



International Isotopes Inc.

FOR IMMEDIATE RELEASE:

August 15, 2016

INTERNATIONAL ISOTOPES INC. ANNOUNCES SECOND QUARTER AND SIX MONTHS 2016 FINANCIAL RESULTS

*The Company reports its tenth consecutive quarter of
positive cash flow produced by operating activities*

Idaho Falls, ID. August 15, 2016 – International Isotopes Inc. (OTCQB: INIS) (the “Company”) announces financial results for the second quarter and six months ended June 30, 2016.

Revenue for the three months ended June 30, 2016 was \$1,698,732 as compared to \$1,580,376 for the same period in 2015, an overall increase of approximately 7%. Revenue for the six-month period ended June 30, 2016 was \$3,390,409, as compared to \$3,516,857 for the same period in 2015, a decrease of approximately 4%.

Revenue from the sale of radiochemical products for the three months ended June 30, 2016 decreased approximately 8% compared to the same period in 2015. Revenue from the sale of radiochemical products for the six-month period ended June 30, 2016, also decreased approximately 8% compared to the same period in 2015. We believe the decrease in revenue for both periods is the result of some pharmacy and hospital customers switching to an FDA-approved sodium iodide product versus our iodine-131 radiochemical product. Because of operational cost reductions, however, the Company was able to increase net income in the three months ended June 30, 2016 for the segment by 22% compared to the same period in 2015, and the Company reports only a 4% decrease in net income for the segment for the six-month period in 2016 compared to the same period in 2015.

Revenue from the sale of cobalt products for the three months ended June 30, 2016 decreased approximately 18% compared to the same period in 2015, and revenue from the sale of cobalt products for the six-month period ended June 30, 2016 increased approximately 4% compared to the same period in 2015. The decline in revenue for the three-month period was attributed to the lack of available cobalt for source manufacturing. Net income for cobalt products decreased by approximately 8% for the three months ended June 30, 2016, as compared to the same period in 2015, and net income increased approximately 17% for the six months ended June 30, 2016

compared to the same period in 2015. The increase in net income for the six-month period comparison is largely attributable to a significant reduction in the cost of sales resulting from the use of recycled cobalt for source fabrication.

Revenue from nuclear medicine products for the three months ended June 30, 2016 increased approximately 7% compared to the same period in 2015. Revenue from nuclear medicine products for the six-month period ended June 30, 2016 increased just less than 1% compared to the same period in 2015. Net income for this segment for the three months ended June 30, 2016, increased approximately 44% compared to the same period in 2015, and net income for this segment increased by approximately 8% for the six-month period ended June 30, 2016 compared to the same period in 2015. The Company reports sales of TI Services, its 50% owned distributor business, within this segment and although TI Services sales continue to decline, our nuclear medicine product sales to RadQual have remained firm. The majority of revenue within this segment is generated by sales to RadQual, which has increased by 13% and 5%, respectively, for the three- and six-month periods ended June 30, 2016, compared to the same periods in 2015.

Revenue from radiological services for the three months ended June 30, 2016 increased approximately 135% compared to the same period in 2015. The radiological services segment reported a decrease of approximately 20% in revenue for the six-month period ended June 30, 2016 compared to the same period in 2015. Net income for the three-month period ended June 30, 2016 increased approximately 162% compared to the same period for 2015, and net income decreased approximately 14% for the six-month period ending June 30, 2016 compared to the same period in 2015. Revenue in this segment is primarily earned by performing field service activities in connection with the Department of Energy's (DOE) Orphan Source Recovery Program. The DOE awards those contracts on a periodic basis and that accounts for the large fluctuations in revenue and net income within this segment in our period-to-period comparisons.

Overall gross profit for the three months ended June 30, 2016 increased approximately 24% compared to the same period in 2015, and gross profit percentage was up to 46% for the three months ended June 30, 2016, compared to 40% for the same period in 2015. Gross profit for the six-month period ended June 30, 2016 increased approximately 6% compared to the same period in 2015 and gross profit percentage also increased from 41% to 45% in the respective period comparison. The improvements in gross profit and gross profit percentage are the result of the Company's continued focus on decreasing cost of sales in all segments, with the exception of transportation.

Operating expense for the three months ended June 30, 2016 increased approximately 14% compared to the same period in 2015. Operating expenses for the six-month period ended June 30, 2016 increased approximately 16% compared to the same period in 2015. This increase in operating expense was largely the result of an increase in general, administrative, and consulting costs. Specifically, the costs associated with research and development and a periodic radioactive waste shipment that was made in June 2016.

Our net loss for the three months ended June 30, 2016 was \$445,427, compared to \$447,492, for the same period in 2015, a decrease in loss of less than 1%. Our net loss for the six-month period ended June 30, 2016, was \$819,945 as compared to \$619,040 for the same period in 2015. This is an increase in loss of approximately 32%. This increase in net loss was the result of

increased research and development expense incurred for product development and increased waste disposal costs incurred for the six months ended June 30, 2016, as compared to the same period in 2015.

On June 30, 2016, the Company had cash and cash equivalents of \$430,989 as compared to \$397,955 at December 31, 2015, an increase of approximately 8%. The quarter ended June 30, 2016 marks the tenth consecutive quarter that the Company has reported positive net cash flow from operations.

Steve T. Laffin, President and CEO of the Company said, “We still expect to submit our generic abbreviated New Drug Application for our I¹³¹odine/MAXTM to the FDA later this year and we expect that the I¹³¹odine/MAXTM product should be just the first of several generic drug products we plan to submit to the FDA for approval in the coming years. We believe this new business line of generic drug products will significantly increase sales in our radiochemical business segment.”

“In our cobalt products segment we continue to irradiate new cobalt targets and accept progress payments from multiple customers. The progress payments are responsible to a great extent for our continued current positive cash flow. The revenue for cobalt sales under those contracts, however, will not be recognized until cobalt shipments to customers begin to take place, which is expected to be late in 2017.”

“In the longer term, we believe future cobalt sales and the launch of new generic drug products presents the opportunity for significant increases in Company revenue beginning in 2018 and beyond. In the nearer term, however, we expect a significant increase in both domestic and international contract opportunities for sealed source recovery operations to result in an increase in the radiological services segment during the remainder of 2016 and throughout 2017.”

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	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Sales of Product	\$1,580,376	\$1,698,732	\$3,516,857	\$3,390,409
Gross Profit	\$627,213	\$774,700	\$1,437,751	\$1,521,837
Total Operating Expenses	\$990,780	\$1,127,579	\$1,868,407	\$2,167,828
Operating (Loss)	(\$363,567)	(\$352,879)	(\$430,656)	(\$645,991)
Total Other Income (Expense)	(\$86,968)	(\$95,891)	(\$186,352)	(\$177,965)
Net (Loss)	(\$447,492)	(\$445,427)	(\$619,040)	(\$819,945)
Net (Loss) Per Common Share basic and diluted	\$0.00	\$0.00	\$0.00	\$0.00
Weighted Av. Shares Outstanding basic and diluted	402,210,797	402,481,728	394,108,451	402,408,772

About International Isotopes Inc.

International Isotopes Inc. manufactures a full range of nuclear medicine calibration and reference standards, manufactures a variety of cobalt-60 products such as teletherapy sources, and provides a wide range of radiological field services on a contract basis to clients. The

Company also provides a wide selection of radioisotopes and radiochemicals for medical devices, calibration, clinical research, life sciences, and industrial applications.

International Isotopes Inc. Safe Harbor Statement

Certain statements in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements with respect to future profitability of the Company, sustained positive cash flow, additional field service contract opportunities, revenue performance within any of the Company business segments, and the success of new products. Information contained in such forward-looking statements is based on current expectations and is subject to change. These statements involve a number of risks, uncertainties and other factors that could cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Other factors, which could materially affect such forward-looking statements, can be found in the Company's filings with the Securities and Exchange Commission at www.sec.gov, including our Annual Report on Form 10-K for the year ended December 31, 2015. Investors, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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