



30 September 2016

**Iofina plc**  
("Iofina", the "Company" or the "Group")  
(LSE AIM: IOF)

## **INTERIM RESULTS**

### **Production targets achieved; increased revenues; debt restructuring complete**

Iofina, specialists in the exploration and production of iodine and iodine specialty chemical derivatives, announces its Interim Results for the six months ended 30 June 2016 (the "Period"). During this Period the Group achieved production targets, increased revenues and successfully completed the restructuring of its current debt. Comprehensive details of the debt restructuring have been provided in a separate announcement bearing today's date.

Across the Group, Iofina's five IOsorb® plants produced 124.6 metric tonnes ("MT") in Q1 and 131 MT in Q2 2016. The 255.6 MT of crystalline iodine in H1 2016 fell within the Board's previously published production goal of 250-270MT for H1 2016. The Group expects to produce between 250-270 MT of crystalline iodine in H2 2016 and is currently on track to meet this production goal.

### **KEY FINANCIAL POINTS:**

- Successful debt restructuring of US\$20,000,000 Convertible Notes along with a new US\$10,000,000 Loan Facility;
- Revenue increased to US\$11,580,161 (H1 2015 US\$11,062,861);
- Cash balances of US\$3,751,815 (H1 2015 US\$4,760,784);
- Losses increased to US\$2,188,778 (H1 2015 US\$467,481) following impairment expense of US\$469,263 (H1 2015 \$Nil) relating to Montana water depot project;
- EBITDA of US\$180,437 (H1 2015 US\$1,409,329); and
- Basic loss per share US\$0.017 (H1 2015 US\$0.004).

### **KEY OPERATIONAL POINTS:**

- Production guidance targets met;
  - 255.6MT of crystalline iodine produced
  - Marks the third consecutive six month period where Iofina has met or exceeded published iodine production targets
- Record iodine sales for the Group;

- Continued focus on and execution of reduced iodine and iodine derivative production costs;
- Iodine prices fell in the Period to levels at or below \$24/kg for large iodine consumers. Current iodine prices are generally slightly below these levels; and
- Mitigating risk associated with regulations imposed due to seismic activity associated with certain Salt Water Disposal (“SWD”) wells.
  - Worked with our brine producers to develop a strategy to mitigate risk associated with brine availability due to SWD regulations.
  - IOsorb® plants IO#2 and IO#4 brine delivery systems adjusted to improve brine availability and completed in Q3 2016.
  - The third party producer’s SWD associated with IOsorb® plant IO#5 recently plugged-up to above Arbuckle layer reducing regulatory risk.

Commenting on today’s results, Dr. Tom Becker, President and CEO stated:

**“The Board is pleased to announce a strong first half in terms of production for the Group, ensuring it remains the second largest producer of iodine in North America. Iofina Resources has performed exceptionally well and has achieved H1 production targets, whilst Iofina Chemicals has exceeded H1 2015 revenues.**

**Despite the decline in the price of iodine, it is encouraging to see that the demand and use in various applications continues to grow. The Group is on track to reach H2 production targets of 250MT – 270MT of crystalline iodine.”**

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## Overview

Iofina specializes in the exploration for and production of iodine and iodine specialty chemical derivatives. Iofina's business strategy is to identify, develop, build, own and operate iodine extraction plants currently focused in North America based on Iofina's WET® IOsorb® technology. Iofina has current production operations in the United States, specifically in Kentucky and Oklahoma. The Group has complete vertical integration from the production of iodine in the field to the manufacture of the chemical end-products derived from iodine sold to the consumer and the recycling of iodine using iodinated side-streams from chemical processes. Iofina utilizes its portfolio of patented and patent pending technology, proprietary methods and trademarks throughout all business lines.

## Financial Review

Revenue for the six months to 30 June 2016 was 4.7% higher than for the same period in 2015 (H1 2016 \$11,580,161; H1 2015 \$11,062,861). However gross profit was impacted by the decrease of approximately 20% in iodine prices over the six months to 30 June 2016 compared to the same period in 2015, and came in 39% lower at \$1,765,990 (H1 2015 \$2,897,343). After administrative, impairment and finance expenses the Group recorded a net loss for the period of \$2,188,778 (H1 2015 \$467,481). EBITDA remained positive at \$180,437 (H1 2015 \$1,409,329).

Sales volumes of iodine derivative products were in line with 2015, but average prices achieved were 13% lower, reflecting the iodine prices referred to above. Sales volumes of non-iodine products were down by some 20%, but prices overall were maintained at 2015 levels and gross profit margins showed a healthy improvement. Year end 2016 sales volumes of non-iodine products are expected to be similar to 2015 volumes. Sales of raw iodine showed a significant improvement in revenue, but gross profit was held back by the decline in iodine prices.

Plant costs came in lower across the board, and the Oklahoma plants recorded a 13% reduction in the per kilo cost of production compared to H1 2015. Administrative expenses were held at the same level as for H1 2015 (H1 2016 \$2,584,844; H1 2015 \$2,590,799).

Impairment expense of \$469,263 relates to the Group's non-core Montana water depot project, and further details are provided in Note 3.

Cash balances were \$3,751,815 at 30 June 2016 compared to \$4,156,776 at 31 December 2015 and \$4,760,784 at 30 June 2015. There was a cash flow benefit of \$506,785 for the six months to 30 June 2016 due to a reduction in inventories mainly relating to a 20% reduction in stocks of raw iodine. Capital expenditure for H1 2016 totalled \$485,315, of which \$370,430 relates to the acquisition of additional leasehold interests in mineral rights in Oklahoma.

The Group has completed a restructuring of its \$20,000,000 Convertible notes debt. The notes have been reissued as secured convertible debt repayable by 1 June 2019, and the interest rate has been reduced from 6% to 5% per annum. Stena Investment S.á.r.l. has provided an additional \$10,000,000 secured Loan Facility repayable by 1 June 2019 at an interest rate of 6% per annum. All interest payable may be rolled up and capitalised at the Group's option. These arrangements significantly strengthen the Group's cash position going forward, and provide the opportunity to invest in iodine producing capital projects that show attractive rates of return. The Convertible notes balance of \$19,475,321 at 30 June 2016, prior to reissue of the notes, has been classified as a current liability in the balance sheet in view of the former repayment date of 15 May 2017.

## **Iofina Resources**

Iofina Resources' ("IR") iodine production has performed well in the Period, albeit against unforeseen challenges, and met production targets producing 255.6 MT of crystalline iodine.

As the Group previously reported, regulatory mandates affected Salt Water Disposal ("SWD") sites throughout a large portion of North-West and Central Oklahoma, USA. From late 2015, and throughout the Period, regulations have restricted injection volumes of brine in areas of Oklahoma into the deeper Arbuckle geological layer which is the formation where most SWDs in the Group's core area re-inject produced brine water from oil and gas operations. As a result, Iofina and its partners have had to be proactive and have developed and implemented plans to mitigate brine supply risks associated with these regulations.

At the Group's IOsorb® plants IO#2 and IO#4, along with its partners, Iofina has completed alternative brine return systems that not only return brine to the nearest SWD, but also to Iofina's partners' pipeline Water Transfer Systems ("WTS") for disposal elsewhere. By developing alternative brine return systems at these plants, the Group is now able to process brine above the regulatory limits imposed on individual SWDs. Additionally, in August, at IOsorb® plant IO#5, Iofina's partner plugged-up the SWD to above the Arbuckle layer and is now injecting brine into a less deep formation which is currently not subject to regulatory restrictions for injection volumes. As aforementioned, across the Group, Iofina's five IOsorb® plants produced 124.6 MT in Q1 and 131 MT in Q2 2016. The 255.6 MT of crystalline iodine produced in H1 2016 was within the Board's published production goal of 250-270MT for H1 2016. The Group expects to produce between 250-270 MT of crystalline iodine in H2 2016 and is currently on track to meet this production goal.

On 3 September 2016, seismic activity was reported at an area approximately 100 miles East South East of the Group's core operations. The regulatory restrictions from this event did not affect the Group's IOsorb® plants. The Board continues to be proactive in mitigating the effect of potential future regulatory restrictions, and has stated this in the Group's overall strategy.

Iofina continues to focus on areas of potential for future iodine production sites. The team continues to investigate unique opportunities for future iodine production to bring to fruition at the opportune time when market conditions justify.

## **Iofina Chemical**

The Group's halogen-based specialty chemical business, Iofina Chemical ("IC"), currently markets and sells both the Group's produced iodine and halogen-based chemical products. Revenues of US\$11.58 million in H1 2016 exceeded revenues in H1 2015 despite a 20% decline in iodine prices year on year. This increase in revenue was helped by the Group's record sales of Iofina's produced crystalline iodine to customers across the globe. In the Period consumption of IR produced iodine to create specialty iodine based compounds increased from the same Period in 2015.

IC has implemented plans to increase efficiencies and reduce plant operating costs across the Group. Focus on operational excellence has resulted in reduced like for like labour and maintenance costs at our Kentucky facility, compared to 2015.

IC has seen a successful Period marketing and selling IR produced iodine to the global market. As mentioned above, the Period again saw record sales of crystalline iodine for the Group. Key multi-tonne iodine-based products include; Hydriodic acid, sold into acetic acid manufacturing, animal health and

other industries; methyl iodide, a methylating agent sold to acetic acid manufacturing, pharmaceutical applications and other specialty products; and 3-Iodo-2-propynylbutylcarbamate (“IPBC”), a biocide and preservative used in paints, coatings, cosmetics, and others.

### **Iodine Outlook**

Iofina’s revenues and earnings continue to be affected by challenging iodine prices. Whilst global demand for iodine and iodine derivatives continues to increase at typical historical rates, iodine prices have declined throughout 2016. Currently, for large iodine consumers, global spot iodine prices are trending towards or slightly below \$23/kg. This is an approximately 20% reduction in price over the last 12 months. Iodine demand and use in various applications including LCDs, X-Ray contrast media, animal and human health continue to grow, and we estimate global iodine demand growth to be over 3% for 2016 and that growth will continue in 2017. Despite this growth, iodine prices remain under pressure. Iodine suppliers are competing to retain or gain market share. Many companies, which consume iodine, are keeping historically low inventories relative to consumption, which has reduced the typical global inventory levels at iodine consumers.

The Board believes the near-term outlook for iodine prices remains uncertain. The rate of decreasing iodine prices has slowed, but it is not clear if a bottom in pricing has been reached or not. Barring any significant changes in the segment, the Board anticipates iodine pricing to be in the mid to low \$20’s per kg through the end of 2016. Long term, the Board expects iodine prices to recover to normalized levels which were above \$30 per kg in early 2011. Whilst the Group remains in a strong position, the timing of iodine price recovery remains uncertain.

### **Water Depot Project**

Subsequent to the Period end, the Group received a ruling on the Judicial Review hearing regarding Atlantis Water Solutions’ (“AWS”) water permit application, which confirmed the denial of the permit. At this time the Group will no longer provide any resources towards this non-core project. As a result of the final ruling for denial, and the decision to no longer pursue this project at this time, the Group has impaired obsolete assets associated with AWS. An impairment charge of \$469,263 is detailed in note 3.

### **Outlook**

Over the last two years, the Group has gone through a transformational period resulting in a leaner, consistent, stronger and more effective organization. The Board is pleased that progress has been realised over the last few years in expanding iodine production from the Group’s five IOsorb® plants. Cooperation and improved relationships with the Group’s brine producing partners have added to this positive transformation.

Iofina remains tightly focused on controlling costs and variables under the Group’s control. Along with its debt holders, Iofina successfully restructured its current debt and now has an additional US\$10 million Facility in place to execute prudent business growth plans, including new iodine plants that will reduce the Group’s overall per kilo cost to produce iodine.

Iofina is the second largest producer of iodine in North America. The Board is committed to execute growth plans, mitigate risk, and continuously improve operations to realise the potential of the ever growing iodine market. Iofina continues to invest in R&D to develop new products at IC and increase efficiencies throughout the organization.

Iofina is committed to its employees to empower them to work cohesively to achieve greater goals and continually improve various aspects of the Group, including costs and safety. Iofina is committed to its customers to deliver high quality products in timely fashion. Iofina is committed to its shareholders to make select and sensible business decisions with the outlook of long term value and growth of the Group.

**IOFINA PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

		<b>Unaudited</b>		<b>Audited</b>
		<b>Six months ended</b>		<b>Year ended</b>
		<b>30 June</b>	<b>30 June</b>	<b>31 December</b>
		<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Continuing operations</b>				
Revenue		11,580,161	11,062,861	20,329,057
Cost of sales		(9,814,171)	(8,165,518)	(15,991,489)
<b>Gross profit</b>		<b>1,765,990</b>	<b>2,897,343</b>	<b>4,337,568</b>
Administrative expenses		(2,584,844)	(2,590,799)	(5,909,321)
Impairment expense	3	(469,263)	-	-
Finance expense		(900,409)	(775,186)	(1,755,450)
Finance income		(252)	1,161	16,302
<b>Loss before taxation</b>		<b>(2,188,778)</b>	<b>(467,481)</b>	<b>(3,310,901)</b>
Taxation	8	-	-	334,413
<b>Loss for the period attributable to owners of the parent</b>		<b><u>\$(2,188,778)</u></b>	<b><u>\$(467,481)</u></b>	<b><u>\$(2,976,488)</u></b>
<b>Other comprehensive income</b>				
Foreign currency differences on translating foreign operations		(9,904)	(9,415)	(13,269)
<b>Total comprehensive income for the period</b>		<b><u>\$(2,198,682)</u></b>	<b><u>\$(476,896)</u></b>	<b><u>\$(2,989,757)</u></b>
<b>Basic and diluted loss per share</b>	5	<b><u>\$(0.017)</u></b>	<b><u>\$(0.004)</u></b>	<b><u>\$(0.023)</u></b>

**IOFINA PLC**  
**CONSOLIDATED BALANCE SHEET**  
**30 JUNE 2016**

	Unaudited 30 June 2016 \$	Unaudited 30 June 2015 \$	Audited 31 December 2015 \$
Intangible assets	5,000,192	5,143,957	4,813,948
Goodwill	3,087,251	3,087,251	3,087,251
Property, plant & equipment	22,181,318	23,497,271	23,350,798
<b>Total non-current assets</b>	<b>30,268,761</b>	<b>31,728,479</b>	<b>31,251,997</b>
Inventories	6,051,736	6,659,547	6,558,521
Trade and other receivables	3,109,451	4,102,232	2,853,274
Cash and cash equivalents	3,751,815	4,760,784	4,156,776
<b>Total current assets</b>	<b>12,913,002</b>	<b>15,522,563</b>	<b>13,568,571</b>
<b>Total assets</b>	<b>\$43,181,763</b>	<b>\$47,251,042</b>	<b>\$44,820,568</b>
Trade and other payables	4,468,531	4,059,549	4,210,709
Deferred consideration	240,000	120,000	240,000
Convertible notes	19,475,321	-	-
<b>Total current liabilities</b>	<b>24,183,852</b>	<b>4,179,549</b>	<b>4,450,709</b>
Deferred tax liability	330,541	664,954	330,541
Deferred consideration	120,000	240,000	120,000
Convertible note	-	19,155,839	19,173,266
<b>Total non-current liabilities</b>	<b>450,541</b>	<b>20,060,793</b>	<b>19,623,807</b>
<b>Total liabilities</b>	<b>24,634,393</b>	<b>24,240,342</b>	<b>24,074,516</b>
Issued share capital	2,292,683	2,292,683	2,292,683
Share premium	48,991,647	48,991,647	48,991,647
Share-based payment reserve	1,634,390	1,634,390	1,634,390
Equity reserve	2,133,501	1,885,289	2,133,501
Retained earnings	(30,567,499)	(25,869,714)	(28,378,721)
Foreign currency reserve	(5,937,352)	(5,923,595)	(5,927,448)
<b>Total equity</b>	<b>18,547,370</b>	<b>23,010,700</b>	<b>20,746,052</b>
<b>Total equity and liabilities</b>	<b>\$43,181,763</b>	<b>\$47,251,042</b>	<b>\$44,820,568</b>



**IOFINA PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Share capital	Share Premium	Share- based payment reserve	Equity Reserve	Retained earnings	Foreign currency reserve	Total equity
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 31 December 2014 (Audited)</b>	<b>2,292,683</b>	<b>48,991,647</b>	<b>1,634,390</b>	<b>1,885,289</b>	<b>(25,402,233)</b>	<b>(5,914,179)</b>	<b>23,487,597</b>
<b>Transactions with owners</b>							
Adjustment to equity component of notes	-	-	-	248,212	-	-	248,212
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,212</b>	<b>-</b>	<b>-</b>	<b>248,212</b>
<b>Loss for the year attributable to owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,976,488)</b>	<b>-</b>	<b>(2,976,488)</b>
<b>Other comprehensive income</b>							
Exchange differences on translating foreign operations	-	-	-	-	-	(13,269)	(13,269)
<b>Total comprehensive income attributable to owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,976,488)</b>	<b>(13,269)</b>	<b>(2,989,757)</b>
<b>Balance at 31 December 2015 (Audited)</b>	<b>2,292,683</b>	<b>48,991,647</b>	<b>1,634,390</b>	<b>2,133,501</b>	<b>(28,378,721)</b>	<b>(5,927,448)</b>	<b>20,746,052</b>
<b>Loss for the period attributable to owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,188,778)</b>	<b>-</b>	<b>(2,188,778)</b>
<b>Other comprehensive income</b>							
Exchange differences on translating foreign operations	-	-	-	-	-	(9,904)	(9,904)
<b>Total comprehensive income attributable to owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,188,778)</b>	<b>(9,904)</b>	<b>(2,198,682)</b>
<b>Balance at 30 June 2016 (Unaudited)</b>	<b>2,292,683</b>	<b>48,991,647</b>	<b>1,634,390</b>	<b>2,133,501</b>	<b>(30,567,499)</b>	<b>(5,937,352)</b>	<b>18,547,370</b>

**IOFINA PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

	<b>Unaudited</b>		<b>Audited</b>
	<b>Six months ended</b>		<b>Year ended</b>
	<b>30 June</b>	<b>30 June</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Loss before taxation	(2,188,778)	(467,481)	(3,310,901)
Adjustments for:			
Depreciation	865,103	968,598	1,778,823
Amortization	134,188	134,187	268,375
Impairment expense	469,263	-	-
Construction in progress expensed	-	-	237,162
Finance income	251	(1,161)	(16,302)
Unwinding of discount on convertible note	302,053	222,406	640,730
	<b>(417,920)</b>	<b>856,549</b>	<b>(402,113)</b>
<b>Changes in working capital</b>			
Trade receivables decrease/(increase)	(256,178)	(184,221)	1,064,736
Inventories decrease/(increase)	506,785	(3,107,315)	(3,006,289)
Trade and other payables increase	257,823	921,497	919,974
<b>Net cash outflow from operating activities</b>	<b>90,510</b>	<b>(1,513,490)</b>	<b>(1,423,692)</b>
<b>Cash flows from investing activities</b>			
Interest received	(252)	1,161	16,302
Acquisition of intangible assets	(370,430)	(268,896)	(335,750)
Acquisition of property, plant & equipment	(114,885)	(415,308)	(1,053,548)
<b>Net cash outflow from investing activities</b>	<b>(485,567)</b>	<b>(683,043)</b>	<b>(1,372,996)</b>
<b>Net decrease in cash</b>	<b>(395,057)</b>	<b>(2,196,533)</b>	<b>(2,796,688)</b>
Effects of foreign exchange	(9,904)	(9,416)	(13,269)
	(404,961)	(2,205,949)	(2,809,957)
<b>Cash and equivalents at beginning of period</b>	<b>4,156,776</b>	<b>6,966,733</b>	<b>6,966,733</b>
<b>Cash and equivalents at end of period</b>	<b>\$3,751,815</b>	<b>\$4,760,784</b>	<b>\$4,156,776</b>

## **1. Nature of operations and general information**

Iofina plc is the holding company of a group of companies (the "Group") involved in the exploration and production of iodine as well as the manufacturing of specialty chemicals primarily derived from iodine. Iodine is a rare element that is only produced in a few countries in the world with approximately 56 per cent produced by Chile and 19 per cent produced by Japan. Through the Group's wholly owned subsidiary Iofina Chemical, Inc., the Group is vertically integrated into the iodine derivatives market. Ensuing vertical integration through both production and derivatives results in better margins for the Group while controlling the products end use.

The address of Iofina plc's registered office is 1 King Street, London EC2V 8AU.

Iofina plc's shares are listed on the London Stock Exchange's AIM market.

Iofina's consolidated financial statements are presented in US Dollars, which is the functional currency of the operating subsidiaries.

The figures for the six months ended 30 June 2016 and 30 June 2015 are unaudited and do not constitute full accounts. The comparative figures for the year ended 31 December 2015 are extracts from the 2015 audited accounts (which are available on the Company's website, and have been delivered to the Registrar of Companies) and do not constitute full accounts. The independent auditor's report on the 2015 accounts was unqualified and did not contain statements under sections 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

## **2. Accounting policies**

The basis of preparation and accounting policies set out in the Annual Report and Accounts for the year ended 31 December 2015 have been applied in the preparation of these condensed consolidated interim financial statements. These interim financial statements have been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards ("IFRS") as endorsed by the EU that are expected to be applicable to the consolidated financial statements for the year ending 31 December 2016 and on the basis of the accounting policies expected to be used in those financial statements.

## **3. Impairment expense**

As a result of the decision not to pursue the non-core Montana water depot project following an adverse decision from a Judicial Review, a 100% impairment provision of \$469,263 has been made in respect of all amounts capitalised that are specific to the project.

#### 4. Segment reporting

##### (a) Business segments

The Group reports its business segments in line with IFRS 8, which requires reporting based on the information that is presented to the Chief Operating decision makers. This is determined to be the Board of Directors. The Board receives management accounts for each Company within the Group that include the information shown below. The costs of Iofina plc are included within unallocated corporate expenses.

	Iodine and Iodine Derivatives	Montana	Unallocated Corporate Expenses	Total
<b>Six months ended 30 June 2016 (Unaudited)</b>	\$	\$	\$	\$
Revenue	11,580,161	-	-	11,580,161
Gross profit	1,765,990	-	-	1,765,990
Impairment expense	-	(469,263)	-	(469,263)
<b>Segment result</b>	<b>\$(174,811)</b>	<b>\$(766,351)</b>	<b>\$(1,247,616)</b>	<b>\$(2,178,778)</b>
<b>Six months ended 30 June 2015 (Unaudited)</b>	\$	\$	\$	\$
Revenue	11,062,861	-	-	11,062,861
Gross profit	2,897,343	-	-	2,897,343
<b>Segment result</b>	<b>\$1,648,457</b>	<b>\$(408,686)</b>	<b>\$(1,707,252)</b>	<b>\$(467,481)</b>
<b>Year ended 31 December 2015 (Audited)</b>	\$	\$	\$	\$
Revenue	20,329,057	-	-	20,329,057
Gross profit	4,337,568	-	-	4,337,568
<b>Segment result</b>	<b>\$(250,222)</b>	<b>\$(683,696)</b>	<b>\$(2,042,570)</b>	<b>\$(2,976,488)</b>

	Unaudited		Audited
	Six months ended 30 June		31 December
	2016	2015	2015
<b>Total assets</b>	\$	\$	\$
Iodine and Iodine Derivatives	39,193,517	42,598,499	40,091,220
Montana	3,916,255	4,503,605	4,661,549
Unallocated Corporate	71,991	148,938	67,800
<b>Total</b>	<b>\$43,181,763</b>	<b>\$47,251,042</b>	<b>\$44,820,569</b>
<b>Total liabilities</b>			
Iodine and Iodine Derivatives	4,433,357	5,015,270	4,205,262
Montana	-	-	-
Unallocated Corporate	20,201,036	19,225,072	19,869,254
<b>Total</b>	<b>\$24,634,393</b>	<b>\$24,240,342</b>	<b>\$24,074,516</b>
<b>Total capital expenditure</b>			
Iodine and Iodine Derivatives	485,316	509,392	1,136,592
Montana	-	174,812	252,706
<b>Total</b>	<b>\$485,316</b>	<b>\$684,204</b>	<b>\$1,389,298</b>

#### 4. Segment reporting

##### (b) Geographical segments

The Group also reports by geographical segment. All the Group's activities are related to exploration for, and development of, iodine in certain areas of the USA and the manufacturing of specialty chemicals in the USA with support provided by the UK office. In presenting information on the basis of geographical segments, segment assets and the cost of acquiring them are based on the geographical location of the assets.

	<b>Unaudited</b>		<b>Audited</b>
	<b>Six months ended 30 June</b>		<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total assets</b>			
UK	71,991	148,938	67,800
USA	43,109,772	47,102,104	44,752,768
<b>Total</b>	<b>\$43,181,763</b>	<b>\$47,251,042</b>	<b>\$44,820,568</b>
<b>Total liabilities</b>			
UK	280,453	19,225,072	365,447
USA	24,353,940	5,015,270	23,709,069
<b>Total</b>	<b>\$24,634,393</b>	<b>\$24,240,342</b>	<b>\$24,074,516</b>
<b>Capital expenditures</b>			
UK	-	-	-
USA	485,316	684,204	1,389,298
<b>Total</b>	<b>\$485,316</b>	<b>\$684,204</b>	<b>\$1,389,298</b>

#### 5. Loss per share

The calculation of loss per ordinary share is based on losses of \$2,188,788 (H1 2015: \$467,481) and the weighted average number of ordinary shares outstanding of 127,569,398 (H1 2015: 127,569,398). The warrants are not dilutive and there is, therefore, no difference between the diluted loss per share and the basic loss per share.

#### 6. Convertible notes

The Convertible notes have been reclassified from Non-current liabilities to Current liabilities, and are the subject of a debt restructure. Further details are provided in the Financial Review.

## 7. Share capital

	Unaudited 30 June 2016	Unaudited 30 June 2015	Audited 31 December 2015
Authorised:			
Ordinary shares of £0.01 each			
-number of shares	1,000,000,000	1,000,000,000	1,000,000,000
-nominal value	£10,000,000	£10,000,000	£10,000,000
Allotted, called up and fully paid:			
Ordinary shares of £0.01 each			
-number of shares	127,569,398	127,569,398	127,569,398
-nominal value	£1,275,694	£1,275,694	£1,275,694

## 8. Income tax

No income tax expense was recognised for the period due to the loss during the period of the Group as well as the carried forward losses of the Group. A deferred tax asset has not been recognised due to uncertainty over the timing of the recovery of these tax losses.

## 9. Post balance sheet events

With the exception of the event described in Note 3 there were no material events arising after the balance sheet date that need to be reflected in these interim financial statements.