

1 October 2009

ASX ANNOUNCEMENT – ELEMENTOS LTD



EXPANDS GOLD PRESENCE IN WORLD CLASS MINERALS PROVINCE

HIGHLIGHTS

- Option to acquire 100% of the highly prospective Manantiales gold-silver exploration project. Manantiales project is situated in a world class minerals province and epithermal gold district of San Juan, Argentina.
- Manantiales project area is adjoining and immediately north of Troy Resources Casposo project, a high grade epithermal gold-silver development.
- San Juan is host to a number of world class mining operations such as Yamana Gold's Gualcamyo operation and Barrick's Veladero mine, as well as advanced stage mineral projects including Barrick's Pascua-Lama, Xstrata's El Pachon, Troy Resources Casposo and Minera Andes' Los Azules projects.
- Excellent infrastructure and logistics to support exploration and future development activities.
- Elementos to fast track exploration activities and complete a preliminary exploration program to identify targets for drilling in early 2010.

Background

Orocobre Limited ("ASX: ORE") through its wholly owned Argentinean subsidiary Elementos Minerales SA, is pleased to announce it has negotiated an option to acquire 100% of the Manantiales gold project in San Juan Province, Argentina. The agreement provides for a series of option payments over four years with an exercise price of US\$1.6 million less the option fees paid, and a production royalty.

Manantiales will be incorporated into the portfolio of world class copper-gold assets to be demerged from ORE into Elementos Limited ("Elementos"). The final step of the demerger of Elementos will include an Initial Public Offering of Elementos' shares which is scheduled to occur in November 2009.

Highly prospective new gold exploration project for Elementos

Manantiales is situated about 150 kilometres northwest of the city of San Juan in a project area covering approximately 100 squares kilometres – see Figure 1. Manantiales is located within a low sulphidation epithermal district which includes the nearby Casposo gold-silver deposit, Castaño Nuevo (an abandoned gold mine site 14 kilometres northeast) and the Castaño Viejo (an abandoned lead – silver – zinc –gold mine), located some 20 kilometres to the north – see Figure 2.

The project area is adjoining and immediately north of Troy Resources Casposo high grade gold-silver epithermal development. According to Troy Resources (Australian Stock Exchange announcement dated 22 September 2009 titled "Updated Technical Reports for Casposo and Sandstone" released in accordance with National Instrument 43-101¹), Casposo contains:

- **Indicated Resources** of 2.369Mt @ 5.4g/t gold & 202g/t silver with contained metal of 414,600 ozs gold & 15.36 Mozs silver and **Inferred Resources** 0.27Mt @ 3.6g/t gold & 255.1 g/t silver with contained metal of 30,000 ounces of gold and 2.14 Mozs silver²; and
- **Mineral Reserves** of 1.73Mt @ 5.16g/t gold & 120g/t silver for total contained metal of 382,500 ozs of gold & 6.69 Mozs silver³.

Geological setting

The Manantiales property lies in the eastern foothills of the Cordillera Frontal (eastern flank of the Andes Mountains) at an altitude of approximately 2,600-3,500 metres. Manantiales and Casposo share a similar geological and mineralization environment including both the structures and rock types that host the mineralisation in Casposo. The structures are predominantly north-

¹ <http://www.try.com.au/getfile.aspx?Type=document&ID=3271&ObjectType=3&ObjectID=775>

² NI 43-101 Technical Report, Troy Resources NL, Casposo Project, Argentina, Page 3

³ NI 43-101 Technical Report, Troy Resources NL, Casposo Project, Argentina, Page 4

west trending lineaments and several secondary circular features. These occur within rhyolitic and underlying andesitic volcanic sequences of the Permo-Triassic Choiyoi Group.

Historical exploration activities

Historical exploration activities at Manantiales have been limited to reconnaissance sampling and mapping with a total of 202 rock chip and 87 bleg and stream sediment samples being taken.

The fieldwork has helped identify two main target areas – the Manantial and La Puerta vein zones, both located in the southern part of the property. Manantial vein is interpreted as the northern extension along strike of the Julieta vein target in the Casposo project. At Manantial target, 13 samples with greater than 1g/t gold have been returned over a 1.5 kilometre north-west trending structure including up to 9.01 g/t gold and 44.8g/t silver. Rock chip sampling at La Puerta vein has returned strongly anomalous gold and silver values including a peak of 13.92g/t gold and 30.3g/t silver. Gold mineralization in both targets is related to banded quartz veins and vein-breccias.

Several more similar style targets have been identified across the property returning gold and silver anomalous values accompanied by arsenic and mercury credits suggesting high level emplacement and potential to delineate additional gold – silver mineralized structures at depth.

There is also the potential for base metals mineralisation on the northern side of the property. Rock chip samples have returned base metal values of >1% lead and zinc and > 200ppm silver suggesting the potential for a deeper style of epithermal vein deposit in this area.

Proposed exploration activities by Elementos

Over the next two months a comprehensive review of all historical exploration data will be completed as well as completion of all approvals, including site access and the amendment of the Environmental Impact Assessment (“EIA”) to include drilling related exploration activities. In December 2009, a comprehensive field program will be undertaken including detailed geological mapping, geochemical sampling, satellite imagery acquisition, and an airborne magnetic survey. This will enable drilling of targets to commence early in 2010.

Infrastructure and logistics

The Manantiales project has excellent local infrastructure and logistics. Weather permitting, year round access for exploration and development is expected. The project can be accessed via a two hour drive west from San Juan on paved roads. The nearest town of Calingasta (population approximately 2,000) is 30 kilometres to the southeast by paved and dirt roads.

San Juan world class mineral province

San Juan is one of the most attractive destinations for mining and exploration in Argentina. In addition to its world class geology and mineral prospectivity, San Juan is host to a number of world class mining operations and undeveloped mineral deposits including:

- **Gualcamayo** (Yamana Gold) – Situated in northern San Juan, Gualcamayo was commissioned in July 2009 with an annual production target of 250koz per annum⁴.
- **Veladero** (Barrick) –A substantial gold reserve situated in northern San Juan and currently producing more than 500koz of gold per annum⁵.
- **Pascua Lama** (Barrick) – US\$2.80-3.0 billion development is expected to be commissioned in 2013 and produce 0.8Mozs and 35Mozs per annum of gold and silver, respectively⁶.
- **Casposo** (Troy Resources) – Planned production of 100koz/yr Au equiv from late 2010⁷.
- **Los Azules** (Minera Andes) – Located in Western San Juan, Los Azules is an early stage but potentially substantial copper project.⁸
- **El Pachon** (Xstrata) – Proposed US\$2.4 billion copper-molybdenum-silver development in southern San Juan. Pre-feasibility study proposes a 200,000 tonne per annum copper concentrate operation over 20 years.⁹

Commenting on the transaction, Managing Director of Elementos, Corey Nolan, said “We are very pleased to have completed the Manantiales transaction which has excellent potential for early exploration and drill results. The addition of Manantiales provides Elementos with an optimal mix of major copper-gold porphyry targets at Santo Domingo and high grade epithermal mineralisation at Manantiales.

For and on behalf of the Board

Paul Crawford

Company Secretary

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⁴ <http://www.yamana.com/Operations/CorePrincipalOperations/Gualcamayo/default.aspx>

⁵ <http://www.barrick.com/GlobalOperations/SouthAmerica/Veladero/default.aspx>

⁶ <http://www.barrick.com/GlobalOperations/SouthAmerica/PascuaLamaProject/default.aspx>

⁷ <http://www.troy.com.au>

⁸ <http://www.minandes.com/s/LosAzules.asp>

⁹ http://www.xstrata.com/assets/pdf/x_speech_200908141_analyst_visit_copper_sa.pdf

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Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neil Stuart a fellow of the Australasian Institute of Mining and Metallurgy. Mr Stuart is a Director of Orocobre Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Stuart consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1 - San Juan, Argentina Project Location Map

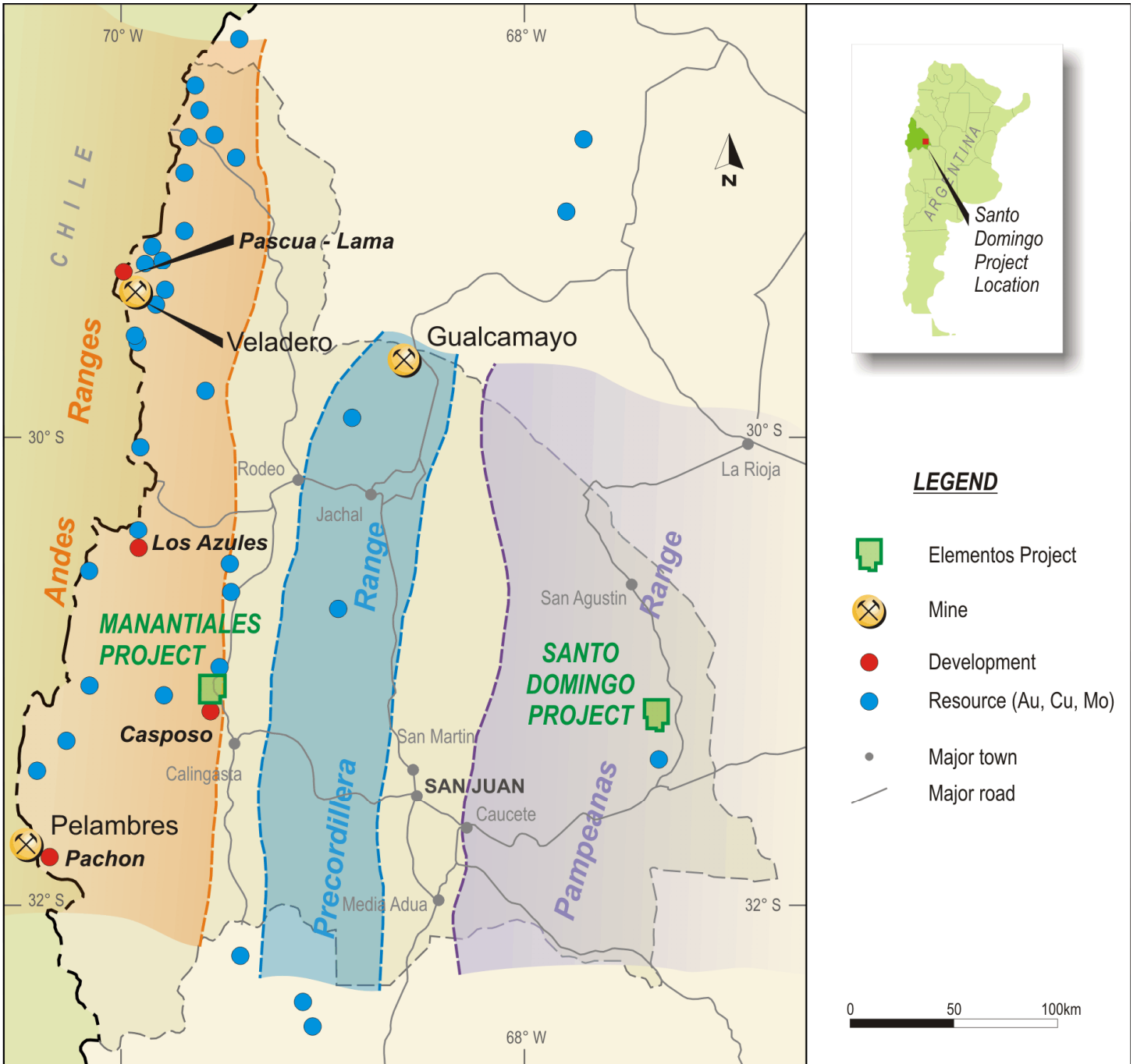


Figure 2 - Manantiales Project Location Map

