

Statement required to be circulated to members by Rene Nominees (IOM) Limited in support of resolutions proposed at General Meeting

Dear Shareholders

We wanted to share with you the reason for calling the General Meeting and why we think shareholders should vote in favour of the resolutions.

We have been a long-time holder of "Iofina Equity & Debt" since 2014 and worked with the company to help it recover after a series of poor investment decisions in a difficult market environment.

Without our financial support and that of Stena Investment, the company would have collapsed.

We recently agreed to convert \$4.19m of debt to common equity, in the process becoming the largest individual shareholder in the company, for the following reasons:

- Rising Iodine prices up from \$19Kg to \$37Kg in 18 months
- The rate of demand for Iodine is rising faster than supply
- Lowest cost production in the market
- 2-year capital payback on new plant investments
- Excellent downstream chemical facility in Kentucky
- Improving EBITDA which we calculate at \$12m a year
- Production problems with the market leaders in Chile
- Improving "Iofina" extraction technology

Post-Conversion Note: Coronavirus / Iodine

Iodine is used as a preventive measure against the disease & official Japanese health guidelines adopted during the SARS outbreak recommend an Iodine based mouthwash and oral tablets as the best way to provide a level of protection against the disease.

Existing alcohol based handwash products produced in China are not fully effective against the virus.

Iodine is a low-cost option for handwash and disinfectant that kills all versions of the Flu virus and is suitable for distribution on a worldwide basis. Japanese and European health guidelines recommend Iodine based products for the washing of floors, surfaces and handwash. Iodine disinfectants are capable of being deployed in developing countries as a low-tech solution with a proven track record.

https://www.jrs.or.jp/quicklink/guidelines/guideline/nopass_pdf/seijininnai12_e.pdf

Background to breakdown in relationship with the Company

The Chairman, Lance Baller, was involved in a number of strategic blunders which cost tens of millions of dollars and left the business heavily indebted:

- Badly executed expansion of new Iodine plants with uneconomic levels of Iodine & high operating costs
- A failed initiative to supply water to fracking companies from an exhausted Gas field acquired for millions that turned out to be almost valueless
- Unsustainable corporate debt

We believe the executive management have done a good job of recovering the position, shutting non-performing plants and focussing on producing Iodine at worldwide competitive cost levels. Well done Tom & team!

"Iofina" recently approved a related party loan of \$900,000 to Organic Vines OP LLC, a company 100% owned by Mr Baller, to finance the growth of hemp seeds.

The loan was provided through a novel corporate structure called a Dissolving Non-Voting Equity Participation Share where "Iofina" have first call on the profits up to a maximum return of 300%.

Organic Vines have no financial track record and the terms of the loan seem to have had no collateral or financial guarantees from Mr Baller. Any investment in a new start up is a risky proposition and we would expect to see an equity stake with some sort of personal guarantee over the loan. Most investors involved in this type of risky finance expect a return of 5 to 10X return to compensate for the risk of failure.

As an ex-investment banker, Lance can claim to have invented a new financial instrument known as the "Dissolving Non-Voting Equity Participation Share" (DNVEPS). I would prefer to describe the arrangement as "Lance's Magic Seeds deal".

The company lent nearly a million bucks of your money to the Chairman, with no risk and no equity if the venture succeeds.

On a pragmatic level, it will be hard to normalise the company in investment terms and encourage the recovery of the share price or market perception.

We are also concerned by the lack of progress demonstrated by the board over the debt restructure, \$16.5m is due to be re-paid to Stena Nv in June 2020 and we have argued that this should have been prioritised or the shareholders could face substantial dilution from a forced institutional placing or poor financing terms. We hope to hear a solid reply from the company in response to this statement when they respond.

These two issues mean we have lost confidence in the Chairman and we would observe, having worked closely with the company, that he runs the company like it is his own private business and other directors are often side-lined or ignored.

The resolutions seek to replace Lance and appoint myself as a director without salary. We would support the appointment of one of the other directors as "interim Chairman" and push for a strategy that better benefited shareholders:

- Appoint an independent US based Chairman.
- Company has around \$10m of cash on its balance sheet and we would explore options to leave the company debt free or with long term facilities that could fund growth and the expansion of Iodine plants capable of producing Iodine below the world production costs.
- Explore financing via trade partners rather than banks
- Clean up the balance sheet and start paying dividends by 2021 or finance share buybacks
- Look to move forward on plans for Io9, Io10

It is time for the board to put the shareholders first.

I have enjoyed a successful career in business having created a major direct insurance business from scratch, from a desk and two telephones and no capital. The business was a top 20 UK Insurance broker employing 1000 staff, a turnover of £250m and profits of £20m. The business was sold for £137m to private equity and then I did it all over again, creating a top 20 broker, in half the time!

I have varied business interests in insurance, leisure, legal and commodity companies.

The plan with "Iofina" would be to retain the executive management that have turned the business around but start thinking about how we create shareholder value.

Yours faithfully

Arron Banks