

INTERNATIONAL ISOTOPES INC
Form 10-Q
August 14, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number:

0-22923

INTERNATIONAL ISOTOPES INC.

(Exact name of registrant as specified in its charter)

Texas
*(State or other jurisdiction of
incorporation or organization)*

74-2763837
(IRS Employer Identification Number)

4137 Commerce Circle
Idaho Falls, Idaho, 83401
(Address of principal executive offices, including zip code)

(208) 524-5300
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
(Do not check if a smaller reporting company)	Emerging growth company <input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act.

As of August 4, 2017, the number of shares of common stock, \$.01 par value, outstanding was 406,755,371.

INTERNATIONAL ISOTOPES INC.

FORM 10-Q

For The Quarter Ended June 30, 2017

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Part I. Financial Information

Item 1. Financial Statements

INTERNATIONAL ISOTOPES INC. AND SUBSIDIARIES**Unaudited Condensed Consolidated Balance Sheets**

	June 30, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	\$ 600,189	\$ 314,520
Accounts receivable	869,275	774,275
Inventories	1,831,133	1,476,240
Prepays and other current assets	498,810	736,447
Total current assets	3,799,407	3,301,482
Long-term assets		
Restricted money market account	451,627	450,631
Property, plant and equipment, net	1,903,686	1,948,076
Investment	1,505,019	1,492,781
Patents and other intangibles, net	4,139,866	4,186,295
Total long-term assets	8,000,198	8,077,783
Total assets	\$ 11,799,605	\$ 11,379,265
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 1,376,470	\$ 941,659
Accrued liabilities	616,827	568,714
Convertible debt, net of debt discount	254,544	3,025,165
Current portion of unearned revenue	2,763,948	2,608,328
Current installments of notes payable	7,191	366,953
Total current liabilities	5,018,980	7,510,819
Long-term liabilities		
Obligation for lease disposal costs	473,675	468,974
Unearned revenues, net of current portion	364,440	364,440
Notes payable, net of current portion and debt discount	438,646	428,891
Mandatorily redeemable convertible preferred stock	4,464,250	850,000
Total long-term liabilities	5,741,011	2,112,305
Total liabilities	10,759,991	9,623,124
Stockholders' equity		

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Common stock, \$0.01 par value; 750,000,000 shares authorized; 406,730,902 and 404,999,758 shares issued and outstanding respectively	4,067,309	4,049,998
Additional paid in capital	120,248,686	119,595,535
Accumulated deficit	(123,328,024)	(121,939,561)
Equity attributable to International Isotopes Inc. stockholders	987,971	1,705,972
Equity attributable to noncontrolling interest	51,643	50,169
Total equity	1,039,614	1,756,141
Total liabilities and stockholders' equity	\$ 11,799,605	\$ 11,379,265

See accompanying notes to the unaudited condensed consolidated financial statements.

INTERNATIONAL ISOTOPES INC. AND SUBSIDIARIES**Unaudited Condensed Consolidated Statements of Operations**

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Sale of product	\$ 1,785,824	\$ 1,698,732	\$ 3,620,032	\$ 3,390,409
Cost of product	1,091,054	924,032	2,115,022	1,868,572
Gross profit	694,770	774,700	1,505,010	1,521,837
Operating costs and expenses:				
Salaries and contract labor	486,905	466,062	980,786	903,197
General, administrative and consulting	604,040	527,108	1,478,143	981,614
Research and development	76,982	134,409	201,652	283,017
Total operating expenses	1,167,927	1,127,579	2,660,581	2,167,828
Operating loss	(473,157)	(352,879)	(1,155,571)	(645,991)
Other income (expense):				
Other income	-	1,847	125	6,347
Equity in net income of affiliate	22,168	20,770	45,133	44,573
Interest income	662	64	1,083	157
Interest expense	(144,442)	(118,572)	(277,759)	(229,042)
Total other income (expense)	(121,612)	(95,891)	(231,418)	(177,965)
Net loss	(594,769)	(448,770)	(1,386,989)	(823,956)
Net (loss) income attributable to non-controlling interest	(7,426)	3,343	(1,474)	4,011
Net loss attributable to International Isotopes Inc.	\$ (602,195)	\$ (445,427)	\$ (1,388,463)	\$ (819,945)
Net loss per common share - basic and diluted	\$ -	\$ -	\$ -	\$ -
Weighted average common shares outstanding	406,726,706			

basic and diluted