

Orocobre Limited - Olaroz Commissioning Complete

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Brisbane, Australia (ABN Newswire) - [Orocobre Ltd.](#) (ASX:ORE) (TSE:ORL) ("Orocobre" or "the Company") is pleased to announce that the final circuits of the Olaroz lithium plant have been commissioned and the plant has now moved into commercial production ramp-up stage.

Over the coming weeks, the plant will be producing product for supply to over 30 battery and industrial customers in Asia, Europe and the United States in order to complete the final stage of the product qualification and approval process. Additionally, there are a number of customer contracts for 2015 supply that have already been finalised by our marketing agent and project partner Toyota Tsusho Corporation (TTC), with the first firm order already received.

Commissioning Process and Production Update

In late November 2014 the company announced first production from the plant's primary lithium carbonate circuit and the successful commissioning of all auxiliary circuits. On December 2, 2014 the Governor of the Province of Jujuy, Dr. Eduardo Fellner and other top government dignitaries officially opened the Olaroz operation in the presence of over 300 guests, including representatives from Orocobre, TTC, JEMSE, JOGMEC and Mizuho Bank.

Since these events, the focus has been on commissioning the purification and drying/micronizing circuits, the final two circuits of the lithium carbonate plant. The final two circuits are now commissioned and the plant is operating in continuous mode with purification and micronizing circuits integrated with the primary lithium carbonate circuit. Following the production of initial material, product of the quantity and quality required for the final stage of customer qualification will now be produced in the coming weeks.

Significant Inventory Position and Production Start

Currently, there is approximately 20,000 tonnes of lithium carbonate equivalent in the pond system at various stages of concentration. At current well pumping rates, lithium inventory is being added at approximately 2,100 tonnes of lithium carbonate equivalent per month. Overall process recoveries are expected to be approximately 75%. Over the coming months the operation will ramp-up production reaching nameplate monthly production of 1,450 tonnes per month (17,500 tpa) in the fourth quarter of 2015.

Commercial Production, Product Approvals and Marketing

With the final circuits now commissioned, lithium carbonate will be produced over coming weeks for supply to over 30 customers in Asia, Europe and the United States in order to complete the final stage of the product testing and approval process. This is the end of a qualification process which for some customers commenced nearly 4 years ago during the Feasibility Study when the first samples from the pilot plant were supplied to prospective customers.

Customer contracts typically detail a volume commitment at an agreed price for a period of 12 months. The final stage of the customer product approval process varies with the time it takes to be completed. Technical grade customers typically need 1 month to grant final approval, while battery grade customers need 3-6 months. As a result of Orocobre continuously providing samples over a number of years from the pilot plant, customer approval processes will take a maximum of 3-6 months, rather than from 3 months to 2 years as would have been the case without pilot plant deliveries.

Toyota Tsusho Corporation (TTC) has finalized a number of customer contracts for 2015 supply and it is expected that the remainder will be completed during the first half of 2015. Orocobre is pleased to advise that the first firm order for supply to 3rd party end users has already been received.

Orocobre looks forward to receiving final product approvals from our valued customers and becoming a large and reliable lithium supplier in 2015.

Strong Market Conditions

Current market conditions for lithium carbonate are favourable.

The supply side of the market is tightening due to a combination of existing suppliers effectively being at capacity and strong market demand. As a consequence, existing suppliers have recently announced market price increases of ~10%. Apart from Orocobre there are no new entrants on the supply side and no capacity expansions outside China due to come on-line until at least 2016. The market growth rate projected by independent consultants is ~10% year on year for at least the next few years. These factors have combined to create a market environment where customers value security of supply and have a focus on diversifying their supply chain to manage supply risk. These are very favourable conditions for a new supplier to be starting production, negotiating supply contracts and initiating supply to customers.

Phase II Expansion

Orocobre has received expressions of interest from a variety of parties regarding the Phase II expansion of the long-life Olaroz project. Orocobre views this interest as validating the enhanced potential of the Olaroz resource and the projected growth profile of the lithium market. Orocobre will assess all possibilities when considering the potential Phase II expansion over the next year.

Orocobre is continuing to progress studies on possible expansion at both Olaroz and the development of its other Argentinian lithium assets. The Board of Orocobre will only pursue those opportunities which add shareholder value in a capital efficient manner.

The Board will provide an update to the market in the event that there are any material developments.

Successful Commissioning Marks the Culmination of 7 years of Planning and Development

Managing Director, Richard Seville, said, "The successful commissioning of the Olaroz plant and the beginning of ramp-up of production is a pivotal moment for our company. For seven years our team has worked through numerous challenges and we have now successfully placed Orocobre in the ranks of the small number of major lithium suppliers to the world".

More images may be viewed at www.orocobre.com under "Gallery".

To view figures, please visit:

<http://media.abnnewswire.net/media/en/docs/ASX-ORE-840599.pdf>

About Orocobre Limited:

[Orocobre Ltd.](#) is listed on the Australian Securities Exchange and Toronto Stock Exchange (ASX:ORE) (TSE:ORL), and is building a substantial Argentinian-based industrial minerals company through the construction and operation of its portfolio of lithium, potash and boron projects and facilities in the Puna region of northern Argentina. The Company 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 at the end of 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 Mineria Argentina ("Fundamin" or Foundation for Development of Argentina Mining).

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