I³ International Isotopes Inc.

Making Clean Power Cleaner

Presentation to the

RADIOACTIVE AND HAZARDOUS MATERIALS COMMITTEE

November 28, 2012

Forward-Looking Statements

Certain statements in this presentation 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. 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 International Isotopes, Inc. to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Those risks and uncertainties include, but are not limited to, changing market conditions, inability to raise financing, unanticipated costs and delays, time frames for design and construction, feasibility of FEP on a large scale, expansion of the U.S. enrichment industry, opportunities with respect to fluoride products, pricing and cost estimates, and other risks detailed from time-to-time in the Company's ongoing filings and we encourage investors to review the risks presented in our filings with the SEC. Other factors, which could materially affect such forward-looking statements, can be found in International Isotopes Inc.'s filings with the Securities and Exchange Commission at www.sec.gov, including our annual report on Form 10-K for the year ending December 31, 2011. 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 investor presentation and International Isotopes, Inc. undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Introduction and Highlights

INIS is developing the first commercial depleted uranium de-conversion facility in the U.S.

The facility will produce high value fluoride products during de-conversion

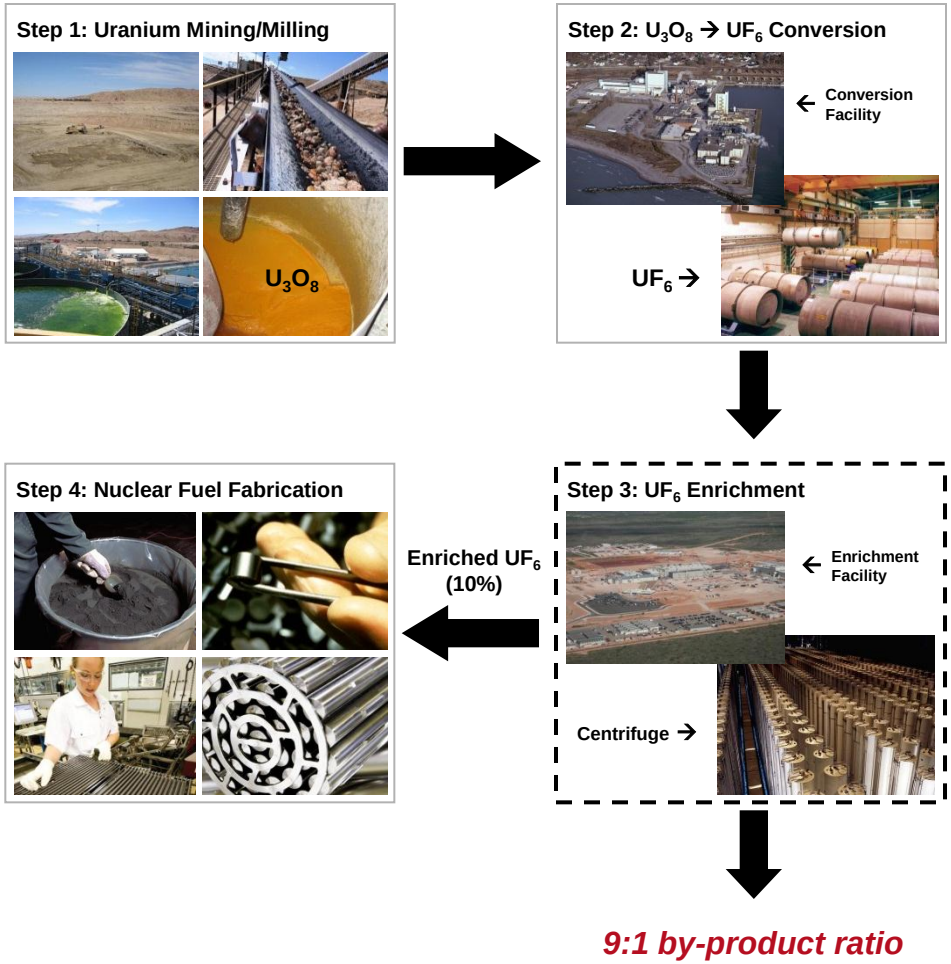
This is a “Green” recycling and manufacturing energy saving s process

Site selection & NRC licensing are complete

The first de-conversion agreement is in place with URENCO USA

Nuclear Fuel Cycle

- Uranium goes through several steps in the process to create reactor-grade fuel
- Enrichment is one of the most important steps in the process
  - Increases the concentration of U-235 from ~0.7% to ~4.5%
  - Required to sustain nuclear fission chain reaction
- Enrichment generates the greatest volume of by-product from the nuclear fuel cycle
  - For every 1 unit of enriched UF6 created, 9 units of tails are produced



An Essential Business

- Enrichment of uranium results in production of depleted uranium ("tails")

- Typical 1000 Mw Reactor
  - Supplies power for 600,000 homes
  - Requires about ~37,000 lbs of enriched uranium per year
  - Results in the production of about ~485,000 lbs of depleted UF_6 Tails

- Current U.S. Reactor Base
  - ~100,000 MW (Production Capacity)
  - ~48.5 million Lbs of depleted UF_6 per year

- Expiration of the "Megatons to Megawatts" program 2013 - U.S. based enrichment capacity is expected to grow

Depleted Uranium Already Stockpiled

- DUF_6 has historically been stored – not de-converted
- There has never been an economic solution for dealing with this material

Uranium Enrichment in the U.S.

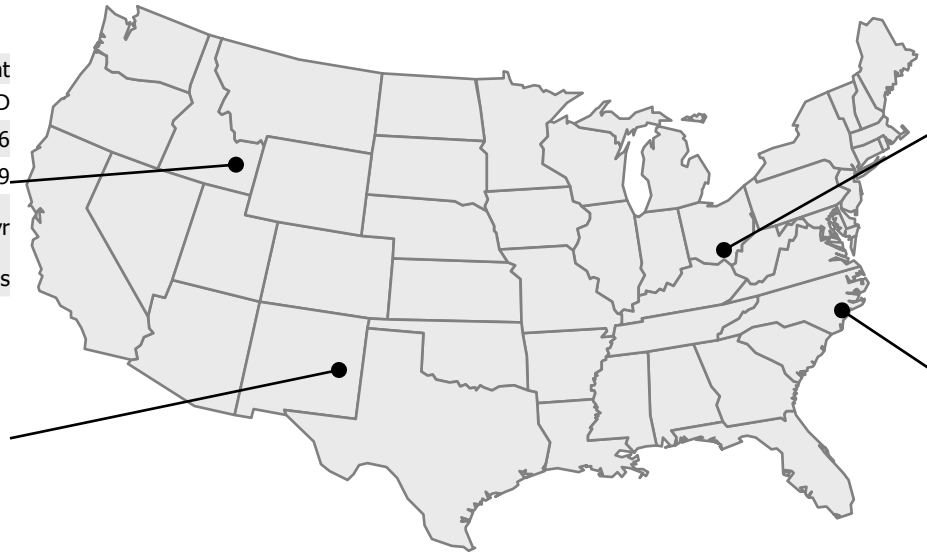
Currently 4 major companies are building, or planning to build, new enrichment capacity in the U.S.

AREVA

Facility:	Eagle Rock Enrichment
Location:	Idaho Falls, ID
Potential Opening Date:	2016
Full Production Date:	2019
Capacity:	6.6 million SWU/yr
DU Generation	32 Million Pounds

urenco

Facility:	Louisiana Energy Services
Location:	Eunice, NM
Opening Date:	June 2010
Full Production Date:	2015
Capacity:	5.7 million SWU/yr
DU Generation	28 Million Pounds



USEC A Global Energy Company

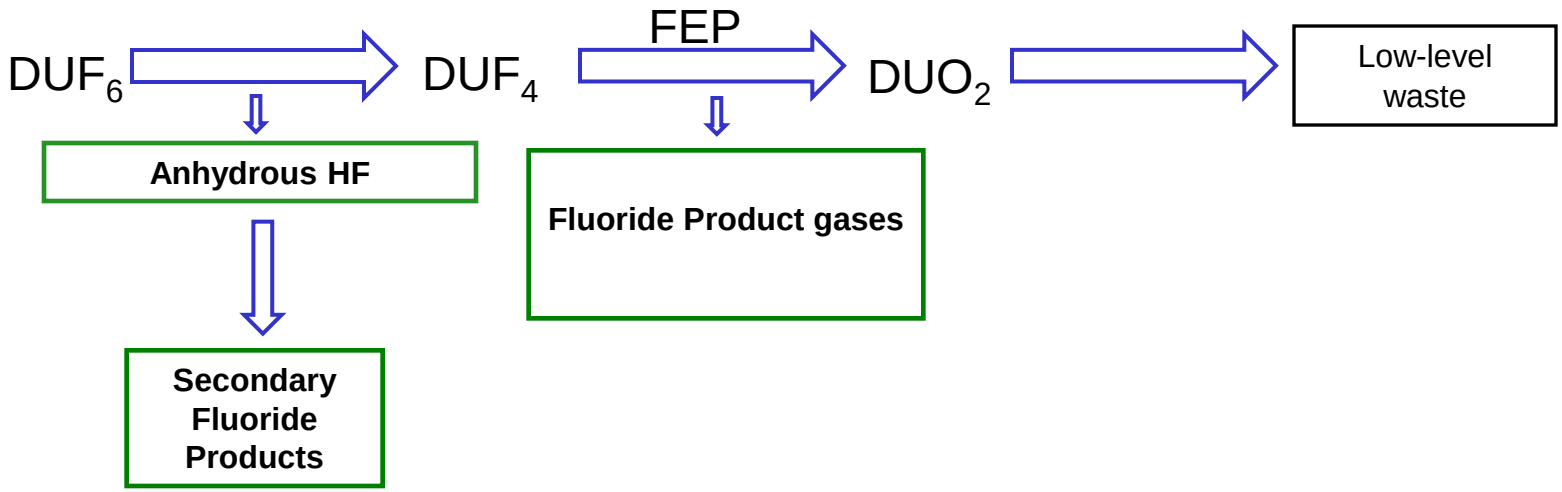
Facility:	American Centrifuge
Location:	Piketon, OH
Opening Date:	TBD
Full Production Date:	TBD
Capacity:	3.5 million SWU/yr
DU Generation	17 Million Pounds

GE Energy

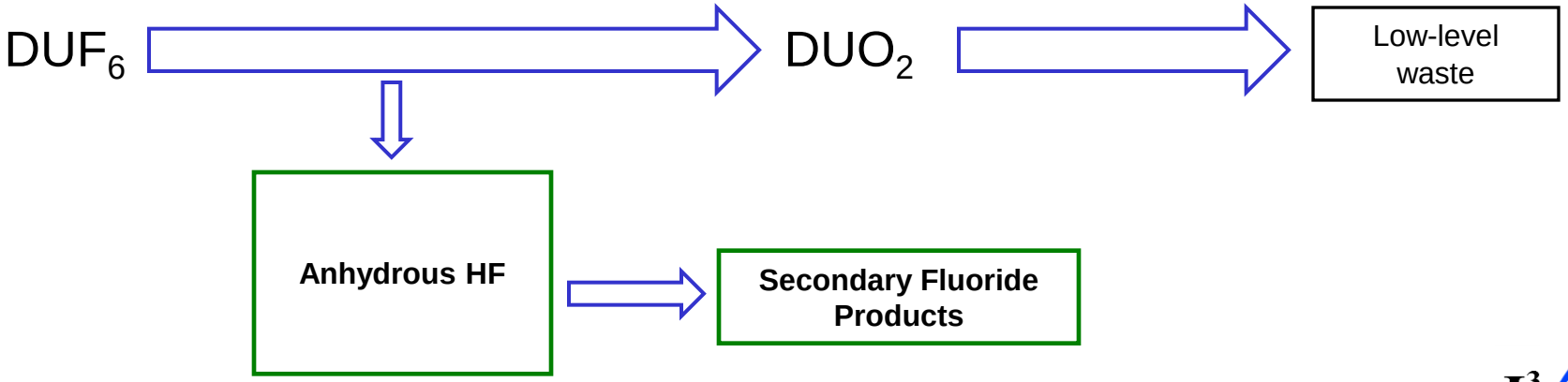
Facility:	Global Laser Enrichment
Location:	Wilmington, NC
Opening Date:	TBD
Full Production Date:	TBD
Capacity:	3.5 million SWU/yr
DU Generation	17 Million Pounds

Our Strategy

- Phase 1 – 11 million LBS DUF6 Capacity.



- Phase 2 - 24 million LBS DUF6 Capacity



Creating a Strong Industrial Business

- Fluoride products play a key role in the manufacture of thousands of products used in a variety of industries
  - Thin film PV
  - Microelectronics (CVD)
  - Refrigerants
  - Synthetic lubricants
  - Pharmaceuticals

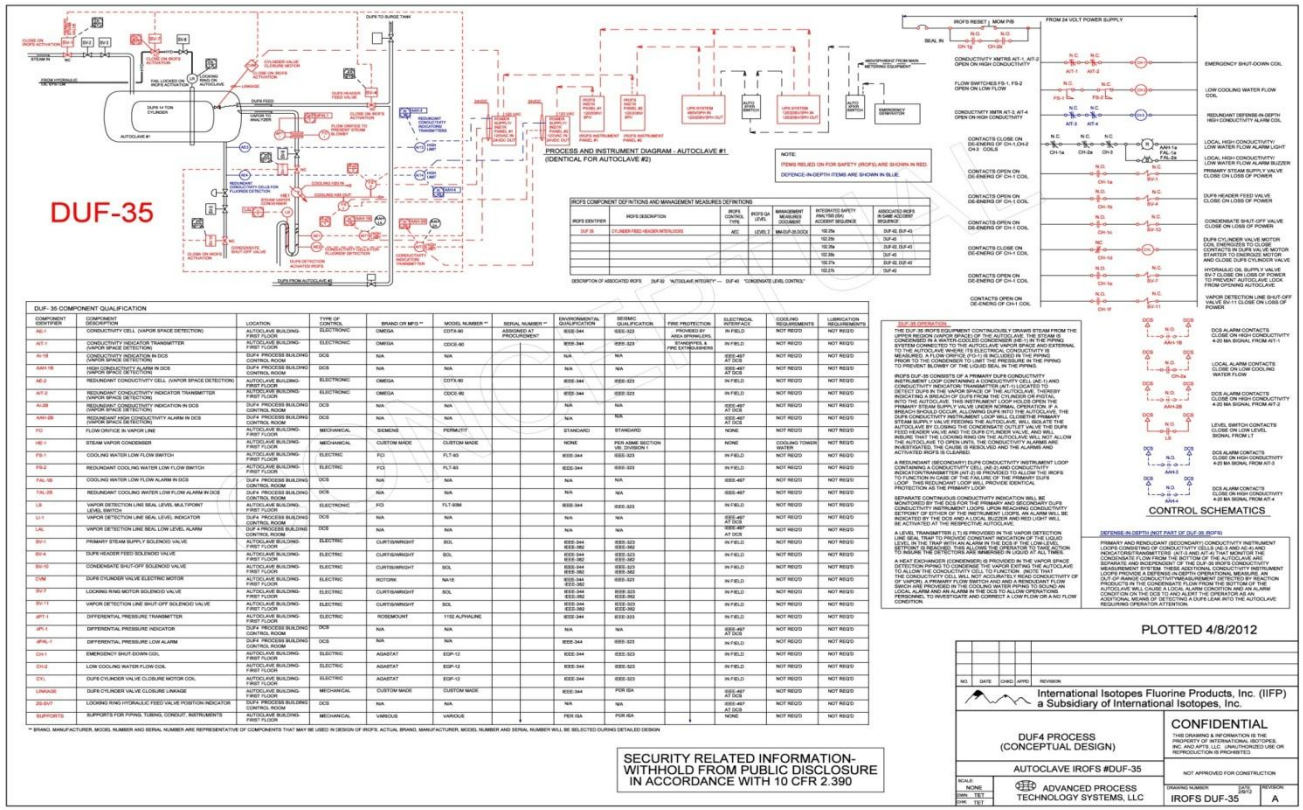
- We can optimize revenues by selecting/producing products with the best value

DUF_6 to DUF_4 De-Conversion Plant Equipment

Acquired assets of the only complete de-conversion plant in the U.S. in 2008

- Disassembly completed in December 2011
- Equipment will be relocation to New Mexico

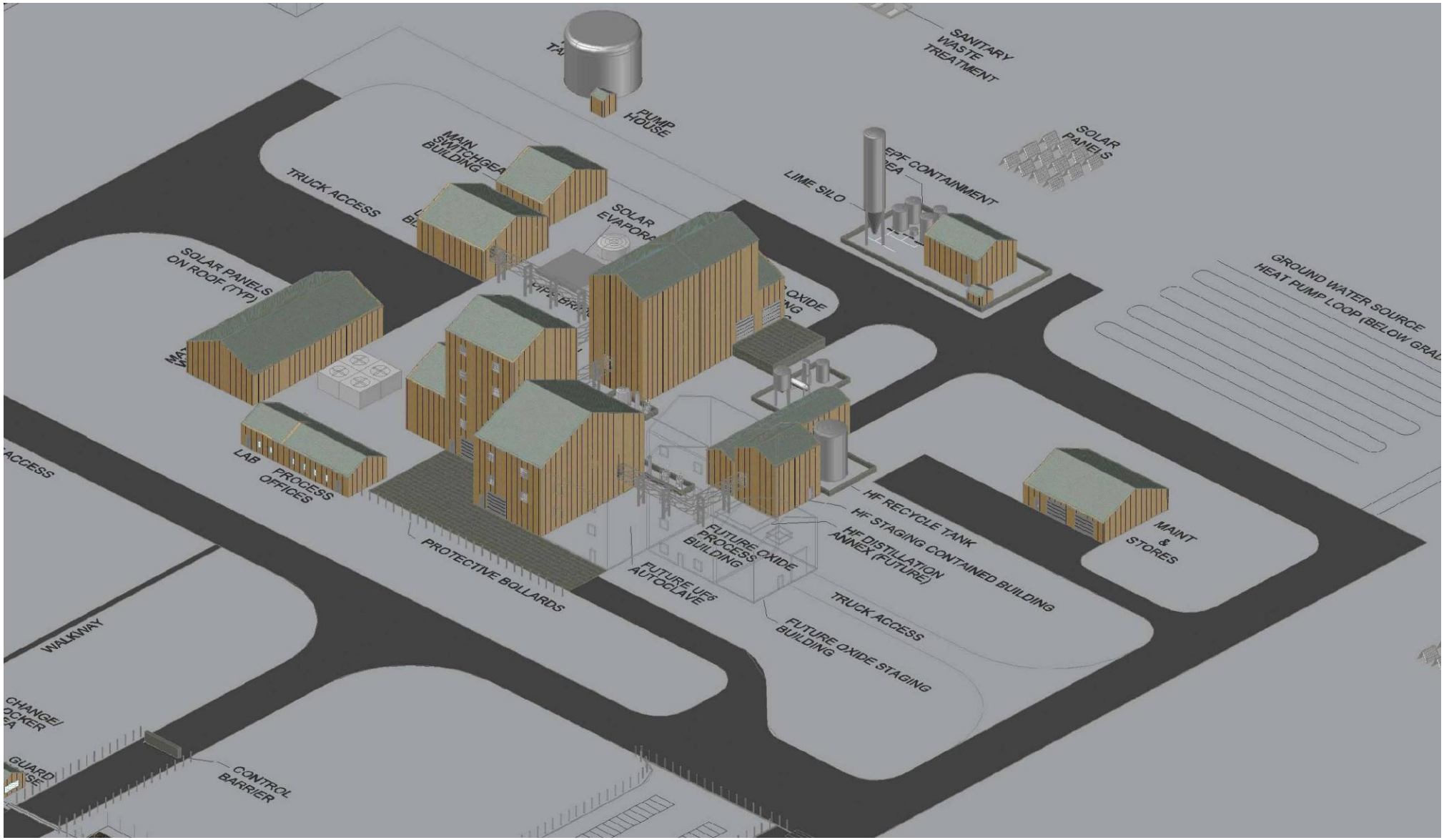
Formal Design Work is Advancing



Our Accomplishments

Selection of Hobbs, New Mexico as the location for de-conversion facility	**March 2009**
New Mexico Environment Department agreement completed	**October 2009**
Submission of NRC license application	**December 2009**
De-Conversion Services contract signed with URENCO (LES)	**April 2010**
Rocky Mountain Waste Compact Declaratory Order on DUF_6	**September 2010**
Design and Build contractor selected (Parsons)	**July 2011**
Land transfer completed	**August 2011**
Formal design work initiated and De-Conversion Equipment Staged	**December 2011**
New Mexico Air Permit approved	**April 2012**
NRC Issues 40 Year Construction and Operating License	**October 2012**

Illustrative Plant Layout

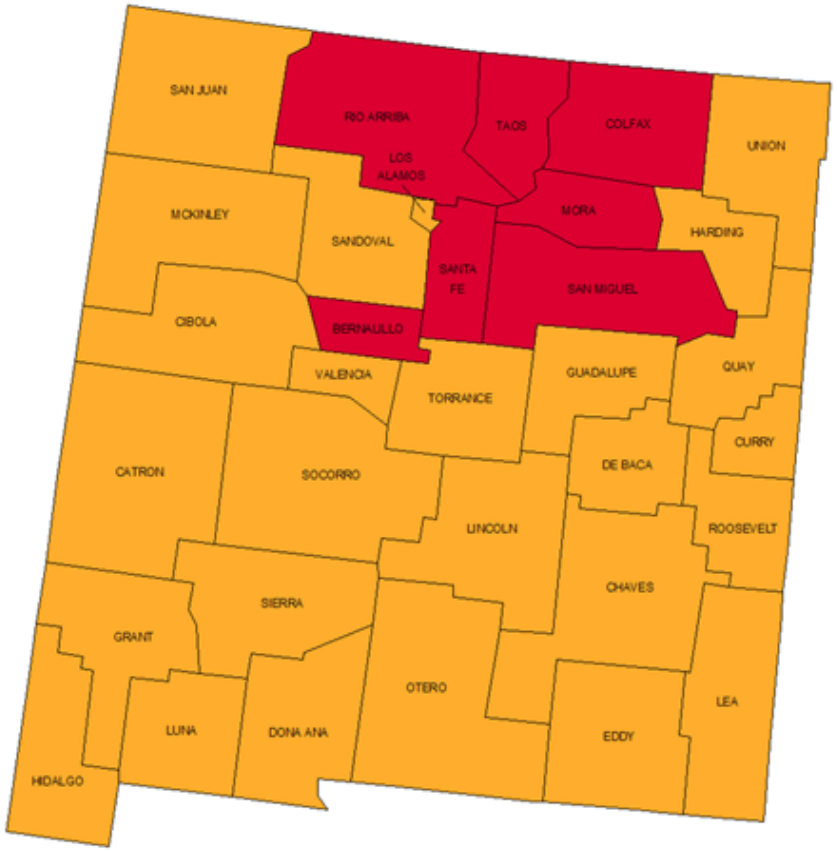


Environmental Impacts

Potential Uranium Air Emissions

Estimated Dose Modeling about 5 mrem per year at 40 acre fence line

Radon Levels - New Mexico



	Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L (pico curies per liter) **(red zones)**	**Highest Potential**
	Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L **(orange zones)**	**Moderate Potential**
	Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L **(yellow zones)**	**Low Potential**

The North Central region (Albuquerque/ Santa Fe area) exhibits an average annual absorbed dose about 75 mrad

Southeastern corner of the State (Carlsbad area) measures annual average absorbed dose of about 30 mrad

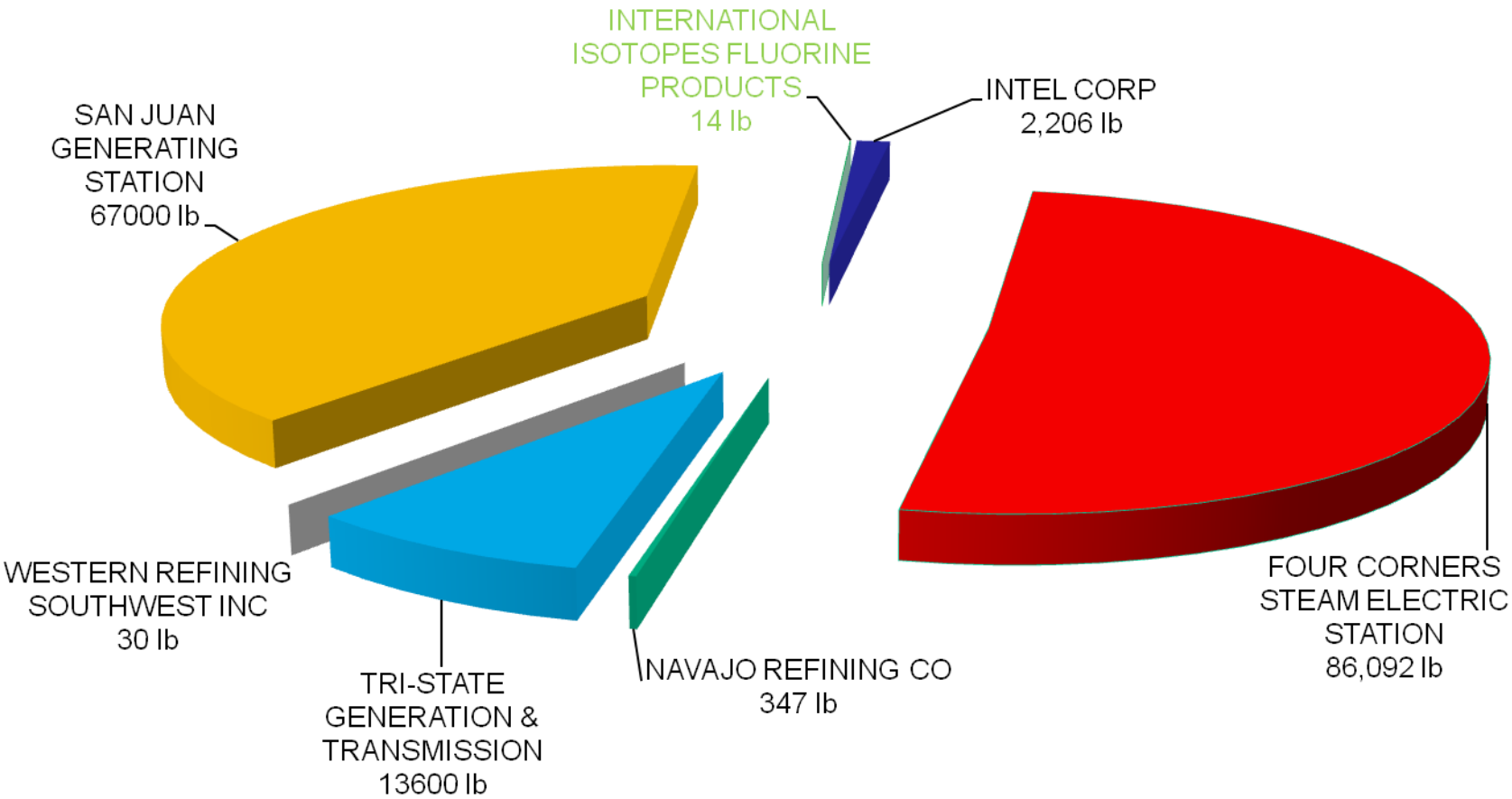
Source - NCRP, 1987a

Environmental Impacts

Potential Fluorine (HF) Air Emissions

Estimated Release Modeling about 14 lb per year HF after treatment

HF Emissions in New Mexico in 2007

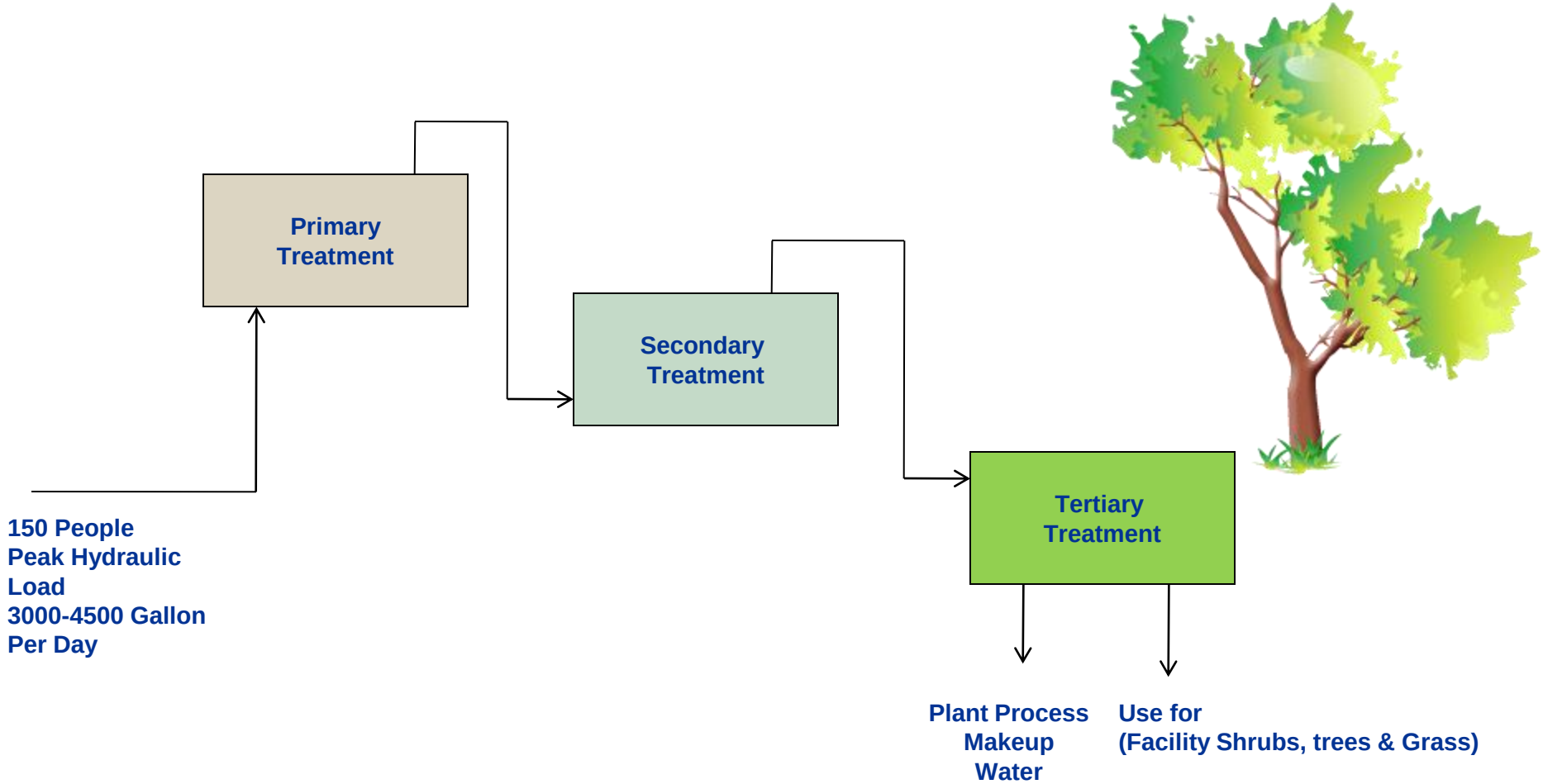


Water Usage & Ground Water Protection

- **Water Usage**
  - Minimized thru process water recycling – estimate less than 10,000 gallon per day.

- **Ground Water Protection**
  - Zero Discharge of Process Waters
  - Storm water basins designed for 100 year rain fall

Sanitary Waste Water Treatment Flow Diagram



Substantial Benefits to New Mexico

- Plant will provide substantial economic benefit to New Mexico
  - ☑ Approximately 250 construction jobs
  - ☑ Approximately 125 full time professional staff
  - ☑ Tens of millions in payroll, benefits, and local procurement
  - ☑ Manufacture important industrial products
  - ☑ Serve as a point of attraction of additional business to the region
  - ☑ Further expansion is expected

    Phase II – 2016 {~40 additional employees}

    Phase III – 2020 {~30 additional employees}

Financial Challenges

NEW MEXICO BUSINESS WEEKLY

HEALTHIEST EMPLOYERS
Keeping employees healthy can be fun

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New Mexico's Japan Connection

(Above) The damaged Fukushima Daiichi nuclear generating plant in Japan.

Nuclear fallout hits industy

The Business Weekly this week explores the impact of Japan's March 11 earthquake and tsunami on elements of New Mexico's economy. See page listings below.

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- Business Survey 7

BY KEVIN ROBINSON-AVILA | NMBW SENIOR REPORTER

Radiation reportedly poses little threat beyond Japan, but economic fallout from that country's atomic disaster is impacting the nuclear industry in New Mexico.

Industry experts say approval of new reactors in the U.S. and elsewhere will most likely be delayed as regulatory authorities revisit safety issues at plants already operating.

Consequently, companies like Hyperion Power Generation Inc. in Los Alamos, which is building a new mini-nuclear reactor, could face longer and more arduous scrutiny from the Nuclear Regulatory Commission.

In addition, supporting players such as Urenco USA's uranium enrichment plant in Eunice and International Isotopes Inc., which plans

SEE NUCLEAR 4

Flanked by (a poster-sized photo of) the firing of a typical spark plug (left) and Enerpulse's pulse plug is the firm's President Louis Camilli.

Enerpulse's plugs gain torque in the U.S. retail market

BY KEVIN ROBINSON-AVILA | NMBW SENIOR REPORTER

Advance Auto Parts Inc. rolled out Pulstar pulse plugs this year at more than 3,500 stores nationwide.

Albuquerque-based Enerpulse Inc., which invented the Pulstar plugs and began courting auto parts retailers in 2007, says its pulse plugs deliver a charge 20,000 times more powerful than a standard spark plug.

Advance was the first to stock the Pulstar on shelves across the country, said Enerpulse founder and President Louis Camilli.

"We've had a 'drop ship' program with AutoZone for a while that allows customers to order our product at local stores for pick up the next day," Camilli said. "But Advance is the first one to place it directly on shelves at all stores. They beta-tested sales at select

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Remaining Schedule and Milestones

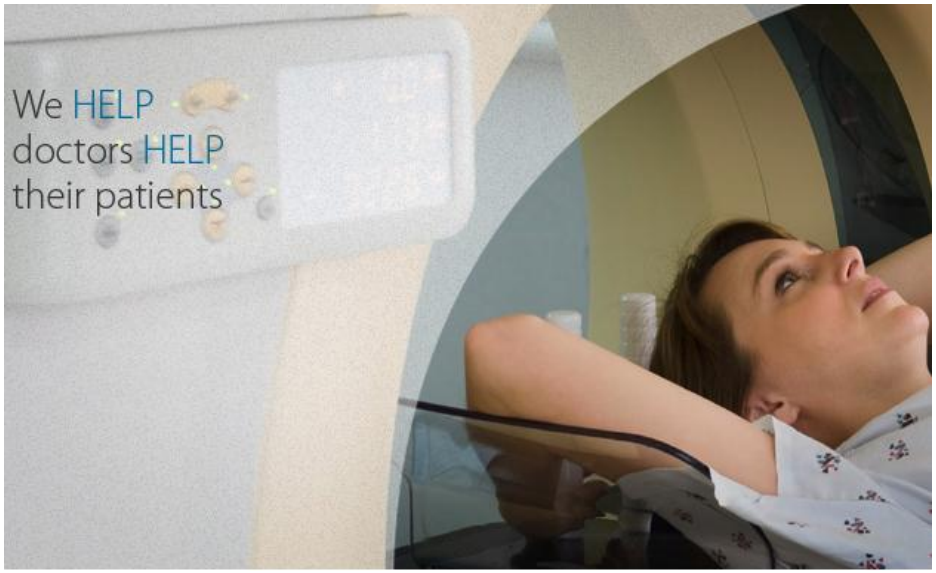
New Mexico Ground Water Permit Preparation (Dependent on Financing)	**January 2013**
Commence General Construction & Site Development (Dependent on Financing)	**1st Qtr. 2013**
Start Main Facility Construction	**3rd Qtr. 2013**
Begin Commercial Operations	**3rd Qtr. 2014**

Conclusions

The project is important to the nuclear Industry as it Fills a “Void” in the nuclear fuel cycle

The project will have significant and long lasting benefits to New Mexico

Safety and environmental protection are our number #1 concern

We remain committed to proactive communications and ongoing public outreach

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