

AFSL: 247 404

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Thursday, 11 March 2010

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VALUATION

Recommendation

Stock Price	\$2.09
1 Yr Target Price	\$3.00
Company Valuation (A\$/share)	\$4.26
Price Discount to Target Price %	~30%
Market Risk	Low
Development Risk	Low

Source: MPS Research

CAPITAL STRUCTURE

ASX Code	ORE
Market Cap*	\$182m
Ordinary Shares	80.4m
Unlisted Options	0.8m

*fully diluted pre-raising

Source: ORE

COMPANY DETAILS

Level 1, 349 Coronation Drive
Milton, QLD 4064

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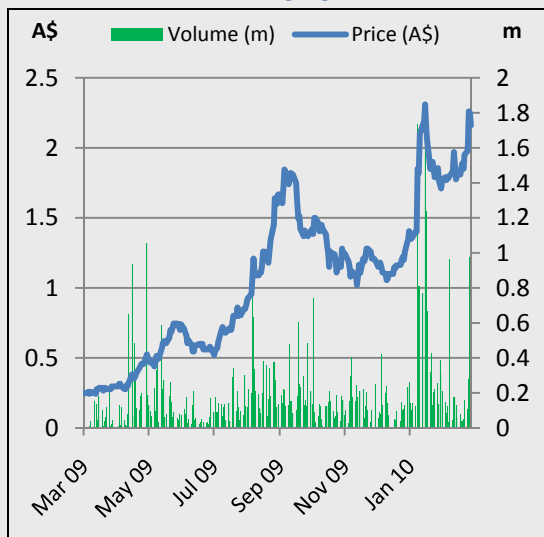
Facsimile: +61 7 3729 8988

Email: mail@orocobre.com.au

Website: www.orocobre.com.au

Source: ORE

1 YEAR PRICE CHART



Source: IRESS

Orocobre Limited

More Lithium Success calls for TSX Listing

- **ORE is set to raise C\$20m as part of a plan to list on Toronto Stock Exchange (TSX) in June 2010.**
- **ORE has recently discovered another potentially high-grade, world-class salar system, south east of ORE's flagship Olaroz Project.**
- **Olaroz Project's Definitive Feasibility Study is on track for completion in mid-2010.**
- **MPS has raised its 1-Year Price Target to A\$3.00/share, ORE is trading at a ~30% discount to this target price.**
- **MPS has a company NPV of A\$4.26/share.**

Orocobre Ltd (ORE) has recently announced the discovery of high-grade lithium-potassium brines at the Salar de Salinas Grandes tenements and high-quality potassium targets at the Laguna De Guayatoyoc tenements. These tenement packages are part of a portfolio wholly-owned by South American Salars Pty Ltd, a company 85%-owned by ORE.

The lithium and potassium grades at Salinas Grandes, from an extensive pit sampling program, are the highest grades reported from any salar in Argentina. The grades are comparable with that of the world-leading Salar de Atacama in Chile. The lithium and potassium grades averaged 1,409mg/L and 16,394mg/L respectively. These excellent results highlight the potential for ORE to define another large, high-quality lithium-potash resource.

ORE has made a strategic decision to list on the TSX on the back of the JV agreement with the Toyota Group in Jan 2010. The company has entered into an agreement with Cormark Securities Inc and CIBC World Markets Inc to undertake a private placement to raise C\$20m. From the capital placement, ORE will make an application to dual-list the company on the TSX in June 2010. MPS believes that this listing will give ORE greater global market exposure and stock liquidity.

MPS' NPV value for the Olaroz Project has remained unchanged. While cash and shares on issue have changed to reflect the TSX raising, and the Elementos Ltd holding has been changed to the market price. MPS has valued ORE's 85% holding in South American Salars Pty Ltd at A\$47m, based on a risk-adjusted asset value estimate.

MPS' ORE Valuation

Assets	11th Mar Update		11th Jan	Change
	A\$m	A\$/share*	A\$/share	(%)
Cash**	34	0.37	0.16	130%
Olaroz NPV (75% ORE)	274	2.97	3.37	-12%
Net JV Payment***	34	0.37	0.42	-12%
ELT Holding	4	0.05	0.05	-12%
South American Salars Pty Ltd (85% ORE)	47	0.50	-	-
Company Total	393.0	4.26	4.01	6%

*Current shares on issue plus TSX shares, **Current cash plus US\$4.5m Toyota payment, plus TSX capital, less cost of Salinas Grandes, ***Toyota's 25% NPV payment, less JV cash CAPEX requirement

Salinas Grandes and Guayatoyoc (85% interest)

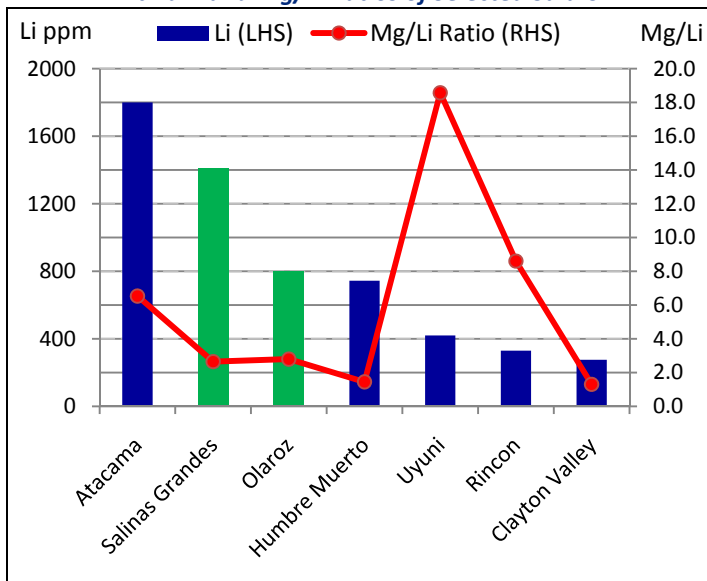
The Salinas Grandes and Guayatoyoc properties are located ~70km south east of ORE's Olaroz Lithium-Potash Project. The two properties are part of the portfolio of salars held by South American Salars Pty Ltd, in which ORE has an 85% interest. The tenements held by South American Salars cover 148,000ha, including 12,500ha of salar nucleus at Salinas Grandes.

The company has conducted an extensive pit sampling program, digging pits up to 3m deep and collecting the brine solution for laboratory analyses. ORE has tested 116 samples from Salinas Grandes and 17 samples from the Guayatoyoc. The results of the assays identified:

- **Lithium grades (Li) averaging 1,409mg/L.**
(The results ranged from 541mg/l to 4,237mg/L)
- **Potassium (K) grades averaging 16,394 mg/L K**
(The results ranged from 5,484mg/L to 49,720 mg/L K)
- **An average magnesium to lithium ratio of 2.6.**

The reported lithium and potassium grades at Salinas Grandes are significantly higher than any reported in Argentina and are comparable with the world-class Chilean Salar de Atacama, the world's largest and lowest-cost brine lithium producer.

Lithium and Mg/Li Ratios of Selected Salars

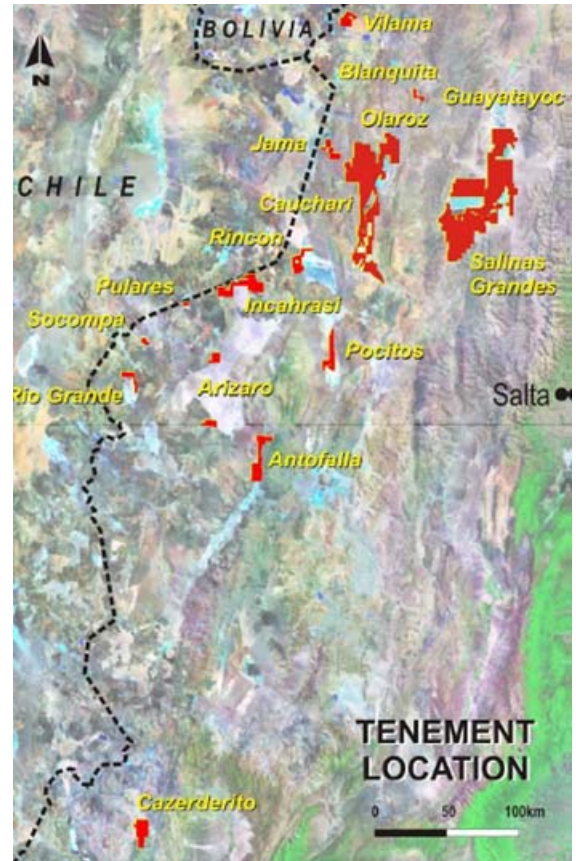


Source: ORE & MPS Research

The proximity of this discovery to the company's current Olaroz Project, which is currently in development, may provide opportunities for significant operational synergies.

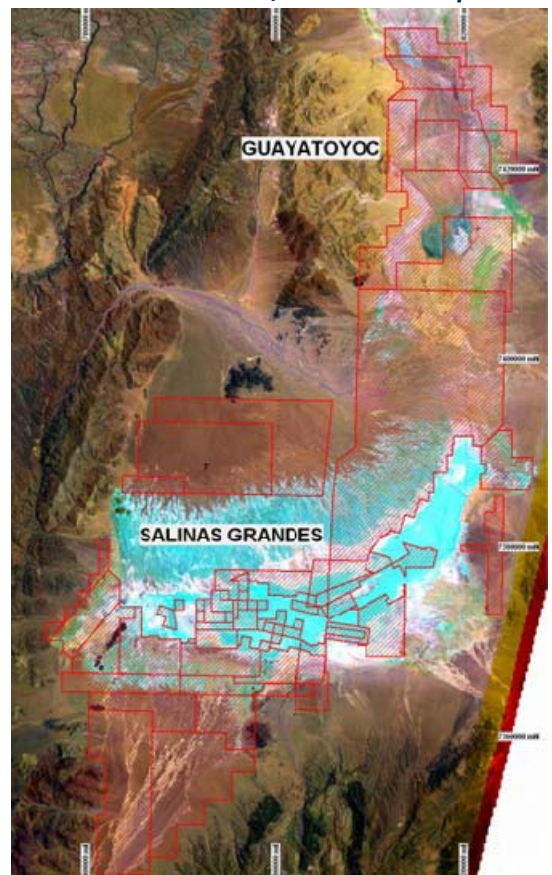
During 2Q 2010, ORE plans to commence a drilling and sampling programme, and hydrological studies at Salinas Grandes to evaluate the project's potential.

Orocobre's Projects, Argentina



Source: ORE

Salinas Grandes, Tenement Map



Source: ORE

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