



# **International Isotopes Inc.**

**FOR IMMEDIATE RELEASE:**

November 15, 2017

## **INTERNATIONAL ISOTOPES INC. ANNOUNCES THIRD QUARTER AND NINE-MONTH 2017 FINANCIAL RESULTS**

*The Company Reports a 35% Increase in Revenue For The Three Month Period and 15% Increase For The Nine Month Period Compared To The Same Periods In 2016*

**Idaho Falls, ID. November 15, 2017** – International Isotopes Inc. (OTCQB: INIS) (the “Company”) announces financial results for the third quarter and nine months ended September 30, 2017.

Revenue for the three months ended September 30, 2017 was \$1,900,701 as compared to \$1,411,263 for the same period in 2016, an overall increase of approximately 35%. Revenue for the nine-month period ended September 30, 2017 was \$5,520,733, as compared to \$4,801,672 for the same period in 2016, an increase of \$719,061, or approximately 15%. This increase in revenue for both the three- and nine-month periods was largely the result of increases in both the radiochemical and radiological services segments. The performance of all our business segments for the periods are discussed in further detail below.

Revenue from the sale of radiochemical products for the three months ended September 30, 2017 was \$605,507, compared to \$433,394 for the same period in 2016, an increase of approximately 40%. Revenue from the sale of radiochemical products for the nine-month period ended September 30, 2017 was \$1,777,903 compared to \$1,216,587 for the same period in 2016, an increase of approximately 46%. Net profit for this segment increased approximately 25% and 35% respectively for the three- and nine-month periods ended September 30, 2017. The increase in revenue and net profit in both the period-to-period comparisons is primarily the result of increased market demand of this product and the cessation of a competitor’s operations in late 2016.

Revenue from radiological services for the three months ended September 30, 2017 was \$349,565, compared to \$99,807 for the same period in 2016, an increase of approximately 250%. The radiological services segment reported revenue of \$844,898 for the nine-month period ended September 30, 2017 compared to \$460,874 for the same period in 2016. This is an increase of approximately 83% for the nine-month period. Net profit for the three-month period ended September 30, 2017 increased by more than a factor of five compared to the same period in 2016 and net profit increased by more than a factor of two for the nine-month period ended September

30, 2017, compared to the same period in 2016. The majority of our radiological services revenue is generated by the performance of field service activities in connection with radioactive source recovery for the Department of Energy (DOE) and International Atomic Energy Agency (IAEA). The increase in the revenue and net profit for 2017 is the result of an increased number of contract awards to the Company for these services in 2017.

Revenue from the sale of cobalt products for the three months ended September 30, 2017 was \$116,750, compared to \$67,653, for the same period in 2016, an increase of approximately 73%. Revenue from the sale of cobalt products for the nine-month period ended September 30, 2017 was \$420,816, compared to \$573,308 for the same period in 2016, a decrease of approximately 27%. Our net profit for cobalt products was \$66,229 for the three months ended September 30, 2017, as compared to a net loss of \$4,516 for the same period in 2016. The increase in net profit in the three-month period comparison was directly attributable to the increase in sealed source sales during the period ended September 30, 2017, as compared to the same period in 2016. Net profit for the nine months ended September 30, 2017 was \$221,224, compared to \$305,138 for the same period in 2016, a decrease in net profit of approximately 28%. The decrease in net profit for the nine-month period ended September 30, 2017 is the direct result of the decline in cobalt source manufacturing during this period compared to the same period in 2016. Our cobalt sealed source manufacturing depends upon the availability of bulk cobalt material. Since our cobalt production in the DOE's Advanced Test Reactor (ATR) was interrupted in 2012 we have been working to procure additional material. Additional sources of cobalt have been identified and are expected by the end of 2017 and beginning of 2018 and that material, combined with new cobalt production in the ATR, should help us resume normal cobalt revenue generation in 2018.

Revenue from nuclear medicine products for the three months ended September 30, 2017 was \$808,148 compared to \$804,382 for the same period in 2016, a slight increase in revenue of less than 1%. Revenue from nuclear medicine products for the nine-month period ended September 30, 2017 was \$2,451,252 compared to \$2,454,399 for the same period in 2016, a decrease in revenue of less than 1%. Net profit for this segment decreased approximately 30% and 7% respectively for the three- and nine-month periods ended September 30, 2017, compared to the same periods in 2016. The decline in net profit for both periods was the result of the increased operating expense reported as a result of the change in ownership of RadQual, LLC (RadQual). In August 2017, affiliates of the Company purchased approximately 75% of RadQual, which gave the Company increased management control of RadQual's operations. As a result, we are required to report our investment in RadQual on a consolidated basis going forward.

Our net loss for the three months ended September 30, 2017 was \$1,582,165, compared to \$539,357, for the same period in 2016. Our net loss for the nine-month period ended September 30, 2017, was \$2,970,628 as compared to \$1,359,302 for the same period in 2016. The increase in net loss for both the three- and nine-month periods is primarily attributable to two major factors which increased our operating expense approximately 46% and approximately 30% for the three- and nine-month periods, respectively. The first factor was the increased cost related to our on-going arbitration proceedings. Those proceedings are expected to conclude before the end of 2017 and should not continue into 2018. The second major factor that increased our operating expense was a loss recorded on the write-down of our investment in RadQual. As a result of the change in the member ownership of RadQual, we re-valued and wrote-down our investment in RadQual, based on the price paid by the new members, and recorded a loss on

investment in RadQual in the amount of \$946,884. This is a one-time transaction and will not result in any further negative impact to the Company's net profit after 2017.

Steve T. Laflin, President and CEO of the Company, said, "Our Radiochemical and Radiological Services Segments continue to demonstrate strong revenue performance this quarter as they have throughout the year. Looking forward we expect to see continued strong performance in these segments through the remainder of 2017 and into next year. In addition, we hope to gain FDA approval of our sodium iodide product in 2018 which is expected to further improve our financial performance within the radiochemical segment. While we cannot predict with certainty the likelihood of additional field service contracts for our radiological services segment, it appears that the government programs that make those contract awards should be well funded to continue those activities next year."

"For the past several years, our cobalt products segment has been negatively impacted by the lack of available bulk cobalt for source fabrication. We believe that situation is coming to an end because we have been able to acquire bulk cobalt from another supplier and because cobalt being produced in the ATR should start being available for our use in 2018 and beyond. Those supply sources of cobalt will allow us to resume source fabrication and we should see revenue generation within this segment return to historic levels."

"The change in RadQual ownership and the Company's assumption of the management responsibility for RadQual is expected to have a significant positive impact on the nuclear medicine segment performance going forward. The change in ownership presents opportunities for significant operational cost savings and we intend to begin to address development of new products for the nuclear medicine imaging sector."

Mr. Laflin concluded, "In consideration of all the above factors and opportunities, we believe the Company is in an excellent position for increased revenue and on a path to achieve profitability in 2018. While significant, the increase in net loss in 2017 is the result of unusual non-recurring factors that are not expected to impact our financial performance after 2017."

### International Isotopes Inc.

	Three Months Ended Sept 30,		Nine Months Ended Sept 30,	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Sales of Product	\$1,900,701	\$1,411,263	\$5,520,733	\$4,801,672
Gross Profit	\$846,515	\$502,972	\$2,351,525	\$2,024,809
Total Operating Expenses	\$1,388,813	\$952,545	\$4,049,394	\$3,120,373
Operating (Loss)	(\$542,298)	(\$449,573)	(\$1,697,869)	(\$1,095,564)
Total Other Income (Expense)	(\$1,045,773)	(\$92,004)	(\$1,277,191)	(\$269,969)
Net (Loss)	(\$1,582,165)	(\$539,357)	(\$2,970,628)	(\$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	406,751,293	403,859,723	406,375,721	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](http://www.sec.gov), including our Annual Report on Form 10-K for the year ended December 31, 2016. 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.

**FOR MORE INFORMATION CONTACT:**

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