://media3.marketwire.com/docs/ori1123fig2.pdf>.

It is a requirement of stating an exploration target that it is based on a range of values, which represent the potential geological conditions. Lower exploration target size. It is likely that the lithium and potassium contained in the exploration target lies somewhere between the two values.

Information Used to Define the Exploration Target

Orocobre's 2011 drilling intersected grades of >400 mg/l Li at or near the base of holes CAU001D (249 metres), CAU002D (186 metres) and CAU003D (170 metres). These grades may continue beneath the depth of the Cauchari northern and southern resource areas (170 metres and 50 metres respectively).

Orocobre previously conducted a geophysical survey in the Cauchari Resource area (Cauchari North line) in which gravity and Audio Magnetics (Figure 3) suggests brine is present in salar sediments beneath the Orocobre properties to depths of ~350 metres or more, with a correlation to the salar basement.

Additional information is available from the work, including drilling and geophysics, undertaken by [Lithium Americas Corp.](#) on adjacent properties. This information, which principally relates to the area immediately west of the Cauchari 2012 resource, suggests salar sediments were intersected to 449.5 metres (end of hole) below surface (hole DDH7 in Appendix 1 of King, 2010), with multiple other holes intersecting salar sediments to 350 metres deep. This suggests that beneath the western properties south of the Olaroz project a similar thickness of sediments is present, potentially with economic lithium brine concentrations.

Consequently, there is reason to believe the lithium-bearing brine in the Orocobre properties extends to 350-450 metres or deeper. (Figure 7-7, feasibility study July 11, 2012) suggests there is a thick layer of sand underlying the halite sequence intersected in Orocobre. The same unit in the Cauchari project, beneath the depth of current drilling. Similarly, in the Orocobre Olaroz project to the north drilling

To view Figure 3, please visit the following link: <http://media3.marketwire.com/docs/ori1123fig3.pdf>.

Estimation of the Exploration Target

The following parameters have been used to estimate an Upper Assumption and Lower Assumption case for lithium and potassium values for all parameters and the latter uses the lower values. Values used are shown in Table 2.

The thickness of the resource (Table 1) depends on the drilling depths of Orocobre holes and has been separated into a northern and southern exploration target (defined to lie immediately below the resource) is consequently also separated into a northern and southern target

Area

- The Northern target covers 19.69 km²;
- The southern target 11.35 km²;
- The northwestern target of 22 km²
- A small southwestern target of 2.4 km²

The total area (eastern and western areas and subareas) is 55.44 km².

Thickness

A variable thickness is used for the target estimate, depending on the thickness of the overlying resource area and the potential thickness of the brine column in the area, based on information from nearby drilling in adjacent properties.

Eastern tenements

- In the northern area, a thickness of 180 metres (from 170 to 350 metres depth) as the Upper Assumption and the Lower Assumption
- In the southern area, a thickness of 300 metres (from 50-350 metres depth) as the Upper Assumption and 170 metres (from 50 to 170 metres depth) as the Lower Assumption, due to the possibility of basement closer to surface or a thinner brine column.

Western tenements

- In the northwestern area, a thickness of 300 metres (from 150 to 450 metres depth) is the Upper Assumption reducing to 150 metres (from 150 to 350 metres depth) as the Lower Assumption
- In the southwestern area, a thickness of 300 metres (from 50 to 350 metres depth) is the Upper Assumption and 200 metres (from 50 to 200 metres depth) as the Lower Assumption, due to the possibility of basement closer to surface or a thinner brine column.

Porosity

Porosity is a vital measurement in determining a brine resource and it is important to understand the difference between definitions of porosity. Porosity is the volume of interconnected pores that can be drained. The drainable porosity component is referred to as the specific yield (Sy) - the proportion of the total pore volume that can be drained.

The BGS Sy measurements at Cauchari and Olaroz have been used for the porosity values in the exploration target estimate.

- For the Upper Assumption 13% is used as the specific yield (equivalent to the sand dominant Sy at Olaroz or a mixture of porous sandstone and halite)
- For the Lower Assumption 2% is used as the specific yield (equivalent to compact halite at Cauchari)

Lithium and Potassium Concentrations

- A value of 537 mg/L for Li and 5350 mg/l K is used in the upside case for the eastern tenements, (equivalent to the average of samples). This compares to values of 600 mg/l and 570 mg/l Li used for the updated [Lithium Americas Corp.](#) resource (outline K values determined by [Lithium Americas Corp.](#) were 5156 and 4753 mg/l,
- A value of 260 mg/L Li and 2550 mg/L K is used in the Lower Assumption case (representing the lower grade values from the Table 1).

The contained lithium in the exploration target (combining values for the eastern and western areas - see Table 2) ranges from the U carbonate and 19 million tonnes of potash to the Lower Assumption case of 0.25 million tonnes of lithium carbonate and 0.9 million tonnes of potash. The upside and Lower Assumption case are not economic brine grades at current market conditions. Note the total exploration target is different to that announced by Orocobre as western properties has been added, taking into consideration exploration results at the Company's Olaroz lithium project and the LA

It must be stressed the exploration target is based on a series of assumptions and future drilling is required to determine the brine grade and the resource can be defined.

Data Collection and QA/QC

Obtaining high quality samples in the field and ensuring that subsequent analysis of the samples was carried out to a high standard was one of the technical challenges of sampling fluids (brines) and semi-consolidated sediments.

Orocobre's initial diamond drilling program in the Cauchari salar was conducted using lexan tubes in the place of the triple tube split tube. Notwithstanding the best efforts of geologists and contractors, core recoveries averaged 76%. Down-hole geophysical logging was used to obtain geological information. Fluorescein (biodegradable) dye was used in the drilling fluid, to indicate whether brine samples taken with a

To view Table 2, please visit the following link: <http://media3.marketwire.com/docs/ori1123tab2.pdf>.

As a further check on the results of brine samples obtained by bailing, during diamond drilling, brine was also extracted from core samples from the UK, where this brine was also analysed. Differences are noted between the two chemical data sets, although the contained metal amounts are similar in each data set. Data obtained by bailing, (obtaining a brine sample from a steel tube with a valve at the base, lowered into the drill hole) is used as the resource estimate and as the basis for definition of the exploration target.

Core samples from diamond drill holes were used for measurements of total porosity (total contained fluid) and specific yield (recoverable fluid) at Survey laboratories using recognized techniques.

Chemical analyses on bailed samples were undertaken by Alex Stewart Assayers (Argentina) S.A. ("ASA") in Mendoza, Argentina. ASA has completed salar projects. They are ISO 9001:2000 accredited and operate their own internal standards consistent with ISO 17025.

Standards and duplicate samples were used extensively, with laboratory-prepared and field standard samples submitted to the laboratory comprising a further 7% of the total samples.

With minor exceptions, analytical values of the standards fell within +/-10% of the standard values for samples in the diamond drilling program. Repeatability (precision), with all but five sample pairs falling well within +/-10% limits. Ion balances confirm the general quality of the samples analysed at the University of Antofagasta to compare with the ASA sample values. These sample pairs show average reproducible precision for lithium and potassium. Overall the analyses are considered to be of acceptable quality for the inferred resource estimate, based on the results of the

The resource estimate summarized in this announcement has been prepared by independent hydrogeologist Murray Brooker, address: 43-101, Survey Administrators' National Instrument 43-101.

About Orocobre Limited

[Orocobre Ltd.](#) is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE)(TSX:ORL) and is the leading lithium producer in the Puna region of Argentina. For further information, please visit www.orocobre.com.

Competent Person's and Qualified Person's Statement

The technical information in this announcement has been prepared by Murray Brooker of Hydrominex Geoscience. Murray Brooker is a member of the Australian Institute of Geoscientists. Murray has sufficient relevant experience to qualify as a competent person as defined in the 2001 NI 43-101 Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101 inclusion in this announcement of this information in the form and context in which it appears.

Additional information relating to the Company's Cauchari project is available in the existing technical report entitled "Technical Report on the Cauchari Project".

was prepared by John Houston.

Caution Regarding Forward-Looking Information

This report contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information includes, but is not limited to, the estimation and realization of resources at the Cauchari project, the viability, recoverability and processing of such resources, potential future production at the Olaroz project, and other matters related to the development of the Cauchari project.

Such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from such forward-looking information, including but not limited to the risk that further funding may be required, but unavailable, for the operation of the project; government regulations, policies or legislation; fluctuations or decreases in commodity prices; the possibility that required permits may not be obtained; the viability of mineral resources; general risks associated with the feasibility and development of the Cauchari project; unexpected capital requirements; and anticipated program milestones; as well as those factors disclosed in the Company's Annual Information Form for the year ended June 30, 2014.

The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions include, but are not limited to, the Company's ability to carry on its exploration and development activities, the timely receipt of required approvals, the prices of lithium, the availability of capital in an efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers should not place undue reliance on 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. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update a forward-looking statement in accordance with applicable securities laws.

Criteria

Sampling techniques

Section 1 - Sampling Techniques and Data

- Drilling was undertaken using diamond core drilling with HQ equipment in the program, when HQ equipment was not available. Other methods were used in the resource estimate.

- Core samples were recovered from the core barrel inside a casing during diamond drilling.

- Brine samples were taken with a bailing device during the drilling process. The base was used to purge brine from the drill hole prior to sampling.

- A fluorescent dye is added to the brine (sourced from a pit at the site) for the purpose of making even small quantities of drilling brine highly visible. The dye is added from the hole before the depth sample is taken. Samples were taken at 1.5 m intervals in CAU001D and at 6 m intervals in some intervals). The dye is used for isolating the sediments outside the casing and only leaving a short section of casing can inflow from the sediments, to be purged and then sampled from the casing.

- The brine sample was collected in a clean plastic bottle and the bottle was taped and marked with the sample number and details of the sample.

- Diamond core drilling used surface brine from near the drill collar during the process and fluorescence dye added to the drilling brine, to allow for visibility of the dye at depths in a hole) by the drilling brine (sourced from a pit at the site).

- Core runs were of 1.5 lengths - with shorter core runs used in some intervals.

- Rotary drilling - This method was used for hole CAU006R, to minimize the development of wall cake in the holes that could reduce the recovery of drill cuttings.

- CAU006R drilling allowed for recovery of drill cuttings and samples were collected directly from the outflow from the drill collar. Drill collar sampling was not used in the resource estimate.

Drilling technique

- Diamond core samples were recovered in plastic tubes used for core recovery.

- Rotary drill cuttings were recovered from the well head.

- Porosity samples were taken every 3 m by cutting 10 and 20 cm sections of the core with caps and tape, before sending them to the two porosity labs for analysis.

Drill sample recovery

- Core samples were recovered in plastic tubes, to which they were sealed. Samples were logged by the project geologist, splitting open the tubes to recover the samples.

- Rotary drilling of CAU006R was carried out for the collection of samples and logged by a geologist.

Logging

- Brine samples were collected by bailing brine from the well head. Brine at the base of the hole, with a non-return valve preserving the sample. Brine sub-sampling is undertaken in the field.

- The brine sample was collected in one-litre sample bottles, with the borehole number and details of the pump test.

- Samples were then filtered at the project site and 150 ml samples were collected for analysis.

Sub-sampling techniques and sample preparation

Quality of assay data and laboratory tests

Verification of sampling and assaying

Location of data points

Data spacing and distribution

Orientation of data in relation to geological structure

Sample security

Review (and Audit)

Section 2 - Mineral Tenement and Land Tenure Status

Mineral tenement and land tenure status

Exploration by other parties

Geology

Drill hole data

Data aggregation

Relationship between mineralisation widths and intercept lengths

Diagrams

Balanced reporting

Other substantive exploration data

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Further work

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• Alex Stuart Assays of Mendoza was used as the primary lab collected as part of the drilling program. They also analyzed blank chain.

• The laboratory of the University of Antofagasta was used as it is specialized in the chemical analysis of brines and inorganic salts when the main development studies of the Salar de Atacama were conducted.

• The quality control and analytical procedures used at the University are quality and comparable to those employed by ISO certified laboratories.

• Additional assays were obtained on samples of brine extracted from the salar.

• A full QA/QC program for monitoring accuracy, precision and the analytical process was part of the drilling program. Accuracy, the precision and the analytical process was monitored by the insertion of standards, or reference samples into the laboratory.

• Duplicate samples in the analysis chain will be submitted to the laboratory during the drilling process

• Stable blank samples (distilled water) will be inserted to monitor the analytical process

• The anion-cation balance was used as a measure of analytical accuracy with limits at <5% for the samples.

• The wells were located with a hand held GPS.

• The project uses the Argentine Gauss Krueger Transverse Mercator projection located in Zone 3

• Lithological data was collected throughout the core drilling program. During core drilling, with collection of samples every 3 m the standard deviation was recorded.

• The salar deposits that host lithium-bearing brines consist of alternating units. The vertical bores are essentially perpendicular to these units, intersecting them at various angles.

• Samples were transported to the Alex Stuart Assays Mendoza for analysis in sealed 150ml rigid plastic bottles with sample number and date marked.

• The samples were moved from the drill site to secure storage in Mendoza marked with a unique label.

• No audit of data has been conducted to date.

• The Cauchari properties are located at an altitude of 3900 meters.

• The property comprises approximately 30,000 ha of mineral rights under the Olaroz project of Orocobre/Sales de Jujuy and the Cauchari project of Orocobre.

• The properties are believed to be in good standing, with payment of taxes.

• No exploration is believed to have been conducted prior to the current project, other than small scale prospecting for surficial borate mineralisation.

• The sediments within the salar consist of halite, sands, silts and clays from terrestrial sedimentation and evaporation of brines within the salar.

• Brines within the salar are formed by solar concentration, with evaporation.

• Geology was recorded during drilling of all the holes

• Core holes were logged noting the core recovery, lithology and depth. The logs are at the British Geological Survey sedimentological laboratory

• Drill hole data from field and laboratory sources was combined for resource estimation

• PVC standpipes were installed in well to allow monitoring of brine grade

• Brine samples taken from diamond holes with a typical 3 m interval to monitor variations in brine grade over short distances. The samples represent the average brine grade.

• The lithium-bearing brine deposits extend across the property and were identified during the drilling

• The drill holes are vertical and perpendicular to the horizontal boundaries of the salar

• Diagrams are provided in the Technical Report on the Cauchari project. In addition to diagrams provided in the October 2012 announcement, see the attached project location map

• See the attached project location map

• This announcement presents representative key information on the current resource estimate and potential for definition of additional resources

• Refer to the information to be provided in Technical Report on the Cauchari project to authorities within 45 days of this announcement by Advantage Limited

• The joint venture will consider additional drilling on the project