

**THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL**

Neither this Announcement nor any part of it constitutes an offer to sell or issue or the solicitation of an offer to buy, subscribe or acquire any new Ordinary Shares in any jurisdiction in which any such offer or solicitation would be unlawful.



**Iofina PLC**  
**("Iofina" or the "Company")**

Placing to raise approximately £4.3 million

24 May 2012 – LONDON: Iofina PLC ("Iofina" or the "Company") (AIM: IOF) is pleased to announce the successful placing of 11,571,300 new Ordinary Shares ("Placing Shares") by Investec Bank plc ("Investec") at a price of 37.5 pence per share to raise gross proceeds of approximately £4.3 million (approximately US\$6.8 million). The Placing Price represents a premium of 1.4 per cent. to the closing middle market price of 37 pence per Ordinary Share on 24 May 2012, being the last trading day before this Announcement.

As part of the placing Stena Investment Sarl, a substantial shareholder, have agreed to acquire 10,221,300 Placing Shares.

**The Placing**

This summary should be read in conjunction with, and is subject to, the full text of this Announcement. The Appendices to this Announcement (which form part of this Announcement) include the terms and conditions of the Placing.

The Placing Shares will be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

The Placing will be made on a non-pre-emptive basis utilising the Company's existing authorities. The Placing Shares represent approximately 10 per cent. of the current issued ordinary share capital of the Company.

The Company has applied for admission of the Placing Shares to trading on AIM. It is expected that such Admission will become effective and that dealings in the New Shares on AIM will commence on 31 May 2012.

Following completion of the Placing, the Company will have 127,284,398 ordinary shares in issue.

### **Use of proceeds**

The Directors explored various different forms of non-dilutive financing for the Company's WET® IOsorb build out without success due to the tightening of bank financing in the United States. With the uncertainty in the global markets, the Directors believe it is prudent for the Company to be fully funded in order to maximise its business plan. Without the Placing, Iofina would have to slow down the roll out of its plant in the second half of 2012. The net proceeds will be used to meet Iofina's funding requirements in relation to the current rollout of the third and fourth plants, iodine leases and to provide the working capital needed for the anticipated increase in sales from iodine production. The Company's WET® IOsorb™ plants have a reasonable, accelerated payback based on current economics, and further plants can be funded out of projected cash flow without decreasing the Company's projected rollout.

A summary of the planned use of funds is as follows:

Accelerate roll out of WET® IOsorb™ plants	£1.5m
Acquisition of Iodine leases	£0.75m
Fund the ramp up of iodine production	£1.75m
General working capital	£0.3m
Total	£4.3m

### **For further information, please contact:**

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### **IMPORTANT NOTICES**

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of Iofina's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. Iofina cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include, amongst others, statements regarding or which make assumptions in respect of the future performance of the Company's principal subsidiary undertakings, future foreign exchange rates, interest rates and currency controls, the future political and fiscal regimes in the overseas markets in which the Group operates, the Group's future financial position, plans and objectives for future operations and any other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in the price of nickel or changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future explorations, acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond Iofina's control. As a result, Iofina's actual future results may differ materially from the plans, goals and expectations set forth in Iofina's forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of Iofina speak only as of the date they are made. Except as required by the Financial Services Authority (the "FSA"), the London Stock Exchange, the AIM Rules or applicable law, Iofina expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in Iofina's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

This Announcement is for information purposes only and shall not constitute an offer to buy, sell, issue, or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale

would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Announcement has been issued by and is the sole responsibility of Iofina.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Investec or by any of its respective affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

Investec, which is authorised and regulated in the United Kingdom by the FSA, is acting for Iofina and for no-one else in connection with the Placing, and will not be responsible to anyone other than Iofina for providing the protections afforded to clients Investec nor for providing advice to any other person in relation to the Placing or any other matter referred to herein.

The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by Iofina or Investec that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by Iofina and Investec to inform themselves about, and to observe such restrictions.

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares.

**MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS IN THE UNITED KINGDOM WHO ARE: (A) (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), OR (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER, OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED; (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN IOFINA.**

Persons (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given ("Placees") will be deemed to have read and understood this Announcement, including the Appendices, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in the Appendices. In particular, each such Placee represents, warrants and acknowledges that it is: (i) a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and (ii) outside the United States and is subscribing for the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")).

This Announcement, including the Appendices, is not for distribution, directly or indirectly, in or into or from the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, the Republic of South Africa, the Republic of Ireland or Japan or any jurisdiction into which the same would be unlawful (each a "Restricted Jurisdiction"). This Announcement does not constitute or form part of an offer or solicitation to purchase or subscribe for shares in the capital of Iofina in a Restricted Jurisdiction or Australia. In particular, the Placing Shares referred to in this Announcement have not been, and will not be, registered under the Securities Act or under the securities legislation of any state of the United States, and may not be offered or sold in the United States absent registration or pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Subject to exceptions, the Placing Shares referred to in this Announcement are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act. No public offering of securities of Iofina will be made in connection with the Placing in the United Kingdom, the United States or elsewhere.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus or admission document has been lodged with, or registered by, the Australian Securities and Investments Commission, the Japanese Ministry of Finance; and the Placing Shares have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, the Republic of South Africa, the Republic of Ireland, Australia or Japan. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into or from a Restricted Jurisdiction or Australia.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is unlawful.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of the Appendices or this Announcement should seek appropriate advice before taking any action.

The Placing Shares to which this Announcement relates may be illiquid and/or subject to restrictions on their resale. Prospective subscribers for the Placing Shares offered should conduct their own due diligence on the Placing Shares. If you do not understand the contents of this Announcement you should consult an authorised financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchanges other than AIM. Neither the content of Iofina's website nor any website accessible by hyperlinks on Iofina's website is incorporated in, or forms part of, this Announcement.

## **Appendix I TERMS AND CONDITIONS OF THE PLACING**

### **IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING.**

**THIS ANNOUNCEMENT, INCLUDING THE APPENDICES AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, CANADA, THE REPUBLIC OF SOUTH AFRICA, THE REPUBLIC OF IRELAND, JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.**

**EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A SUBSCRIPTION FOR THE PLACING SHARES.**

### **Details of the Placing**

Investec have today entered into an agreement with Iofina (the "Placing Agreement") under which, subject to the conditions set out in that agreement, Investec has agreed to use their respective reasonable endeavours to procure subscribers for Placing Shares at the Placing Price with certain institutional and other investors.

The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, made or paid following Admission.

### **Application for admission to trading**

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM. It is expected that Admission will become effective at 8.00 a.m. on 31 May 2012 and that dealings in the Placing Shares will commence on AIM at that time.

### **Participation in, and principal terms of, the Placing**

Investec is arranging the Placing as agent for and on behalf of the Company. Investec will determine in its absolute discretion the extent of each Placee's participation in the Placing, which will not necessarily be the same for each Placee.

Each Placee will be required to pay to Investec, on the Company's behalf, the Placing Price for each Placing Share agreed to be acquired by it under the Placing in accordance with the terms set out herein. Each Placee's obligation to acquire and pay for Placing Shares under the Placing will be owed to Investec and the Company. Each Placee has an immediate, separate, irrevocable and binding obligation, owed to Investec, to pay to them (or as they may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe for. Each Placee will be deemed to have read and understood the Appendices in their entirety, to be participating in the Placing upon the terms and conditions contained in the Appendices, and to be providing the representations, warranties, agreements, acknowledgements and undertakings, in each case as contained in the Appendices. To the fullest extent permitted by law and applicable Financial Services Authority ("FSA") rules (the "FSA Rules"), neither (i) Investec, (ii) any of its directors, officers, employees or consultants, or (iii) to the extent not contained with (i) or (ii), any person connected with Investec as defined in the FSA Rules ((i), (ii) and (iii) being together "affiliates" and individually an "affiliate"), shall have any liability to Placees or to any person other than the Company in respect of the Placing.

### **Conditions of the Placing**

The obligations of Investec under the Placing Agreement are conditional on, amongst other things:

- a) the Company having complied with its obligations under the Placing Agreement (to the extent that such obligations fall to be performed prior to Admission); and

- b) Admission having occurred not later than 8.00 a.m. on 31 May 2012 or such later date as the Company, and Investec may agree, but in any event not later than 8.00 a.m. on 14 June 2012.

If any of the conditions contained in the Placing Agreement in relation to the Placing Shares are not fulfilled or waived by Investec, by the respective time or date where specified, the Placing will not proceed and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

Investec may, at its discretion and upon such terms as it thinks fit, waive compliance by Iofina with the whole or any part of any of Iofina's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of Investec, Iofina or any other person shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Investec.

#### **Termination of the Placing Agreement**

Investec is entitled, at any time before Admission, to terminate the Placing Agreement in relation to their obligations in respect of the Placing Shares by giving notice to Iofina if, amongst other things:

- a) the Company fails, in any material respect, to comply with any of its obligations under the Placing Agreement; or
- b) it comes to the notice of Investec that any statement contained in any document or announcement issued or published by or on behalf of Iofina in connection with the Placing was untrue, incorrect or misleading at the date thereof in any respect which Investec considers to be material in the context of the Placing; or
- c) any of the warranties given by the Company in the Placing Agreement has ceased to be true and accurate in any material respect which Investec considers to be material in the context of the Placing; or
- d) if prior to Admission there shall have been any material adverse change or there happens, develops or comes into effect: i) the outbreak or escalation of hostilities or



acts of terrorism or the declaration of a national emergency or war or any other occurrence of international or national effect; or ii) any material adverse change in national or international financial, monetary, economic, political or market conditions which, in any such case, in Investec's reasonable opinion makes it impracticable to proceed with the Placing.

Upon such termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise by Investec of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Investec and that they need not make any reference to Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

#### **No prospectus**

No offering document, prospectus or admission document has been or will be submitted to be approved by the FSA or submitted to the London Stock Exchange in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including the Appendices) released by Iofina today, and subject to the further terms set forth in the contract note to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including the Appendices) is exclusively the responsibility of Iofina and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of Iofina or Investec or any other person and none of Investec or Iofina nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of Iofina in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

#### **Registration and settlement**

Settlement of transactions in the Placing Shares following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("CREST"), subject to certain exceptions. Iofina reserves the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if, in Iofina's opinion, delivery or settlement is not possible or

practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Participation in the Placing is only available to persons who are invited to participate in it by Investec.

A Placee's commitment to acquire a fixed number of Placing Shares under the Placing will be agreed orally with Investec. Such agreement will constitute a legally binding commitment on such Placee's part to acquire that number of Placing Shares at the Placing Price on the terms and conditions set out or referred to in the Appendices and subject to the Company's Memorandum and Articles of Association.

After such agreement is entered into, each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares allocated to it at the Placing Price and settlement instructions.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions that it has in place with Investec. Settlement should be through Investec against CREST ID: 331, account designation: NEWISSUE. For the avoidance of doubt, Placing allocations will be booked with a trade date of 25 May 2012 and settlement date of 31 May 2012, the expected date of Admission.

Iofina will deliver the Placing Shares to the CREST account operated by Investec as agents for Iofina and Investec will enter its delivery (DEL) instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will take place on 31 May 2012, being the expected day of Admission, on a delivery versus payment basis.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by Investec.

Each Placee is deemed to agree that, if it does not comply with these obligations, Iofina may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Iofina's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Representations and warranties**

By participating in the Placing each Placee (and any person acting on such Placee's behalf) acknowledges, undertakes, represents, warrants and agrees (as the case may be) the following. It:

1. has read this Announcement, including the Appendices, in its entirety;
2. acknowledges and agrees that no offering document, prospectus or admission document has been or will be prepared in connection with the Placing and represents and warrants that it has not received a prospectus, admission document or other offering document in connection with the Placing or the Placing Shares;
3. acknowledges that the ordinary shares in the capital of Iofina are admitted to trading on AIM, and Iofina is therefore required to publish certain business and financial information in accordance with the rules and practices of AIM (collectively, the "Exchange Information"), which includes a description of the nature of Iofina's business and Iofina's most recent balance sheet and profit and loss account and that it is able to obtain or access such Exchange Information without undue difficulty and is able to obtain access to such information or comparable information concerning any other publicly traded company without undue difficulty;
4. acknowledges that none of Investec or Iofina or any of their respective affiliates or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or Iofina or any other person other than this Announcement; nor has it requested any of Investec, Iofina, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
5. acknowledges that (i) it and, if different, the beneficial owner of the Placing Shares is not, and at the time the Placing Shares are acquired will not be located in or residents of a Restricted Jurisdiction or Australia, and (ii) the Placing Shares have not been and will not be registered under the securities legislation of the United States, Canada, the Republic of South Africa, the Republic of Ireland, Australia or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, in or into those jurisdictions;

6. acknowledges that the content of this Announcement is exclusively the responsibility of Iofina and that none of Investec nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Announcement or any information previously published by or on behalf of Iofina and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Shares is contained in this Announcement and any information previously published by Iofina by notification to a Regulatory Information Service, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by either Investec or Iofina and neither Investec or Iofina will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of Iofina in deciding to participate in the Placing;

7. acknowledges that neither Investec nor any person acting on behalf of them nor any of their affiliates has or shall have any liability for any publicly available or filed information, or any representation relating to Iofina, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

8. represents and warrants that neither it, nor the person specified by it for registration as a holder of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);

9. represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations 2007 (the "Regulations") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

10. if a financial intermediary, as that term is used in Article 3(2) of EU Directive 2003/71/EC (the "Prospectus Directive") (including any relevant implementing measure in any member state), represents and warrants that the Placing Shares subscribed for by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the European Economic Area which has implemented the Prospectus Directive other than to qualified investors, or in circumstances in which the prior consent of Investec has been given to the proposed offer or resale;

11. represents and warrants that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA");

12. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (Directive 2003/71/EC) (including any relevant implementing measure in any member state);

13. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

14. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;

15. represents and warrants that it is a person falling within Article 19(5) and/or Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or is a person to whom this Announcement may otherwise be lawfully communicated;

16. represents and warrants that it is entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to it, and that its subscription of the Placing Shares will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;

17. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as Investec may in its discretion determine and without liability to such Placee;

18. acknowledges that Investec, nor any of their respective affiliates, nor any person acting on behalf of either of them, is making any recommendations to it, advising it regarding the suitability of any

transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Investec for the purposes of the Placing and that Investec has no duties or responsibilities to it for providing the protections afforded to their clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

19. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither Investec nor Iofina will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify Iofina and the Joint Brokers in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of Investec who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

20. acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by Iofina or Investec in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

21. acknowledges that Investec and its respective affiliates will rely upon the truth and accuracy of the representations, warranties and acknowledgements set forth herein and which are irrevocable and it irrevocably authorises Investec to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;

22. agrees to indemnify and hold Iofina, Investec and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in the Appendices and further agrees that the provisions of the Appendices shall survive after completion of the Placing;

23. represents and warrants that it will acquire any Placing Shares subscribed for by it for its account or for one or more accounts as to each of which it exercises sole investment discretion and it has full

power to make the acknowledgements, representations and agreements herein on behalf of each such account;

24. acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein and in the relevant contract note will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to Iofina's conduct of the Placing. The foregoing representations, warranties and confirmations are given for the benefit of Iofina as well as Investec. The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to the subscription by it and/or such person direct from Iofina for the Placing Shares in question. Such agreement assumes, and is based on a warranty from each Placee, that neither it, nor the person specified by it for registration as holder, of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services). If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax, and neither Iofina nor Investec shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Investec accordingly;

25. understands that no action has been or will be taken by any of the Company, Investec or any person acting on behalf of Iofina or Investec that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;

26. in making any decision to subscribe for the Placing Shares, confirms that it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further confirms that it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain a complete loss in connection with the Placing. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;

27. represents and warrants that it has (a) made its own assessment and satisfied itself concerning legal, regulatory, tax, business and financial considerations in connection herewith to the extent it deems necessary; (b) had access to review publicly available information concerning the Group that it considers necessary or appropriate and sufficient in making an investment decision; (c) reviewed such information as it believes is necessary or appropriate in connection with its subscription of the Placing Shares; and (d) made its investment decision based upon its own judgment, due diligence and analysis and not upon any view expressed or information provided by or on behalf of Investec;

28. understands and agrees that it may not rely on any investigation that Investec or any person acting on their behalf may or may not have conducted with respect to the Company, its Group, or the Placing and Investec has not made any representation to it, express or implied, with respect to the merits of the Placing, the subscription for the Placing Shares, or as to the condition, financial or otherwise, of the Company, its Group, or as to any other matter relating thereto, and nothing herein shall be construed as a recommendation to it to subscribe for the Placing Shares. It acknowledges and agrees that no information has been prepared by Investec or the Company for the purposes of this Placing; and

29. accordingly it acknowledges and agrees that it will not hold Investec or any of its respective affiliates or any person acting on its behalf responsible or liable for any misstatements in or omission from any publicly available information relating to the Group or information made available (whether in written or oral form) in presentations or as part of roadshow discussions with investors relating to the Group (the "Information") and that none of Investec or any person acting on behalf of Investec, makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information.

By participating in the Placing, each Placee (and any person acting on a Placee's behalf) subscribing for Placing Shares acknowledges that: (i) the Placing Shares are being offered and sold only pursuant to Regulation S under the Securities Act in a transaction not involving a public offering of securities in the United States and the Placing Shares have not been and will not be registered under the Securities Act; and (ii) the offer and sale of the Placing Shares to it has been made outside of the United States in an "offshore transaction" (as such term is defined in Regulation S under the Securities Act) and it is outside of the United States during any offer or sale of Placing Shares to it.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that Investec or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Investec, any money held in an account with Investec on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FSA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Investec's money in accordance with the client money rules and will be used by Investec in the



course of their own business; and the Placee will rank only as a general creditor of Investec (as applicable).

All times and dates in this Announcement may be subject to amendment. Investec shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

## **Appendix II**

### **DEFINITIONS**

The following definitions apply throughout this Announcement unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended)
“Admission”	admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“Announcement”	means this announcement (including the appendices to this

	announcement)
“Company” or “Iofina”	Iofina PLC
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited
“Directors” or “Board”	the directors of the Company, or any duly authorised committee thereof
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Admission
“Existing Ordinary Shares”	the 115,713,098 Ordinary Shares in issue at the date of this Announcement
“FSA”	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
“FSMA”	the Financial Services and Markets Act of 2000 (as amended).
“Group”	the Company, its subsidiaries and its subsidiary undertakings
“Investec”	Investec Bank plc, the Company’s nominated adviser and broker
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of 1 pence each in the capital of the Company
“Placing”	the placing of the Placing Shares at the Placing Price by Investec as agent for and on behalf of the Company pursuant to the terms of the Placing Agreement
“Placing Agreement”	the agreement dated 25 May 2012 between (i) the Company; and (ii) Investec relating to the Placing, further details of which are set out in this Announcement
“Placing Price”	37.5 pence per Placing Share
“Placing Shares”	the 11,571,300 new Ordinary Shares to be issued in connection with the Placing
“Shareholders”	holders of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland