



International Isotopes Inc.

FOR IMMEDIATE RELEASE:

November 15, 2016

INTERNATIONAL ISOTOPES INC. ANNOUNCES THIRD QUARTER AND NINE MONTHS 2016 FINANCIAL RESULTS

Idaho Falls, ID. November 15, 2016 – International Isotopes Inc. (OTCQB: INIS) (the “Company”) announces financial results for the third quarter and nine months ended September 30, 2016.

Revenue for the three months ended September 30, 2016 was \$1,411,263 as compared to \$1,609,061 for the same period in 2015, an overall decrease of approximately 12%. Revenue for the nine-month period ended September 30, 2016 was \$4,801,672, as compared to \$5,125,918 for the same period in 2015, a decrease of approximately 6%. The decrease in revenue for both periods was primarily the result of the decrease in revenue in the radiological services and cobalt products segments. The Company is expecting to see increased revenue generation in the fourth quarter of 2016 in the radiological services and radiochemical segments.

Steve T. Laflin, President and CEO of the Company, said, “For the most part, the Company’s financial performance this year is meeting our expectations. While there have been challenges to the revenue and earnings in some of our business segments, those issues were anticipated and we believe measures are in place to improve performance. We have contracts in place to ensure that our cobalt segment will once again generate significant revenue beginning in 2018. We have also secured additional radiological field services contracts. That revenue will be reported in the fourth quarter of 2016 and significantly improve that segment’s revenue performance. We have also seen a significant increase in the sales of our sodium iodide product late in the third quarter of 2016 as the result of one of our competitors terminating sales of their sodium iodide I-131. We expect that increase in sales to continue through the fourth quarter of 2016 and into 2017.”

“A significant milestone for the Company is that we have submitted our abbreviated New Drug Application to the U.S. Food and Drug Administration (FDA) for our I¹³¹odine/MAXTM sodium iodide radiochemical product. This product is used in the treatment and diagnosis of diseases of the thyroid, thyroid cancer, and hyperthyroidism and for use in investigational and clinical trials for the treatment of breast, lung, prostate, and ovarian cancers. I¹³¹odine/MAXTM is the first generic sodium iodide product application submitted to the FDA and because of that the Company has requested an expedited review of the application. While the FDA has not yet formally accepted the application, we are confident that they will find the application complete

and that the Company could have FDA approval of the product sometime in 2017. We believe that after FDA approval, sales of the I¹³¹odine/MAXTM product will have a significant positive impact upon Company revenue.”

Revenue from nuclear medicine products for the three and nine months ended September 30, 2016 increased approximately 24% and 7%, respectively, compared to the same periods in 2015. Net income for this segment increased approximately 135% for the three months ended September 30, 2016, as compared to the same period in 2015, and net income increased by approximately 31% for the nine-month period ended September 30, 2016 compared to the same period in 2015. The increase in revenue for the three-month period was partially affected by a periodic maintenance outage the Company conducted in September 2015, which depressed sales during the third quarter of 2015. However, sales of nuclear medicine products were strong for both the three and nine month periods ended September 30, 2016. The increase in net income for both periods was primarily attributable to manufacturing process improvements which have significantly reduced the cost of manufacturing some nuclear medicine products.

Revenue from the sale of radiochemical products for the three months ended September 30, 2016 increased approximately 1% compared to the same period in 2015. Revenue from the sale of radiochemical products for the nine-month period ended September 30, 2016 decreased approximately 5% compared to the same period in 2015. The decrease in the nine-month comparison is primarily the result of the election of customers to purchase an FDA approved sodium iodide product versus our iodine-131 radiochemical product. The increase in revenue for the three-month period comparison is the result of one of our competitors announcing plans to terminate their sodium iodide production and customers shifting their purchasing to INIS. This impact was felt late in the quarter but is expected to have a more significant positive impact on revenue in the fourth quarter 2016 and on into 2017. This segment reported a 17% increase in net income for the three months ended September 30, 2016, and an increase of approximately 3% for the nine-month period ended September 30, 2016, compared to the same periods in 2015. The increases in net income are the result of the slight increase in sales and the Company’s efforts to reduce their operating expense and cost of sales for the period-to-period comparisons.

Revenue from the sale of cobalt products for the three months ended September 30, 2016 decreased approximately 77% compared to the same period in 2015, and revenue decreased approximately 26% for the nine-month period ended September 30, 2016 compared to the same period in 2015. Our net loss for cobalt products was \$4,516 for the three months ended September 30, 2016, as compared to net income of \$108,165 for the same period in 2015. Net income for the nine months ended September 30, 2016 decreased approximately 18% to \$305,138, as compared to net income of \$373,847 for the same period in 2015. The decrease in revenue and net income for both periods is attributable to the reduction in sealed source sales which is the continued result of the interruption in high specific activity cobalt production in the Department of Energy’s (DOE) Advanced Test Reactor (ATR). This interruption in cobalt production and the reduction in sales are coming to an end, however, because the Company previously signed a ten-year purchase agreement with the DOE and material under that agreement should be available starting in 2018. The Company has already executed several long-term sales agreements with customers for bulk cobalt and sealed sources and those customers are making progress payments for the purchase of that material. The funding received under these contracts will begin to be recognized when actual sales begin in 2018.

Revenue from radiological services for the three and nine month periods ended September 30, 2016 decreased approximately 53% and 31%, respectively, compared to the same periods in 2015. Our net income in this segment decreased approximately 80% for the three months ended September 30, 2016, as compared to the same period in 2015, and net income for the nine months ended September 30, 2016 decreased approximately 41% compared to the same period in 2015. Revenue and net income in this segment are primarily the result contract work for the DOE's Orphan Source Recovery Program (OSRP). The OSRP contracts are issued on a random basis and can account for large fluctuations in the period-to-period comparisons.

Gross profit for the three months ended September 30, 2016 decreased 19% compared to the same period in 2015. Gross profit for the nine-month period ended September 30, 2016 decreased just 2% compared to the same period in 2015. Operating expense decreased approximately 18% for the three months ended September 30, 2016, compared to the same period in 2015 and is the result of a significant decrease in research and development costs during the period. Operating expenses for the nine-month period ended September 30, 2016, increased by approximately 3% compared to the same period in 2015 as a result of waste disposal costs.

Our net loss for the three months ended September 30, 2016 was \$539,357, compared to \$644,488 for the same period in 2015. This is a decrease in loss of approximately 16% and is primarily the result of decreased operating expenses for the period. Our net loss for the nine-month period ended September 30, 2016 was \$1,359,302 as compared to \$1,263,528 for the same period in 2015, an increase of approximately 8%. The increase in net loss for the nine-month period was the result of the decrease in gross profit and increase in operating expense for the period.

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Sales of Product	\$1,609,061	\$1,411,263	\$5,125,918	\$4,801,672
Gross Profit	\$617,368	\$502,972	\$2,055,119	\$2,024,809
Total Operating Expenses	\$1,164,605	\$952,545	\$3,033,012	\$3,120,373
Operating (Loss)	(\$547,237)	(\$449,573)	(\$977,893)	(\$1,095,564)
Total Other Income (Expense)	(\$105,913)	(\$92,004)	(\$292,265)	(\$269,969)
Net (Loss)	(\$644,488)	(\$539,357)	(\$1,263,528)	(\$1,359,302)
Net (Loss) Per Common Share basic and diluted	\$0.00	\$0.00	\$0.00	\$0.00
Weighted Av. Shares Outstanding basic and diluted	402,228,535	403,859,723	396,815,146	402,892,423

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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