

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Isoray, Inc.		2 Issuer's employer identification number (EIN) 41-1458152	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 350 Hills Ave Suite 106		7 City, town, or post office, state, and ZIP code of contact Richland WA 99354	
8 Date of action 2/3/2023		9 Classification and description Merger of Viewpoint with ISR subsidiary whereby Viewpoint is a wholly-owned sub of ISR	
10 CUSIP number 46489V104	11 Serial number(s)	12 Ticker symbol CATX (previously ISR)	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **On February 3, 2023, the Isoray, Inc. (Company) completed the merger of Isoray Acquisition Corp., a wholly-owned subsidiary of the Company (Merger Sub), with Viewpoint Molecular Targeting, Inc. (Viewpoint). The Company entered into an Agreement and Plan of Merger by and among the Company, Merger Sub, Viewpoint, and Cameron Gray, as the representative of the Owners, as amended by the First Amendment to Agreement and Plan of Merger (collectively the Merger Agreement). The Merger Agreement provides that Merger Sub will merge with and into Viewpoint with Viewpoint continuing as the surviving corporation as a wholly-owned subsidiary of Isoray. Each issued and outstanding share of common stock of Viewpoint was converted into the right to receive (i) 3.1642 shares of Isoray common stock rounded to the nearest whole share, and (ii) any cash in lieu of fractional shares of Isoray common stock payable. Other than as set forth in (ii) in the preceding sentence, no cash consideration was paid in connection with the Merger. The Company issued 136,545,075 shares of common stock, representing approximately 49% of the fully-diluted outstanding capital stock of the Company, to the stockholders of Viewpoint immediately prior to the Closing, with 10% of those shares being held in escrow by U.S. Bank National Association for the twelve-month period following the Closing.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **The exchange of shares will be a non-taxable transaction, if the shareholder has fractional shares They will be redeemed for a cash payment. Which will be a taxable event.**
Shareholders will be required to allocate the aggregate tax basis in their common shares held immediately prior to the exchange (merger) among the shares of common stock received from the exchange to calculate the new tax basis in the shares received. Then calculate the gain or loss on the sale of the fractional share by subtracting the tax basis in the fractional share from the cash received.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **The per share basis is impacted and some shareholders will report a taxable transaction on the cash consideration on the redemption of fractional shares.**

For example, a shareholder receives 3 shares of Isoray, Inc stock for exchange of 1 share of Viewpoint. That shareholder would divided the tax basis of the one share by 3 and that would be the new tax basis in the shares exchanged.

If in during the exchange the shareholder will receives a fractional share they will receive cash for that fractional share. The shareholder will go through the basis allocation above and then calculate the gain/loss on the sale of the fractional sale by subtracting the cost basis from from the cash received. For example, in the exchange the shareholder should receive 3.33 shares. They will receive cash for the .33 share the basis calculation would be as follows cost basis of exchanged shares \$10 divided by 3.33 equals \$3 per share. The taxpayer would multiply the fractional share amount by the share price to calculate tax basis (\$3 X .33 = .99 cents). That amount the taxpayer would use to calculate the tax gain/ loss to report.

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► The merger and stock exchange qualifies as a tax free reorganization under Code Section 368(a) and the regulations promulgated thereunder. The treatment of the fractional sale is governed by Code Section 356 and 1001 and promulgated regulations thereunder.

18 Can any resulting loss be recognized? ► Yes, the disposition of the fractional share could result in a taxable loss for the shareholder.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► the reportable year in which the merger occurred is 2023.

The information set forth in this form 8937 does not constitute tax advice, does not take into account any shareholder's specific facts and circumstances and does not purport to be a complete summary of the tax consequences of the merger to a shareholder. Each shareholder should consult such shareholder's own tax advisor with respect to the the tax consequences of the merger.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ► Jonathan Hunt Date ► 03/16/2023
Print your name ► Jonathan Hunt Title ► Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►	Firm's EIN ►			
	Firm's address ►	Phone no.			