



20 December 2019

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

Trading Update
Construction of IO#8 remains on track; IofinaEX advances research

Iofina plc, specialists in the exploration and production of iodine and manufacturers of specialty chemical products, is pleased to provide an update to the market regarding its ongoing operations and new projects.

Iofina Resources is currently constructing the Company's latest iodine production plant, IO#8 which, once complete, will take the Group's total number of operating IOsorb[®] plants in western Oklahoma to five. This plant, where work began in late September of this year, continues to make progress as expected within Iofina Resources' timeline and budget, and is anticipated to contribute to production in H1 2020. The Company is happy to report that concrete, electrical work and tank placement has begun and larger infrastructure will be installed in early 2020.



Figure 1. Construction of IO#8 in western Oklahoma

Iodine production at the Group's existing production plants continues to perform in line with expectations, with Iofina Resources on track to produce 305-325 metric tonnes of crystalline iodine in H2 2019. Based on results through early December, the Group is confident that it will deliver total volumes of H2 crystalline iodine within this expected range.

Iofina anticipates that the addition of IO#8 will continue to grow production rates in 2020, which comes at an advantageous time for the Group as the iodine global market supply remains tight. As a result, the Directors believe it is likely that iodine prices will continue to gain momentum into 2020, building on the significant increases in 2019 where prices have risen by well over 20%.

IofinaEX, the Group's newest specialty chemical operation focused on the extraction of valuable products such as CBD, CBN and CBG from Hemp, continues to make encouraging progress. IofinaEX has continued to refine its isolation processes in Kentucky. The extraction and distillation of CBD oil is ongoing and the Group will continue to improve this process and develop its scale-up strategy in this growing and rapidly changing market.

Recently, Iofina, through its subsidiary IofinaEX Global, has been exploring business opportunities regarding CBD/Hemp in Central America. IofinaEX Global has strong relationships with business leaders and government officials in Belize and has been in extensive talks for some time about potential operations and regulations in this space. Iofina is pleased to report that the Government of Belize is currently considering an intention to amend new Hemp regulations in the country, to mirror the USA Farm Bill (2018) stipulating that CBD/Hemp production can only produce a THC value of <0.3%.

This significant consideration from the Belize Government will be an important step in ensuring that Belize is likely to be the only Central American and Caribbean country that will be able to meet USA regulations on Hemp production and consequently be able to export certified CBD derivatives into the US market. This recent regulatory and security improvement provides a path forward whereby IofinaEX Global will continue to investigate investment options in Belize such as a CBD processing operation or a full 'seed-to-sale' solution for Hemp. A final statement from the Government of Belize is expected in the next few weeks.

Further to the Group's announcement on 6 November 2019, regarding its investment in a hemp seed growing operation in Colorado, Iofina is pleased to report that the project is progressing well and as scheduled. All of these ongoing projects are elements of Iofina's strategy to gain expertise in all aspects of hemp/CBD production and providing a positive return on investment for shareholders. Iofina will continue to update the market on its progress in these areas. The Directors are aware of the risks and potential rewards of CBD/Hemp and will carefully plan investments in the USA, Belize and elsewhere to maximize reward and minimize risk for its shareholders in this evolving market.

Additionally, Directors are diligently exploring various options regarding debt restructuring and are confident of a solution in H1 2020.

Commenting, President and CEO of Iofina, Dr. Tom Becker, stated: *"We are delighted to report on the excellent progress being made on the construction of IO#8, which will have a similar cost structure to Iofina's current lowest per kilo production cost plants. In addition, we are pleased with this year's production rates, with the final year-end total expected to be a record yearly production volume of iodine for the Company.*

"As we seek to continue to grow our production capacity next year, we are well positioned to take advantage of the current, positive environment of the iodine market.

“IofinaEX is continuing to develop its strategy in the CBD/Hemp space and we look forward to providing further information on the developments that we make within our Kentucky lab, drawing on the expertise of our specialty chemical team.

“Iofina’s Directors are appreciative of the hard work and commitment of its employees in 2019, who have worked diligently to continue to execute on the Group’s goals to expand operations, develop new and improved technologies, and deliver quality products. We look forward to providing a further update to the market in Q1 2020.”

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About Iofina:

Iofina plc (AIM: IOF) is a vertically integrated Company that specialises in the production of Iodine and the manufacturing of specialty chemical products. As the second largest producer of iodine in North America, it comprises three USA entities; Iofina Resources, Iofina Chemical and IofinaEX.

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Iofina Resources

Iofina Resources develops, builds, owns and operates iodine extraction plants using Iofina's WET® IOsorb® technology. Iofina currently operates four producing IOsorb® plants in Oklahoma, building a fifth site, and is consistently using technology and innovation to improve and expand its operations.

www.iofina.com

Iofina Chemical

Iofina Chemical has manufactured high quality halogen speciality chemicals derived from raw iodine, as well as non-iodine based products for over 35 years.

IofinaEX

Iofina’s newest subsidiary, IofinaEX, is now fully licensed to process hemp in the state of Kentucky and the Directors are committed to exploring the isolation of specialty chemical products from hemp, a rapidly expanding market.

IofinaEX Global

IofinaEX Global is a Belize based subsidiary company of Iofina exploring CBD/Hemp opportunities in Central America and Caribbean countries.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.