

Press Release Archives: 05/16/2006

Itronics Increases First Quarter 2006 Sales by 24 Percent; Reduces Loss by 69 Percent

RENO, Nev., May 16 /PRNewswire-FirstCall/ -- Itronics Inc. (OTC Bulletin Board: ITRO; Frankfurt and Berlin Stock Exchanges: ITG) in its first quarter 2006 report on Form 10QSB, available on the U.S. Securities and Exchange Commission web site at <http://www.sec.gov>, announced a 24 percent increase in sales in the first quarter of 2006 compared to 2005 despite significant inclement weather in California, a key sales area for the Company's fertilizers.

Key accomplishments also included an 84 percent reduction in gross operating loss and a 69 percent reduction in net loss compared to the 2005 first quarter. The sales increase was achieved in spite of northern and central California receiving 20 percent more rain than in the comparable prior year period, making it difficult for farmers to begin planting. Another important achievement during the quarter was the declaration of effectiveness of a registration statement required by terms of the \$3.25 million financing in July 2005, and completion of a special shareholder meeting to increase Itronics authorized shares, which was required under the financing agreement.

Goals outlined for the balance of 2006 are to continue to expand GOLD'n GRO liquid fertilizer sales and silver sales; expand photowaste services to new customers which will expand photochemical raw material supply; register GOLD'n GRO Guardian liquid animal repellent fertilizer; and continue to acquire financing to support growth.

Increases for the first quarter sales of GOLD'n GRO liquid fertilizers and silver were outlined in a Company press release dated April 20, 2006. "It was very important that the Company overcame inclement weather in its principal market in central California to achieve a 14 percent first quarter increase in GOLD'n GRO chelated liquid fertilizer sales. Silver production in the quarter increased by 170 percent. We expect fertilizer and silver sales to continue to grow through the rest of the year," said Dr. John Whitney, Itronics President.

In the first quarter the Company tripled silver recovery and doubled refining capacity and announced that it expects silver sales in 2006 to increase accordingly. The silver price during the early part of the first quarter was in the \$9.50 to \$11.00 per troy ounce range. Late in the first quarter and continuing into the second quarter, the price of silver has been in the \$12.50 to \$15.50 range, about a 35 percent increase. If these higher prices continue, the company's silver sales for the year will increase accordingly.

During the first quarter the Company continued to work towards implementing its new iron and sulfur leach process that reduces the amount of solids delivered to its silver refinery by 50 percent, effectively doubling capacity again, while reducing refining costs by more than half. Planning also began for a further increase in silver refining capacity which will include an expansion of material drying, sampling, and preparation capacity.

Photo Service revenues declined modestly in the first quarter and the Company began soliciting new photoprocessing customers to supply photochemical raw material for fertilizer manufacturing. Mining Technical Services declined slightly in the first quarter while this division continues to advance its web based <http://www.OutsideMetals.com> Gold Producer Stocks information portal. Early in the second quarter InsideMetals.com began publishing a bi-weekly newsletter and the number of new subscriptions has begun to increase. The Company expects subscription revenues generated by InsideMetals.com will continue to increase as the year progresses.

Operating loss decreased 25 percent compared to the prior year, principally due to a combination of the effects of the increased silver and fertilizer sales and reduced operating expenses. Net loss decreased 69 percent due primarily to recording \$506,269 in non cash "gain on derivative instruments," as required by current accounting standards.

Results for the first quarter ended March 31, 2006, together with comparative figures for 2005, can be seen below via PDF:

[First quarter ended March 31, 2006, together with comparative figures for 2005](#)

About Itronics

Itronics, through its subsidiary, Itronics Metallurgical, Inc., is the only company in the world with a "Beneficial Use Photochemical, Silver, and Water Recycling" facility that extracts more than 99 percent of the silver and virtually all the other toxic heavy metals from used photoliquids and converts the resulting liquids into environmentally beneficial, chelated, multinutrient liquid fertilizer products sold under the GOLD'n GRO trademark, and 5 troy ounce, 0.999 pure, Silver Nevada Miner numismatic bars. The environmentally friendly liquid fertilizers can be used for lawns and houseplants, and are available, along with GOLD'n GRO liquid fertilizer injectors, at the Company's "e-store" catalog at <http://goldngro.com>. The popular Silver Nevada Miner bars are available at

the Company's 'e-store' catalog at <http://www.itromet.com>.

Headquartered in Reno, Nevada, Itronics Inc. is a "Creative Environmental Technology" company and a world leader in photochemical recycling. The Company also provides project planning and technical services to the mining industry and operates the global Internet Information Portal, <http://www.insidemetals.com>. Dr. John Whitney, Itronics President, was selected as Nevada's Inventor of the Year for 2000 and is a member of the Inventor's Hall of Fame at the University of Nevada, Reno. Itronics was one of five finalists for the 2001 Kirkpatrick Chemical Engineering Award, the most prestigious worldwide award in chemical engineering technologies. Itronics was awarded second place, Highly Commended in the Environmental Technology category, at the prestigious Institution of Chemical Engineers (IChemE) 2005 Worldwide Environmental Award ceremonies at the Royal Courts of Justice in London, England in September 2005. Itronics was awarded the USA Gold Award at the House of Commons in London in November 2005 as part of the International Green Apple Environmental Awards contest, one of the largest and most prestigious of its kind in the world. Itronics' GOLD'n GRO fertilizer was named one of the top 10 new technologies representing the best of agricultural innovation by the Canadian Association of Agri-Retailers in its December 2005 publication "Communicator."

VISIT OUR WEB SITE: <http://www.itronics.com>

("Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This press release contains or may contain forward-looking statements such as statements regarding the Company's growth and profitability, growth strategy, liquidity and access to public markets, operating expense reduction, and trends in the industry in which the Company operates. The forward-looking statements contained in this press release are also subject to other risks and uncertainties, including those more fully described in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update these forward-looking statements to reflect actual results, changes in risks, uncertainties or assumptions underlying or affecting such statements, or for prospective events that may have a retroactive effect.)