

IsoRay, Inc.  
Form 8-K  
March 24, 2006

**United States Securities And Exchange Commission  
Washington, DC 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): March 24, 2006  
(February 2, 2006)

**ISORAY, INC.**

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(Exact name of registrant as specified in its charter)

**Minnesota**

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(State or other jurisdiction  
of incorporation)

**000-14247**

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(Commission  
File Number)

**41-1458152**

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(IRS Employer  
Identification No.)

**350 Hills Street, Suite 106, Richland, Washington 99354**

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(Address of principal executive offices) (Zip Code)

**(509) 375-1202**

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(Registrant's telephone number)

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**ITEM 1.01 Entry into a Material Definitive Agreement**

On February 2, 2006, IsoRay, Inc. (the "Registrant") entered into a License Agreement (the "Agreement") with IBt, SA, a Belgium company ("IBt"). The Agreement covers North America and provides IsoRay with access to IBt's proprietary "Ink Jet" production process for the formulation of a jetable fluid containing a radioisotope and its proprietary polymer based seed encapsulation technology for use in brachytherapy procedures using Cesium-131 for a fifteen year term. IsoRay intends to apply for FDA approval for the use of IBt's proprietary technology in tandem with IsoRay's Cesium-131 proprietary technology.

The Registrant has already paid an initial \$50,000 license fee and an additional payment of \$225,000 was made in March 2006. A third payment of \$225,000 will be made in August 2006. Royalty payments based on net sales revenue are also required, with minimum quarterly royalties ranging from \$100,000 to \$200,000 and minimum annual royalties ranging from \$400,000 to \$800,000 over the term of the Agreement.

**ITEM 9.01 Exhibits**

(c) Exhibits

10.26 License Agreement, dated February 2, 2006, by and between IsoRay Medical, Inc. and IBt SA

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 24, 2006

IsoRay, Inc., a Minnesota corporation

By: /s/ Roger E. Girard

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Roger E. Girard, CEO