

Orocobre Limited

(ORL-T, C\$1.51, ORE-AU A\$1.72)

Recommendation: Buy (S)

Target Price: C\$3.00

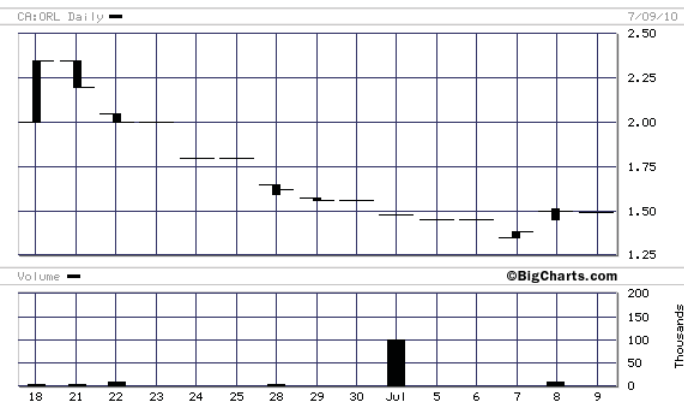
Figure 20 Statistics & Estimates

Current Price	C\$ 1.51	Shares Outstanding (MM)	
52 Wk High	C\$ 2.35	Basic	90.5
52 Wk Low	C\$ 1.35	Diluted	91.3
Cash (MM)	C\$ 28.00	Mgmt. & Dir.	37.8
Total Debt (MM)	\$0.00	Market Cap.	\$132.6
NAVPS	C\$ 3.00	Float	\$77.2
P/NAV	0.5x	EV	\$101.4
Dividend	\$0.00	Reserves (LCE)	0.0 MMt
Dividend Yield	0%	Total Resource	1.5 MMt
		EV/Resource	\$67.61

*Lithium Carbonate Equivalent

Sources: Cormark Securities, Company Reports I

Figure 21 Price Chart



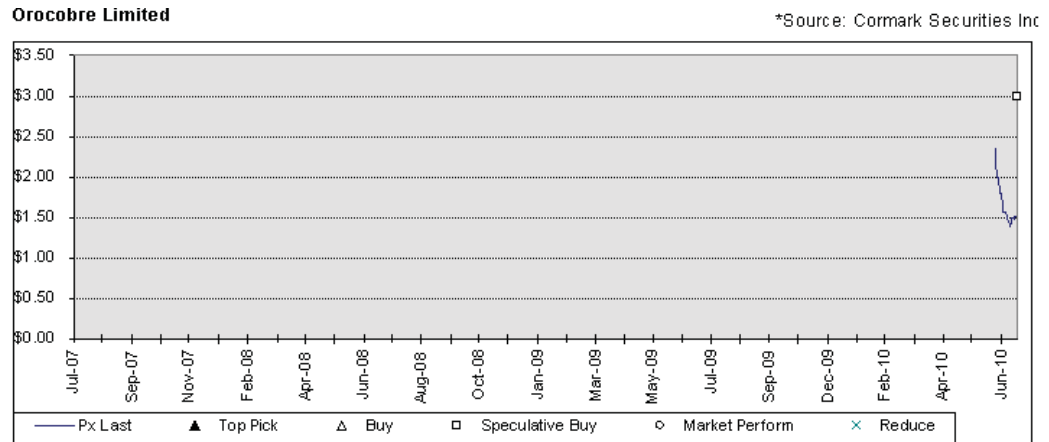
Source: BigCharts (Jul. 09 /10)

Advanced Lithium-Brine Developer With Significant Land Holdings

- Orocobre has defined a sizeable brine resource at its primary asset, Salar de Olaroz in Argentina, which includes 1.5 MMt of LCE and 4.4 MMt of potash. This resource has been outlined within the top 55m of the salar with additional resource potential existing at deeper levels.
- Orocobre's work thus far has shown favourable brine chemistry with a high average lithium grade of 1,409g/kl and a sufficiently low Mg:Li ratio of 2.6:1 to support a low-cost extraction operation.
- The Olaroz project is at an advanced stage with a Definitive Feasibility Study expected at the end of 2010 which we expect to support previous work outlining a low-cost operation producing 15,000 tpa of lithium carbonate and 36,000 tpa of potash for a capital cost of ~\$100 MM.
- Toyota Tsusho has signed an agreement with Orocobre to provide \$4.5 MM to fund the completion of the Olaroz Feasibility Study and committing the parties to a joint venture agreement on the development and future operation of the Olaroz Project.
- The Company's second project, Salinas Grandes, has displayed some of the highest grades ever reported and will see further testing throughout 2010 and 2011.
- Going forward, investors can look forward to these potential catalyst:
 - Completion of a definitive feasibility study in H2/10
 - Finalized deal with Toyota Tsusho in Q4/10
 - An initial resource estimate at Salinas Grandes in Q1/11
- We are initiating coverage on Orocobre, with a Buy (S) recommendation and 12 month target of C\$3.00 based on a 1.0x multiple to NAV.

Figure 31

Orocobre Limited – Disclosure Chart



Disclosure Statement:

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Recommendation / Target Chg

Date	C\$
14-Jul-10	3.00 (B-S)
19-Jan-10	- (Watchlist)

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If YES
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 2) What type of security is it?

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Market Perform	16%
Reduce	1%
Not Rated	4%

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Market Perform	31%
Reduce	0%

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*Information updated monthly on or about the 5th of each month.

Updated July 13, 2010

Analyst Certification

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