



25 September 2013

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

Interim Results 2013
Strongest First Half in Group history

Iofina, specialists in the exploration and production of iodine, with complete vertical integration into specialty chemical iodine derivatives, is pleased to announce Interim Results for the six months ended 30 June 2013 a period which has seen a continuation of the execution of Iofina's expansion strategy.

The Board expect to complete construction of IO#3, IO#4, IO#5 and IO#6 by year end. With these plants fully operational, it is estimated that the annualised production rate will be between c.700-c.1000 metric tonnes of crystallized iodine which would see Iofina become one of the lowest cost and largest iodine producers in North America, enabled by its patent protected WET® IOsorb™ technology.

FINANCIAL HIGHLIGHTS:

- Strongest first half in Group history;
- Second consecutive period of positive EBITDA;
- Record H1 Revenue of \$11,556,468 (H1 2012: \$7,667,162), a 51% increase in revenues;
- Like-for-like losses of \$124,410, nearly breakeven per share (H1 2012: net loss of \$969,935 or (\$0.01/share));
- Improved cash balance at 30 June 2013 of \$16,189,567 (30 June 2012: \$10,388,096);
- Successful Convertible Bond Issue of \$15,000,000 in May 2013; and
- Strong outlook for H2 revenues and profits from Iofina Resources as production from existing plants and four new plants come on line.

OPERATIONAL HIGHLIGHTS:

- Strong Management and expanded Operations team in place to deliver growth, including the recent appointments of George Lantz and Gary Gatchell as CEO and FD, respectively;
- Record revenues for the Group through continued strong performance of Iofina Chemical processing both recycled iodine as well as increasingly the Group's own iodine production from Iofina Resources;

- Multiple site contract won with one of the largest oil and gas operators in the US;
- Identification of six (6) additional highly promising iodine rich sites for the 2014 expansion strategy; and
- Detailed engineering report completed and Montana permit application on the non-core Atlantis Water Project has been lodged.

IOsorb™ HIGHLIGHTS

- Proven model afforded by WET® IOsorb™ with iodine recoveries in excess of 90% achieved;
- IO#1 and IO#2 producing iodine at increasing rates through reporting period;
- IO#1 iodine production increased from higher iodine concentration brine;
- IO#2 12 inch brine pipeline installed to increase capacity so IO#2 will now be afforded excess brine over plant capacity addressing the primary cause of the production disruption flagged in the August Operational Update;
- IO#3 in final stages of construction, with electric tie in coming planned at approximately month end;
- IO#4, IO#5 and IO#6 procurement complete with construction underway and on path for completion in Q4 2013; and
- Awarded US patent for IOsorb™ iodine extraction technology.

Commenting on the Results, Dr. Chris Fay, Non-Executive Chairman, stated:

"Iofina is now in an excellent position to monetise its proven technology with a total of six IOsorb™ plants in production by the end of 2013 and a further six planned for 2014. Process optimisation at IO#1 and IO#2 continues to produce higher iodine yields and this knowledge and experience will be applied to future plants. The key IOsorb™ patent was issued in Q2 2013, protecting our significant competitive intellectual property. The recruitment of George Lantz and Gary Gatchell as CEO and FD respectively, has added significant experience and leadership to the management team as we now enter what should be a highly exciting period for Iofina shareholders marked by rapid growth as our roll out strategy unfolds."

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Overview

Iofina specialises in the exploration and production of iodine, iodine specialty chemical derivatives, produced water and natural gas. Iofina's business strategy is to identify, design, build, own and operate iodine extraction plants currently focused in North America based on Iofina's WET IOsorb™ technology. Iofina has iodine production operations in the United States, specifically in Texas, California, Montana, Oklahoma and Wyoming. 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 to the consumer and the recycling of iodine using iodinated side-streams from waste chemical processes in Europe, North America and Asia. The Group utilises its portfolio of patented and patent pending technology, proprietary methods and trademarks throughout all business lines.

Financial Review

Despite the softening in iodine prices from all-time highs, and the technical issues discussed in the August Operational Update, the Group nevertheless experienced a record first half in terms of revenue and EBITDA and anticipates continued growth in both moving forward. Importantly, at the Group's subsidiary, Iofina Resources, the brine supply problems experienced at IO#2 during the period have now been fully addressed with a new 12 inch pipeline delivering an oversupply of iodine rich brine to the plant and technical improvements made to the processing methods both in IO#2 as well as all our additional plants going forward. The resolution of these issues, together with a continued improvement of iodine parts per million levels and volumes to IO#1, has already resulted in dramatic improvement in iodine production leading to record production rates in the first two months of H2 2013.

The second half of 2013 is on track to deliver further increased production rates at existing plants due to higher iodine concentrations, higher brine volumes, higher plant uptimes and decreasing production costs. While a total of 62.5 metric tonnes (mt) of crystalized iodine was produced in H1 2013, the Board now expects that once IO#3, IO#4, IO#5 and IO#6 are fully operational the run rate should be c.700-c.1,000 mt per year which would already make Iofina one of the largest iodine producers in the North America. At the same time production costs per kilogram have reached all-time lows, positioning the Company as an industry-low cost producer. The Company anticipates further reductions in unit production costs due to the economies of scale associated with the optimisation of labour, and fixed SG&A over additional production. Furthermore the Group has fully funded its aggressive plant rollout programme through the successful placement of a \$15,000,000 convertible bond in May. This particular method of financing was chosen as the Board remains focused on protecting the value of the equity for existing Iofina shareholders at the start of the expected rapid ramp up in revenues, profitability and cash flows for the Group.

The Board anticipates improving financial performance in H2 2013 due to the addition of WET® IOsorb™ plants, enhanced profit margins of existing products, the development of new products, and increased demand for core iodine derivatives products.

During the period under review, the Group reported record revenues of \$11,556,468 (30 June 2012: \$7,667,162), and EBITDA of \$558,495 and a net loss of \$124,410 (30 June 2012: net loss of \$969,935). The loss per share was nearly at breakeven and no dividend is being declared.

The Group ended the period with \$12,439,059 of net property, plant and equipment (30 June 2012: \$8,375,996).

The Group's opening cash position for the period was \$5,720,664 and the closing position was \$16,189,567, an increase of \$10,468,903 primarily due to the issuing of the convertible bond for \$15,000,000.

There were no material events arising after the balance sheet date that need to be reflected in these Interim Financial Statements.

Mid-stream third party iodine collection

Iofina Resources is positioning itself as a world-class iodine producer, with low extraction costs, through steady iodine production at its existing WET® IOsorb™ plants, IO#1 and IO#2. Since the period-end the IO#1 plant is now receiving increased brine water volumes with higher concentrations of iodine which is expected to be sustained. This effort has recently resulted in a 10% increase in iodine produced and is expected to result in an increase in iodine production in H2 of 2013 and beyond.

Recent plant uptime and production rates at IO#2 continue to be encouraging despite fluctuations in brine volumes provided to the plant by the Oil and Gas Operators ("Operators"). The H1 production at IO#2 was impacted by lower brine volume due to downtime of the producing wells from weather and drilling programmes. Through a developing working relationship between Iofina's field personnel and Operator field personnel this issue has been mitigated resulting in greater run time and production volumes. Average monthly production at IO#2 increased significantly in the first part of H2 2013 compared to average monthly production in H1 2013. This trend is expected to continue. The production outlook at IO#2 is positive considering the continuous development of oil wells with high iodine concentration brine being tied into IO#2. Recently a 12 inch brine pipeline was installed at IO#2 by the Operator to increase capacity. Initial volumes exceeded c.50,000 Barrels per Day. While this recent increase is expected to decline during drilling and fracking programmes, overall volume should afford excess brine over plant capacity.

Iofina's Operations and Production staff continues to improve, which has led to production increases at each site. Operations staff and key personnel are in place to meet current and future requirements for the WET® IOsorb™ plants under construction. This will ensure a well-trained work force is fully prepared for operations upon plant commissioning.

Plant construction

As the Group continues to grow, plant construction remains a major focus. IO#3 is underway and on track to be completed by the end of September. IO#4, IO#5 and IO#6 are under construction and expected to be completed by year's end as previously announced. These sites range in brine volume from 17,000 bpd to 40,000 bpd currently but are expected to increase over time from field development. Iofina has developed a strong construction team, enabling the Group to build multiple plants simultaneously. The Group has developed and refined relationships with high-quality equipment vendors, resulting in decreasing lead times and improved economies of scale. The anticipated improvement in lead-time and cost benefit will accommodate the planned rollout of six additional plants in 2014.

Along with construction, the addition of new plant designs for a variety of different site conditions is a key Iofina objective. These designs enable Iofina to handle larger volume brine streams of over 30,000 BPD, high iodine concentration and lower volumes of under 5,000 BPD as well as a plan for a WET® IOsorb™ mobile unit that can be easily deployed and relocated opportunistically. All designs are based on the patented IOsorb™ technology. All three designs will help Iofina refine its business model by having an optimised design for a variety of potential sites and Operator requirements. Engineering packages for these designs will be complete by the end of 2013, enabling implementation in 2014.

Iodine Development

Geologic and exploration efforts have identified sites that could supply at least ten WET® IOsorb™ plant locations through 2014. These sites range from large volume intermediate sites (30,000 BPD) to smaller volume, hyper-rich iodine (greater than 1,000 parts per million) sites. The aforementioned sites offer the potential for geographic expansion and diversification among operators and entities, and include the potential for organic growth for the Group.

Iofina recently entered into a multiple site contract with one of the largest oil and gas operators in the United States. This agreement is significant in that it includes multiple sites and provides for four sites. As the Operator adds and develops additional sites in the area, Iofina will have the option to add sites to the contract. This operator is anticipating rapid growth in its development programme for this area. Two of the largest Operators in the region are actively finalising agreements with Iofina, further endorsing the value added relationship Iofina offers larger oil and gas operators.

Iofina Chemical

Iofina Chemical continued its strong performance in H1 2013, with record sales for the period and a greater than 50 per cent sales increase from H1 2012. April 2013 showed the highest single month revenue in Iofina Chemical history at over \$3.76m. H1 2013 also showed a marked improvement over record breaking sales of H2 2012. Although Iofina Chemical is traditionally a first half weighted business, it is expected that the ramp up in business will deliver higher profits in H2 2013 over the first half. Record full year sales are anticipated at Iofina Chemical for the fourth consecutive year. The Group will continue to market its iodine through iodine chemical derivatives at Iofina Chemical. In addition the Group has recently begun marketing its crystallized iodine to new customers as production increases.

Iofina Chemical continues to commit to providing the best quality, service and value to customers. In 2013, a number of new higher margin iodine based processes have been developed at Iofina Chemical and the Company has already achieved sales in some of these products. Iofina Chemical is also committed to continuing research and development projects for iodine and other halogen-based products. This will expand product offerings and allow the Group to better serve customers. The Group's commitment to the continual improvement of environmental, health and safety systems is a top priority to better serve customers, employees and community.

Water Project – Non-core

Iofina Resources is at an advanced stage of its Fresh Water Right permitting process for the State of Montana. Iofina has secured strategic locations along the water source and main traffic thorough-ways to market water to support existing production and exploration in proven oil and gas fields such as the Elm Coulee Field, as well as support on-going exploration and drilling throughout nearby counties. All right-of-ways between the proposed pumping station and water depot have been secured. Iofina submitted a detailed engineering study to show the feasibility of this high capacity water delivery

system. Iofina has received positive feedback from the State and has actively marketed the water in the area to oil and gas operators, trucking companies, drilling companies, and other local fresh water users.

Patents

The Group continues to develop its extensive patent portfolio. In August 2013, Iofina Resources was awarded a US patent for its IOsorb™ iodine extraction technology. This technology is already in use at IO#1 and IO#2. The patent is for the extraction of iodine from brine streams that contain hydrocarbon contaminants at the extraction facility located at the Operator's injection site. The issued patent was originally filed in the United States. The patent has also been filed in Chile and Japan which between them produce over 93% of the global supply of iodine. The Board believes the issuance of patents for proprietary technology, along with its extensive leasing program, will enable the Group to expand its market share in the iodine market. Iofina will continue to file additional patents based on this key patent.

Iodine Outlook

Iodine prices in the first half of 2013 decreased from record highs as the worldwide production of iodine increased. Japanese production has been relatively stable but is slowly declining however total production of iodine in Chile has increased in the period.

The spread between iodine spot prices and contractual pricing has narrowed. Market iodine pricing between \$50-\$60/kg was typical in the first half of 2013. With the continued growth in iodine uses in industries such as X-ray contrast media, LCD screens, and pharmaceuticals, Iofina anticipates iodine supply and demand to reach equilibrium in the near term and iodine pricing to remain mostly stable in the second half of 2013. Labour, water supply, environmental concerns, energy costs, and currency devaluation continue to be ongoing concerns for Chilean iodine producers resulting in strong upward costing pressures. Conversely Iofina's unique patent protected technology and symbiotic relationships with oil and gas producers is enabling it to reduce its production costs and as the business scales production costs are expected to reduce further, putting Iofina on path to be the most profitable (kilo for kilo) iodine producer in the world.

Outlook

The Board believes the Group is well positioned to build on a record H1 having strengthened the management team and looks forward to updating shareholders on what is a pivotal stage of development for the Company with the rollout of 4 additional plants by the end of 2013.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE
INCOME
FOR THE PERIOD ENDED 30 JUNE 2013**

		Unaudited		Audited
		Six months ended 30 June		Year ended
		2013	2012	2012
	Note	\$	\$	\$
Continuing operations				
Revenue		11,556,468	7,667,162	18,643,308
Cost of sales		<u>(9,067,157)</u>	<u>(6,120,193)</u>	<u>(15,144,987)</u>
Gross profit		2,489,311	1,546,969	3,498,321
Administrative expenses		(2,613,053)	(2,659,664)	(4,693,184)
Finance income		<u>1,085</u>	<u>143,178</u>	<u>12,058</u>
Loss before taxation		(122,657)	(969,517)	(1,182,805)
Taxation		<u>(1,753)</u>	<u>(418)</u>	<u>51,618</u>
Loss for the year attributable to owners of the parent		<u>(124,410)</u>	<u>(969,935)</u>	<u>(1,131,187)</u>
Other comprehensive income				
Foreign currency differences on translating foreign operations		<u>104,022</u>	<u>(342,592)</u>	<u>(180,198)</u>
Other comprehensive income for the period, net of income tax		<u>104,022</u>	<u>(342,592)</u>	<u>(180,198)</u>
Total comprehensive income for the period		(20,388)	(1,312,527)	(1,311,385)
Basic and diluted loss per share (\$)	4	<u>(0.00)</u>	<u>(0.01)</u>	<u>(0.01)</u>

IOFINA PLC
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
30 JUNE 2013

		Unaudited		Audited
		30 June		31 December
	Note	2013	2012	2012
		\$	\$	\$
Assets				
Intangible assets		5,881,395	5,902,967	5,788,391
Goodwill		3,087,251	3,087,251	3,087,251
Plant, property and equipment		12,439,059	8,375,996	10,909,843
Other non-current assets		550	-	550
Total non-current assets		<u>21,408,255</u>	<u>17,366,214</u>	<u>19,786,035</u>
Trade and other receivables		3,404,645	3,318,645	4,833,721
Inventories		7,672,604	3,318,737	4,055,818
Cash and cash equivalents		16,189,567	10,388,096	5,720,664
Total current assets		<u>27,266,816</u>	<u>17,025,478</u>	<u>14,610,203</u>
Total assets		<u>48,675,071</u>	<u>34,391,692</u>	<u>34,396,238</u>
Equity and liabilities				
Current liabilities				
Trade and other payables		1,069,003	2,105,562	1,769,783
Non-current liabilities				
Deferred tax liability		781,313	781,313	781,313
Deferred consideration		600,000	-	600,000
Convertible note	5	14,430,229	-	-
Total liabilities		<u>16,880,545</u>	<u>2,886,875</u>	<u>3,151,096</u>
Equity attributable to owners of the parent				
Issued share capital	6	2,288,106	2,288,106	2,288,106
Share premium		48,919,023	48,919,023	48,919,023
Share-based payment reserve		1,136,150	1,136,150	1,136,150
Equity reserve		569,771	-	-
Retained earnings		(15,133,218)	(14,929,581)	(15,008,808)
Foreign currency reserve		(5,985,306)	(5,908,881)	(6,089,329)
Total equity		<u>31,794,526</u>	<u>31,504,817</u>	<u>31,245,142</u>
Total equity and liabilities		<u>48,675,071</u>	<u>34,391,692</u>	<u>34,396,238</u>

IOFINA PLC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Share-based payment reserve	Equity Reserve	Retained loss	Foreign currency reserve	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 31 December 2011 (Audited)	2,107,424	42,345,688	1,136,150	-	(13,959,646)	(5,566,289)	26,063,327
Transactions with owners							
New share capital subscribed	180,682	6,693,385	-	-	-	-	6,874,067
Share issue cost	-	(120,050)	-	-	-	-	(120,050)
Total transactions with owners	180,682	6,573,335	-	-	-	-	6,754,017
Loss for the year attributable to owners of the parent	-	-	-	-	(969,935)	-	(969,935)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	(342,592)	(342,592)
Total other comprehensive income	-	-	-	-	-	(342,592)	(342,592)
Total comprehensive income	-	-	-	-	(969,935)	(342,592)	(1,312,527)
Balance at 30 June 2012 (Unaudited)	2,288,106	48,919,023	1,136,150	-	(14,929,581)	(5,908,881)	31,504,817
Loss for the year attributable to owners of the parent	-	-	-	-	(79,227)	-	(79,227)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	(180,448)	(180,448)
Total other comprehensive income	-	-	-	-	-	(180,448)	(180,448)
Total comprehensive income	-	-	-	-	(79,227)	(180,448)	(259,675)
Balance at 31 December 2012 (Audited)	2,288,106	48,919,023	1,136,150	-	(15,008,808)	(6,089,329)	31,245,142
Transactions with owners							
Equity component of convertible note	-	-	-	569,771	-	-	569,771
Total transactions with owners	-	-	-	569,771	-	-	569,771
Loss for the year attributable to owners of the parent	-	-	-	-	(124,410)	-	(124,410)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	-	-	104,023	104,023
Total other comprehensive income	-	-	-	-	-	104,023	104,023
Total comprehensive income	-	-	-	-	(124,410)	104,023	(20,387)
Balance at 30 June 2013 (Unaudited)	2,288,106	48,919,023	1,136,150	569,771	(15,133,218)	(5,985,306)	31,794,526

IOFINA PLC
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2013

	Unaudited		Audited
	Six months ended 30 June		31 December
	2013	2012	2012
	\$	\$	\$
Cash flows from operating activities			
Loss before taxation	(122,657)	(969,517)	(1,182,805)
Adjustments for:			
Depreciation and amortisation	680,484	624,209	1,377,654
Finance income and other income	668	(1,324)	(12,058)
Profit on disposal of property, plant and equipment	-	-	(181,815)
	<u>558,495</u>	<u>(346,632)</u>	<u>976</u>
Decrease/(Increase) in other receivables, prepayments and other current assets	1,429,077	(1,181,497)	(2,778,472)
(Increase)/Decrease in inventories	(3,616,786)	(1,166,134)	(1,903,215)
Increase/(Decrease) in trade and other payables	(702,532)	553,339	286,008
Cash used in operations	<u>(2,890,241)</u>	<u>(1,794,292)</u>	<u>(4,395,679)</u>
Net cash outflow from operating activities	<u>(2,331,746)</u>	<u>(2,140,924)</u>	<u>(4,394,703)</u>
Cash flows from investing activities			
Interest (paid)/received	(668)	1,324	12,058
Acquisition of intangible assets	(149,693)	(127,174)	(25,000)
Acquisition of property, plant and equip.	(2,153,013)	(642,194)	(4,032,921)
Proceeds from disposal of property, plant and equip.	-	-	757,500
Net cash outflow from investing activities	<u>(2,303,374)</u>	<u>(768,044)</u>	<u>(3,288,363)</u>
Cash flows from financing activities			
Proceeds from the issue of ordinary share capital	-	6,874,067	6,874,067
Cost of issue of ordinary share capital paid	-	(120,050)	(120,050)
Proceeds from the issue of convertible loan	15,000,000	-	-
Net cash inflow from financing activities	<u>15,000,000</u>	<u>6,754,017</u>	<u>6,754,017</u>
Net increase/(decrease) in cash and cash equivalents	10,364,880	3,845,049	(929,049)
Net exchange gains/(losses) on cash and cash equivalents	104,024	(103,288)	3,378
	<u>10,468,904</u>	<u>3,741,761</u>	<u>(925,671)</u>
Cash and cash equivalents at beginning of year	<u>5,720,664</u>	<u>6,646,335</u>	<u>6,646,335</u>
Cash and cash equivalents at end of year	<u>16,189,568</u>	<u>10,388,096</u>	<u>5,720,664</u>

1. Nature of operations and general information

Iofina plc (“Iofina” or the “Company”) 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 58 per cent produced by Chile and 35 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. Pursuing vertical integration through both production and derivatives results in better margins for the Group while controlling the products end use.

Iofina plc was incorporated on 15 March 2005 in England and Wales and changed its name from Commodore Resources plc to Iofina plc on 8 February 2006, to Iofina Natural Gas plc on 24 February 2006 and back to Iofina plc on 12 November 2007.

The address of Iofina plc's registered office is 48-49 Russell Square, London WC1B 4JP.

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.

This condensed consolidated interim financial information has not been audited and was approved by the board on 24 September 2013.

2. Basis of Preparation and Accounting policies

The condensed consolidated financial information for the six months ended 30 June 2013 has been prepared in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. The condensed consolidated financial statements for the six months ended 30 June 2013 should be read in conjunction with the annual financial statements for the year ended 31 December 2012 which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Group's principal accounting policies used in preparing this information are consistent with those applied and stated in the financial statements for the year ended 31 December 2012, which are available on our website www.iofina.com, and are expected to be used in the financial statements for the year ending 31 December 2013.

The figures for the six months ended 30 June 2013 and 30 June 2012 are unaudited and do not constitute full accounts. The comparative figures for the year ended 31 December 2012 are extracts from the 2012 audited accounts and do not constitute full accounts. The independent auditor’s report on the 2012 accounts was unmodified.

The Group has previously prepared their interim financial statements in Pounds Sterling. In the annual report for 2012, the Board of Directors decided to report in US Dollars and restate the comparative period's results. This approach has been adopted in this interim report and the comparative financial information of the period to 30 June 2012 is now expressed in US Dollars.

The vast majority of the Group's business is in U.S. Dollars, which is the functional currency for the Group financial statements. All transactions of Iofina plc have been translated from Pound Sterling to US Dollars.

At its current stage of development, the directors consider that the Group does not need to raise additional funds in order to realise its business plan. For this reason, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

3. Segmental reporting

(a) Analysis of business and geographical segments

The Group reports its business segments in line with IFRS8, 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 and as such the reporting is carried out on this basis. The PLC segment represents the activities of Iofina Plc and is essentially unallocated corporate expenses.

The Group also reports by geographical segment. All the Group's activities are related to exploration for, and development of, associated 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.

	Unaudited Six months ended 30 June		Audited 31 December
	2013	2012	2012
	\$	\$	\$
Total assets			
Iofina plc	465,116	1,201,393	988,793
Iofina Resources, Inc.	30,704,550	18,316,800	16,295,608
Iofina Chemical, Inc.	17,505,405	14,873,499	17,111,837
Total	48,675,071	34,391,692	34,396,238
Total liabilities			
Iofina plc	14,442,154	7,929	141,848
Iofina Resources, Inc.	1,116,403	100,917	822,518
Iofina Chemical, Inc.	1,321,988	2,778,029	2,186,730
Total	16,880,545	2,886,875	3,151,096
Total capital expenditure			
Iofina plc	-	-	-
Iofina Resources, Inc.	1,861,594	2,777	4,636,651
Iofina Chemical, Inc.	213,920	61,905	21,270
Total	2,075,514	64,682	4,657,921

	Unaudited Six months ended 30 June		Audited 31 December
	2013	2012	2012
	\$	\$	\$
Total assets			
UK	465,116	1,201,393	988,793
USA	48,209,955	33,190,299	33,407,445
Total	48,675,071	34,391,692	34,396,238
Capital expenditures			
UK	-	-	-
USA	2,075,514	64,682	4,657,921
Total	2,075,514	64,682	4,657,921

	PLC	Resources	Chemical	Total
	\$	\$	\$	\$
Six months ended June 30, 2012 (Unaudited)				
Revenue	-	-	7,667,162	7,667,162
Loss after tax	(150,515)	(1,295,270)	475,850	(969,935)
Year ended December 31, 2012 (Audited)				
Revenue	-	-	18,643,308	18,643,308
Loss after tax	(525,366)	(998,253)	392,432	(1,131,187)
Six months ended June 30, 2013 (Unaudited)				
Revenue	-	-	11,556,468	11,556,468
Loss after tax	(350,214)	(659,103)	884,907	(124,410)

4. Loss per share

The calculation of loss per ordinary share is based on losses of \$124,410 (H2 2012 loss: \$969,935 and full year 2012 loss: \$1,131,187) and the weighted average number of ordinary shares outstanding of 127,284,398 (H2 2012: 118,065,505 and full year 2012: 122,687,580). The warrants are not dilutive and there is, therefore, no difference between the diluted loss per share and the basic loss per share.

5. Convertible Note

The note was issued at par and has an annual coupon of 6.5% payable quarterly in arrears and is convertible into fully paid ordinary shares. The conversion price is US\$3.21. If not converted or previously redeemed the note will be redeemed at par upon maturity two years from the issue date. The Company has the right to redeem the note without penalty at any time at which point the holder may elect to convert or receive repayment.

The note holder is a Substantial Shareholder in the Company and pursuant to AIM Rule 13, the issue of the note is a Related Party Transaction.

6. Share capital

		Unaudited 30 June 2013	Unaudited 30 June 2012	Audited 31 December 2012
Authorised:				
Ordinary shares of £0.01 each	- number of shares	1,000,000,000	1,000,000,000	1,000,000,000
	- nominal value	<u>£10,000,000</u>	<u>£10,000,000</u>	<u>£10,000,000</u>
Allotted, called up and fully paid:				
Ordinary shares of £0.01 each	- number of shares	127,284,398	127,284,398	127,284,398
	- nominal value	<u>\$2,288,106</u>	<u>\$2,288,106</u>	<u>\$2,288,106</u>
	- nominal value	<u>£1,272,844</u>	<u>£1,272,844</u>	<u>£1,272,844</u>

7. 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.

8. Post balance sheet events

There were no material events arising after the balance sheet date that need to be reflected in these interim financial statements.