

## SUNDAY QUESTOR

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### Iofina

66.5p

Questor says

Buy

WHEN it comes to the commodities boom, most of the attention is focused on metals, but a new entrant to the Aim junior market is shining a light on a somewhat different element: iodine. This is used in LCD displays, cosmetics, X-rays, sanitisers, photography, pharmaceuticals and a host of other applications. Demand is running at 27,000 metric tonnes a year and growing at 1,500 tonnes annually.

Yet the element is relatively rare, being found mostly in Chile and Japan, and the price has shot up – to around \$28 a kilo – along with those of other commodities. It can be found in and extracted by electrolysis from the brine water that often occurs alongside natural gas fields. Iofina has just raised around \$30m through its flotation, which will fund development of a 50,000-acre project in the American state of Montana. The company claims to have developed technology that will make it the lowest-cost producer of the element.

The project, which is due to come on line later this year, aims to produce 1,500 tonnes of iodine a year – which is a decent chunk of overall global demand – and it will eventually move towards manufacturing iodine derivatives itself to gain access to a market worth around \$3bn a year.

As a start-up project, the company is certainly a risk, but the share offer was five times oversubscribed.

So for investors looking for a novel play on the commodities boom, Iofina is certainly worth a look. Buy.