

INTERNATIONAL ISOTOPES INC  
Form 10-Q  
August 08, 2014

**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, 2014

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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

As of August 5, 2014, the number of shares of Common Stock, \$.01 par value, outstanding was 369,453,526.

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**INTERNATIONAL ISOTOPES INC.**

**FORM 10-Q**

**For The Quarter Ended June 30, 2014**

**TABLE OF CONTENTS**

	<b><u>Page</u></b> <b><u>No.</u></b>
<b><u>PART I FINANCIAL INFORMATION</u></b>	
<b><u>Item 1. Financial Statements</u></b>	
<u>Unaudited Condensed Consolidated Balance Sheets</u> <u>at June 30, 2014 and December 31, 2013</u>	3
<u>Unaudited Condensed Consolidated Statements of</u> <u>Operations for the Three and Six Months Ended</u> <u>June 30, 2014 and 2013</u>	4
<u>Unaudited Condensed Consolidated Statements of</u> <u>Cash Flows for the Six Months Ended June 30, 2014</u> <u>and 2013</u>	5
<u>Notes to Unaudited Condensed Consolidated</u> <u>Financial Statements</u>	6
<b><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	14
<b><u>Item 4. Controls and Procedures</u></b>	24
<b><u>PART II OTHER INFORMATION</u></b>	
<b><u>Item 1A. Risk Factors</u></b>	24
<b><u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u></b>	24
<b><u>Item 6. Exhibits</u></b>	25
<b><u>Signatures</u></b>	26



## Part I. Financial Information

## Item 1. Financial Statements

## INTERNATIONAL ISOTOPES INC. AND SUBSIDIARIES

## Unaudited Condensed Consolidated Balance Sheets

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 810,309	\$ 456,374
Accounts receivable	790,407	1,046,403
Inventories	1,080,587	1,478,349
Prepays and other current assets	358,748	613,795
<b>Total current assets</b>	<b>3,040,051</b>	<b>3,594,921</b>
<b>Long-term assets</b>		
Restricted certificate of deposit	203,177	204,222
Property, plant and equipment, net	2,271,339	2,271,153
Capitalized lease disposal costs, net	84,049	90,199
Investment	1,361,966	1,368,808
Patents and other intangibles, net	4,446,644	4,478,711
<b>Total long-term assets</b>	<b>8,367,175</b>	<b>8,413,093</b>
<b>Total assets</b>	<b>\$ 11,407,226</b>	<b>\$ 12,008,014</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 493,343	\$ 732,449
Accrued liabilities	834,602	610,759
Current installments of notes payable	207,288	341,373
<b>Total current liabilities</b>	<b>1,535,233</b>	<b>1,684,581</b>
<b>Long-term liabilities</b>		
Convertible debt, net of debt discount	3,864,622	3,806,452
Obligation for lease disposal costs	589,251	566,369
Notes payable, net of current portion and debt discount	250,403	254,198
Mandatorily redeemable convertible preferred stock	850,000	850,000
<b>Total long-term liabilities</b>	<b>5,554,276</b>	<b>5,477,019</b>

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Total liabilities	7,089,509	7,161,600
Stockholders' equity		
Common stock, \$0.01 par value; 750,000,000 shares authorized; 369,395,849 and 369,130,899 shares issued and outstanding respectively	3,693,958	3,691,314
Additional paid in capital	118,233,715	117,783,738
Accumulated deficit	(117,677,650)	(116,697,147)
Equity attributable to International Isotopes Inc. stockholders	4,250,023	4,777,905
Equity attributable to noncontrolling interest	67,694	68,509
Total equity	4,317,717	4,846,414
Total liabilities and stockholders' equity	\$ 11,407,226	\$ 12,008,014

See accompanying notes to the unaudited condensed consolidated financial statements.

## INTERNATIONAL ISOTOPES INC. AND SUBSIDIARIES

## Unaudited Condensed Consolidated Statements of Operations

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Sale of product	\$ 1,808,581	\$ 1,800,049	\$ 3,757,437	\$ 3,472,838
Cost of product	1,128,695	1,011,937	2,273,123	2,105,206
Gross profit	679,886	788,112	1,484,314	1,367,632
Operating costs and expenses:				
Salaries and contract labor	374,366	415,777	761,724	868,237
General, administrative and consulting	420,395	455,028	927,617	936,550
Research and development	130,537	210,850	212,484	443,669
Total operating expenses	925,298	1,081,655	1,901,825	2,248,456
Net operating loss	(245,412)	(293,543)	(417,511)	(880,824)
Other income (expense):				
Other income (expense)	10,345	(32,297)	15,628	(28,132)
Equity in net income of affiliate	19,006	28,887	40,586	31,633
Interest income	98	38	393	426
Interest expense	(310,745)	(109,334)	(620,414)	(209,452)
Total other income (expense)	(281,296)	(112,706)	(563,807)	(205,525)
Net loss	(526,708)	(406,249)	(981,318)	(1,086,349)
Loss attributable to non-controlling interest	(1,590)	7,039	815	18,247
Net income (loss) attributable to International Isotopes Inc.	\$ (528,298)	\$ (399,210)	\$ (980,503)	\$ (1,068,102)
Net loss per common share - basic and diluted	\$ -	\$ -	\$ -	\$ -

Weighted average common shares outstanding - basic and diluted	369,387,638	362,046,367	369,269,226	361,233,668
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See accompanying notes to the unaudited condensed consolidated financial statements.