

## Press Release Archives: 08/15/2006

### **Itronics Second Quarter 2006 Sales Up 45 Percent, Reports \$274,000 Profit Due to Gain on Derivative**

RENO, Nev., Aug. 15 /PRNewswire-FirstCall/ -- Itronics Inc. (OTC Bulletin Board: ITRO; Frankfurt and Berlin Stock Exchanges: ITG) filed its second quarter 2006 report on Form 10QSB and it is available on the U.S. Securities & Exchange Commission web site at <http://www.sec.gov> .

Key accomplishments for the quarter include a 45 percent increase in sales, a 13 times increase in gross operating profit, and a \$274,000 profit compared to the 2005 second quarter loss of \$(819,000). The sales increase was achieved in spite of significant rainfall in northern and central California which hampered the growing season. The profit in the quarter was primarily due to a non-recurring \$986,000 gain on a derivative instrument related to the \$3.25 million financing completed in July 2005.

Goals outlined by the Company for the balance of 2006 are to continue to expand GOLD'n GRO liquid fertilizer and silver sales; increase the number of photowaste services customers to expand photochemical raw material supply; register GOLD'n GRO Guardian liquid deer repellent fertilizer as a biopesticide with the U.S. Environmental Protection Agency; and continue to acquire financing to support growth. All goals are being implemented according to Itronics' eight-part, five-year business plan summarized in a press release on June 3, 2005.

Increases for the second quarter sales of GOLD'n GRO liquid fertilizers and silver were outlined in a press release dated July 11, 2006. The Company overcame inclement weather in its principal market in central California to achieve a 36 percent second quarter increase in GOLD'n GRO chelated liquid fertilizer sales. Silver sales in the quarter increased by 362 percent. The Company expects fertilizer and silver sales growth to continue throughout the year.

Silver is continuing to trade in the price range of \$9.50 to \$12.50 per troy ounce. If these higher prices continue, silver sales for the full year 2006 are expected to be up to 4.5 times greater than 2005 silver sales.

During the second 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 refining capacity while reducing refining costs by more than half. Planning also continued for a further increase in silver refining capacity which will include an expansion of material drying, sampling, and preparation capacity to be implemented in 2007 and 2008.

Photo Service revenues declined modestly in the second quarter and the Company continued soliciting new photoprocessing businesses and photowaste service businesses to supply photochemical raw material for fertilizer manufacturing. Early in the third quarter Itronics obtained a new customer whose photochemical raw material is expected to significantly increase raw material supply, and service revenues in the third and fourth quarter of 2006 and in future years.

Mining Technical Services declined in the second quarter while this division continues to advance its web based <http://www.OutsideMetals.com> Gold Producer Stocks information portal. The Company expects subscription revenues that are beginning to be generated by OutsideMetals.com will continue to increase. Traffic volume on the OutsideMetals.com web page has increased to levels that make it worthwhile for Gold Exploration Companies to begin paid advertising on the web page and a paid advertising program is being developed and will be offered soon.

Operating loss decreased 26 percent compared to the prior year, principally due to increased fertilizer and silver sales. A net profit was generated due primarily to accruing \$986,137 in non cash "gain on derivative instruments," as required by current accounting standards.

Results for the second quarter ended June 30, 2006, together with comparative figures for 2005 are summarized in [this PDF](#)

#### 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 Gold Producing Stocks web site, <http://www.insidemetals.com>. 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 and the International Green Hero award in 2006 for its leadership on environmental issues. 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." 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.

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.)

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Source: Itronics Inc.