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## Orocobre's construction of the Olaroz lithium project on time and budget

Orocobre Limited (ASX: ORE, TSX: ORL) is on track to meet Stage 1 production of 17,500tpa of battery-grade lithium carbonate to commence in the June quarter 2014, due to the company's construction of the Olaroz lithium project in Argentina is progressing on time and within budget.

The project is being developed by Orocobre (66.5%) with partners Toyota Tsusho Corporation (25%) and the Jujuy Province mining and energy company, JEMSE (8.5%) with a construction budget of US\$229 million, including contingency.

The project is fully funded with up to US\$275 million of funding available via US\$82.8 million of equity funding from TTC and Orocobre and US\$192 million of project finance from Mizuho Corporate Bank.

Over the past month Orocobre has completed; Liming plant ground works and foundations; Raw water pipeline; and the road and platforms on the salar.

The next key tasks that are underway include the foundations and metal structure fabrication for process plant buildings, soda ash warehouse, finished product warehouse and maintenance facilities.

Olaroz has a Measured and Indicated Resource of 6.4 Mt LCE, 19.3 Mt KCl and 1.85Mt B to 200 metres. There is depth potential to 600 metres.

Infrastructure includes road, gas, pipeline, water and a local workforce.

### Compelling economics

- Strong EBITDA margins of ~US\$4,000/t LCE excluding potash credits.
- Estimated annual EBITDA of US\$70m at production of 17,500tpa lithium carbonate.
- Operating cost \$/t LCE of <US\$2,000/t (excluding any potash credits) vs current LCE pricing of \$5,500-\$6,000/t.
- Material operating cost advantage - hard rock operating costs significantly higher than brine production.

### Life of mine and expansion

- 40 year mine life utilises only ~15% of existing resources.
- Sustainable long life project. Expandable production rates for lithium carbonate, potash and boron.
- Expansion for Li at 40% discount per tonne of capacity compared to original capital cost.

### Share Information

**Code:** ORE

**Listing:** ASX, ORL

**Sector:** Mining

**Website:** [www.orocobre.com.au](http://www.orocobre.com.au)

### Company Synopsis:

*Orocobre (ASX: ORE, TSX: ORL) is building a substantial Argentinian-based industrial chemicals and minerals company. It operates the Olaroz Lithium Facility that produces battery grade and technical grade lithium carbonate.*

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