INTERNATIONAL BARRIER TECHNOLOGY INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

(Stated in US Dollars)

(Unaudited)

INTERNATIONAL BARRIER TECHNOLOGY, INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2017 and June 30, 2016
(Stated in US Dollars)
(Unaudited)

	March 31, 2017	June 30, 2016 (audited)
ASSETS		
Current		
Cash and cash equivalents	$ 1,528,889	$ 928,940
Accounts receivable	287,188	570,266
Inventory - Note 4	888,811	673,868
Prepaid expenses and deposits	48,057	66,011
Total Current Assets	2,752,945	2,239,085
Property, plant and equipment – Note 5	3,414,597	3,218,832
Total Assets	$ 6,167,542	$ 5,457,917
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 858,709	$ 860,697
Obligation under capital leases	-	13,151
Deferred revenue	-	50,000
Convertible debentures - Note 6	-	240,000
Total Current Liabilities	858,709	1,163,848
Deferred income taxes	8,000	8,000
Obligation under capital leases	-	26,989
Total Liabilities	866,709	1,198,837
STOCKHOLDERS' EQUITY		
Common Stock - Note 7		
Authorized:		
100,000,000 common shares without par value		
Issued:		
53,684,926 common shares (June 30, 2016: 47,807,426)	16,584,133	15,934,256
Additional paid-in capital	1,443,924	1,509,283
Accumulated deficit	(12,727,224)	(13,184,459)
Total Stockholders' Equity	5,300,833	4,259,080
Total Liabilities and Stockholders' Equity	$ 6,167,542	$ 5,457,917

APPROVED BY THE BOARD OF DIRECTORS

"David Corcoran" David Corcoran, Director

"Victor Yates" Victor Yates, Director

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY, INC.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

for the three and nine months ended March 31, 2017 and 2016

(Stated in US Dollars)

(Unaudited)

	Three months ended March 31, 2017	Three months ended March 31, 2016	Nine months ended March 31, 2017	Nine months ended March 31, 2016
Sales - Note 8	$ 2,404,501	$ 2,618,627	$ 7,479,661	$ 7,030,157
License Revenue/Royalty	44,709	9,416	162,462	26,464
Cost of Sales	2,056,875	2,263,266	6,401,645	6,041,787
Gross Profit	392,335	364,777	1,240,478	1,041,834
Expenses				
Accounting and audit fees	15,873	18,992	81,425	72,863
Filing Fees	4,712	10,670	19,023	24,369
Insurance	32,072	22,597	78,934	61,970
Bank charges and interest	51	83	111	152
Legal fees	11,704	5,818	23,254	52,393
Office and miscellaneous	19,380	13,627	65,857	52,538
Sales, marketing, and investor relations	7,712	7,972	20,545	26,814
Telephone	2,302	2,543	7,429	8,911
Transfer agent fees	1,530	1,153	3,218	2,926
Wages and management fees	152,041	170,081	451,760	504,039
Total Administrative Expenses	247,377	253,536	751,556	806,975
Operating Income	144,958	111,241	488,922	234,859
Other income	593	388	1,428	1,073
Interest on long-term obligations	(1,730)	(7,729)	(17,723)	(24,021)
Taxes	(15,392)	-	(15,392)	(1,800)
Total Other Expense	(16,529)	(7,341)	(31,687)	(24,748)
Net income for the period	$ 128,429	$ 103,900	$ 457,235	$ 210,111
Basic and diluted income per share	$ 0.00	$ 0.00	$ 0.01	$ 0.00
Weighted average number of shares outstanding:				
Basic	53,684,926	47,807,426	53,684,926	47,807,426
Diluted	53,684,926	52,199,727	53,684,926	52,201,020

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY, INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
for the nine months ended March 31, 2017 and 2016
(Stated in US Dollars)
(Unaudited)

	Nine months ended March 31, 2017	Nine months ended March 31, 2016
Operating Activities		
Net income for the period	$ 457,235	$ 210,111
Items not involving cash:		
Depreciation - plant and equipment	211,670	267,905
Changes in non-cash working capital balances related to operations:		
Accounts receivable	283,078	(107,486)
Inventory	(214,943)	136,567
Prepaid expenses and deposits	17,954	(53,586)
Accounts payable and accrued liabilities	(1,988)	287,560
Deferred revenue	(50,000)	66,901
Net cash provided by operating activities	703,006	807,972
Cash Flows provided by (used in) Financing Activities		
Issuance of Common Shares	344,518	-
Decrease in obligations under capital lease	(40,140)	(45,539)
Net cash provided by (used in) financing activities	304,378	(45,539)
Cash Flows (used in) Investing Activities		
Acquisition of equipment	(407,435)	(477,270)
Net cash used in investing activities	(407,435)	(477,270)
Change in cash and cash equivalents during the period	599,949	285,163
Cash and cash equivalents, beginning of the period	928,940	804,452
Cash and cash equivalents, end of the period	$ 1,528,889	$ 1,089,615
Supplemental Cash Flow Information		
Cash paid for interest	$ 17,723	$ 24,021
Cash paid for income taxes	$ 15,392	$ 1,800

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY, INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
for the period ended March 31, 2017
(Stated in US Dollars)
(Unaudited)

	Common Stock				
	Issued Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance, June 30, 2015	47,807,426	$15,934,256	$1,509,283	$(13,501,464)	$3,942,075
Net income for the period	-	-	-	317,005	317,005
Balance, June 30, 2016	47,807,426	15,934,256	1,509,283	(13,184,459)	4,259,080
Exercise of options (at $0.097)	1,077,500	104,518	-	-	104,518
Fair value of stock options exercised	-	65,359	(65,359)	-	-
Conversion of convertible debenture (at $0.10)	2,400,000	240,000			240,000
Exercise of warrants (at $0.10)	2,400,000	240,000			240,000
Net income for the period	-	-	-	457,235	457,235
Balance, March 31, 2017	53,684,926	$16,584,133	$1,443,924	$(12,727,224)	$5,300,833

SEE ACCOMPANYING NOTES

Note 1 Basis of Presentation

The accompanying unaudited condensed financial statements of International Barrier Technology Inc. (the "Company") have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of the Securities and Exchange Commission ("SEC") Regulation S-X. Accordingly, they should be read in conjunction with the audited consolidated financial statements and notes thereto for the fiscal year ended June 30, 2016 included in the Annual Report on Form 10-K filed with the SEC on September 28, 2016. The unaudited condensed consolidated interim financial statements contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the consolidated financial position of the Company at March 31, 2017, and the consolidated results of operations and cash flows for the three and nine months ended March 31, 2017. All intercompany accounts and transactions have been eliminated. It should be understood that accounting measures at interim dates inherently involve greater reliance on estimates than at year end. The results of operations for the three and nine months ended March 31, 2017 are not necessarily indicative of the results to be expected for the full year or any future interim periods.

Note 2 Significant Accounting Policies

a) Earnings per Share

Basic and diluted earnings per share ("EPS") is computed using the weighted-average number of common shares outstanding during the period. Basic EPS is calculated by dividing the net income or loss by the weighted-average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted EPS is computed by dividing the net income or loss by the weighted-average number of common shares, plus the dilutive effect of common stock equivalents outstanding for the period.

The treasury stock method is used in calculating diluted EPS for potentially dilutive stock options and share purchase warrants, which assumes that any proceeds received from the exercise of in-the-money stock options and share purchase warrants, would be used to purchase common shares at the average market price for the period.

EPS for convertible debt is calculated under the "if-converted" method. Under the "if converted" method, EPS is calculated as the more dilutive of EPS (i) including all interest (both cash interest and non-cash discount amortization) and excluding all shares underlying the convertible debt or; (ii) excluding all interest (both cash interest and non-cash discount amortization) and including all shares underlying the convertible debt.

b) Revenue Recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 605, "Revenue Recognition," which requires that: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred, (iii) the sales price is fixed and determinable, and (iv) collection is reasonably assured. The Company recognizes revenue when the building supplies have been shipped.

Revenue for LP® FlameBlock Fire-Rated OSB Sheathing includes only the charges for treatment services, not the underlying OSB substrate or outbound freight as the customer supplies its own OSB substrate and contract for its own outgoing freight.

(Stated in US Dollars)

Note 2 Significant Accounting Policies (cont'd)

The Company periodically enters into arrangements that contain multiple deliverable elements requiring an evaluation of each deliverable to determine whether it represents a separate unit of accounting. Each delivered item constitutes a separate unit of accounting when it has stand-alone value to the customer obligating the Company to determine a selling price for each deliverable.

License Fees
Revenue from up-front license fees and milestone payments is recognized as performance occurs and the respective obligations are completed. Prior to the completion of performance obligations, up-front payments are recorded as deferred revenue.

Royalty Revenue
Royalty revenue from sales of our products is generally recognized when received or earned in accordance with the terms of the license fees agreements.

c) Plant and Equipment, Trademark and Technology Rights and Depreciation

Plant and equipment are recorded at cost less accumulated depreciation.

Depreciation is as follows:

Manufacturing equipment	straight line over estimated useful lives ranging from 5 years to 30 years.
Equipment and furniture	20%- declining balance
Computer equipment	30% - declining balance
Railway spur	4% - declining balance
Equipment under capital lease	20% - declining balance
Building	straight line over 20 years

Recently Issued Accounting Pronouncements

In May 2014 and May 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* and ASU 2016-12, *Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients*, respectively. These updates clarify the principles for recognizing revenue and develop a common revenue standard for GAAP and International Financial Reporting Standards. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The effective date of ASU 2014-09 and ASU 2016-12 will be for annual periods, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted for periods beginning after December 15, 2016. The Company is currently evaluating the impact that the implementation of this standard will have on the financial statements and footnote disclosures.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory: Simplifying the Measurement of Inventory.* Under ASU 2015-11, the Company is required to measure inventory at the lower of cost and net realizable value. The new guidance clarifies that net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This guidance is effective for the Company prospectively in the first quarter of fiscal year 2017. The Company does not expect this guidance to have a material impact the financial statements and footnote disclosures.

(Stated in US Dollars)

Note 3 Fair Value Measurements

The book value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short term maturity of those instruments. The fair value hierarchy under GAAP is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - observable inputs other than Level I, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model-derived prices whose inputs are observable or whose significant value drivers are observable; and

Level 3 - assets and liabilities whose significant value drivers are unobservable by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's convertible debentures were based on Level 2 inputs in the ASC 820 fair value hierarchy. The Company calculated the fair value of these instruments by discounting future cash flows
using rates representative of current borrowing rates. During the period, the convertible debentures were converted to common stock.

As at March 31, 2017, the Company has no assets or liabilities that have fair values measured using Level 3 inputs.

Note 4 Inventory

	March 31, 2017	June 30, 2016
Raw materials	$ 430,764	$ 396,271
Finished goods	458,047	277,597
	$ 888,811	$ 673,868

Note 5 Property, Plant and Equipment

	March 31, 2017		
	Cost	Accumulated Depreciation	Net
Manufacturing Equipment	$ 4,422,144	$ 2,404,026	$ 2,018,118
Equipment and Furniture	44,110	34,767	9,343
Computer Equipment	30,032	30,032	-
Equipment	206,442	98,874	107,568
Land	54,498	-	54,498
Building	2,660,988	1,464,259	1,196,729
Railroad Spur	94,108	65,767	28,341
Total Equipment and Property	$ 7,512,322	$ 4,097,725	$ 3,414,597

(Stated in US Dollars)

Note 5 Property, Plant and Equipment – (cont'd)

	June 30, 2016		
	Cost	Accumulated Depreciation	Net
Manufacturing Equipment	$ 4,193,670	$ 2,297,732	$ 1,895,938
Equipment and Furniture	44,110	33,480	10,630
Computer Equipment	30,032	30,032	-
Equipment	93,290	72,252	21,038
Land	54,498	-	54,498
Building	2,521,963	1,371,588	1,150,375
Railroad Spur	94,108	62,941	31,167
Subtotal Equipment and Property	$ 7,031,671	$ 3,868,025	$ 3,163,646
Assets under Capital Lease			
Equipment	$ 73,216	$ 18,030	$ 55,186
Subtotal Assets under Capital Lease	73,216	18,030	55,186
Total Property, Plant and Equipment	$ 7,104,887	$ 3,886,055	$ 3,218,832

Note 6 Convertible Debt

During the year ended June 30, 2012, the Company approved the issuance of two convertible debentures to a director and a company controlled by a director in the amount of $300,000. The debentures bore interest at 12% per annum, payable quarterly, and were collateralized by a third charge over the Company's plant and equipment as well as a charge against the Company's patents. At any time, the notes were convertible into units of the Company at a price of $0.10 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder the right to purchase one additional share for $0.10 for a period of two years from the conversion date. During the three month reporting period, the convertible debentures were converted to 2,400,000 shares and the corresponding warrants were exercised for 2,400,000 shares. During the three and nine month periods ended March 31, 2017, the Company incurred interest charges of $1,548 and $15,948, respectively (three and nine month period ended March 31, 2016: $7,200 and $21,600, respectively).

Note 7 Common Stock

Escrow:

At March 31, 2017, there are 48,922 (2016 – 48,922) common shares held in escrow by the Company's transfer agent, the release which is subject to the approval of the regulatory authorities. As at March 31, 2017 and June 30, 2016, all of these shares held in escrow are issuable but the Company has yet to request their release.

Commitments:

Stock-based Compensation Plan

At March 31, 2017, the Company has no outstanding options.

(Stated in US Dollars)

Note 7 Common Stock – (cont'd)

A summary of the status of the Company's share purchase option plan for the nine months ended March 31, 2017 is presented below:

	Number of Shares	Weighted Average Exercise Price
Outstanding and Exercisable, June 30, 2016	1,077,500	$ 0.097
Exercised	(1,077,500)	$ 0.097
Outstanding and Exercisable, March 31, 2017	-	$ -

Note 8 Segmented Information and Sales Concentration

The Company operates in one industry segment being the manufacturing and marketing of fire resistant building materials. Substantially all of the Company's revenues and long-term assets are located in the United States.

During the three and nine months ended March 31, 2017, two customers accounted for 100% of total sales revenue:

	Three months ended		Nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Customer #1	92%	83%	88%	76%
Customer #2	8%	17%	12%	24%

The accounts receivable from each of these customers at March 31, 2017 were $224,742 and $58,921, respectively (2016: $342,561 and $141,230, respectively).

The loss of either of these customers or the curtailment of purchases by such customers could have material adverse effects on the Company's financial condition and results of operations.

INTERNATIONAL BARRIER TECHNOLOGY INC.
QUARTERLY REPORT
for the period ended March 31, 2017

Management Discussion & Analysis
Date of Report – May 15, 2017

Description of Business
International Barrier Technology Inc. (Barrier) manufactures and sells fire-rated building materials. Barrier's primary business is in the United States, but also has a license agreement with a major OSB producer in the European Union. In addition, Barrier is working to develop distribution partnerships and manufacturing technology license agreements and is successfully endeavoring to enter building products markets in Australia, Europe, and South America. Barrier possesses a proprietary fire resistive material technology (Pyrotite®) and a patented manufacturing process that when applied to building materials their respective fire resistant properties are significantly enhanced. Many of the top multifamily and wood frame commercial builders in the United States utilize Barrier's fire-rated structural panels in areas where the building code requires the use of a fire-rated building panel.

Barrier's financial statements are filed with both the SEC (USA) and SEDAR (Canada) and are disclosed in US dollars utilizing US generally accepted accounting principles. Barrier's filings with the SEC consist of quarterly reviewed financial statements on Form 10-Q and annual audited financial statements on Form 10-K. Barrier continues to file the above financial statements with SEDAR in Canada.

Sales revenue reported for the three months ended March 31, 2017 was down 8% to $2,404,501 in comparison to $2,618,627 generated in the same comparable period in 2016. Year-to-date sales increased 6% to $7,479,661 from $7,030,157. Total sales volume, as measured by surface volume of product shipped decreased 1% to 7,137,000 sq. ft., from the 7,228,400 sq. ft. shipped in the previous year quarterly period. Sales for the nine months ended March 31, 2017 increased 17% to 21,216,200 sq. ft. vs. 18,102,800 sq. ft. for the nine months ended March 31, 2016. The following is a summary of changes in sales for the nine months ended March 31, 2017:

	Nine months ended March 31, 2017	Nine months ended March 31, 2016
Treatment services	$ 6,543,106	$ 5,571,192
Substrate	759,761	1,090,301
Freight and miscellaneous	176,794	368,664
	$ 7,479,661	$ 7,030,157
License fees	100,000	-
Royalties	62,462	26,464
	$ 7,642,123	$ 7,056,621

Shipments into the Residential Roof Deck, Wall Assembly, and Structural Insulated Panel Market Sectors (LP FlameBlock) during the quarter decreased 2% over shipments in the comparable quarter last year, while sales into the Commercial Modular Market (FR Deck Panel) declined 53%. The slight decline in the Residential Roof Deck/Wall Assembly Market sales volume for the quarter is attributable to the shifting of shipped volume to the new LP FlameBlock production facility in Clarke County, Alabama as well as the fact that March 2016 was Barrier's all-time record month for shipments.
Competition from alternative products, particularly chemically treated plywood, in the Commercial Modular business has become more impactful largely because of the shrinking disparity in plywood versus OSB prices. As the price of OSB increases and becomes closer to the price of plywood, fire-treated plywood products become more competitive to treated OSB products; causing fire-rated OSB products to lose market share. Barrier anticipated sales into this market will continue to lag last year's levels until the cost spread between OSB and plywood cycles back to ranges more consistent with historic levels.

Barrier also continues to sell fire resistant I-Joist as this remains a timely and important topic in North America's building environment at this time. Web stock material treated at Watkins is being used to assist in the development of a committed market demand for Pyrotite® technology. Concurrently, plans and decisions for manufacturing or licensing the production of treated I-Joist in the long-term are being developed and made. Barrier anticipates the negative impact I-Joist R&D has on shipments will diminish as efficiencies in production at Watkins improve with experience.

Barrier and LP® Building Products (LP) conduct business guided by a Supply Agreement. In August 2015, LP and Barrier negotiated some refinements to the agreement and extended it through December 31, 2019. In addition, Barrier granted a license to LP for the manufacture and distribution of Pyrotite® products in a plant in Clarke County Alabama. This license agreement will provide an additional revenue stream for Barrier. LP held a ground breaking ceremony in early January 2016 for the new FlameBlock OSB Sheathing line at their Clarke County Alabama location which began production in December.

Barrier's relationship with LP has contributed to an increase in sales volume to record levels and Barrier anticipates that sales will continue to grow substantially through the sustained efforts of LP's sales and marketing team. Reported sales revenue for LP products, include only the charges for treatment services, not the underlying OSB substrate or outbound freight as LP supplies its own OSB substrate and contracts for its own outgoing freight. The "pass through" of the OSB substrate and freight serves to lower reported "top line" sales revenue, but not gross profits since margins on substrate and freight have historically been restricted to handling costs only to help keep prices competitive. For the Commercial Modular market, Barrier purchases OSB from local distributors and invoices the cost of the substrate and outgoing freight to the customer, therefore the cost of the substrate and freight is included in revenue for Commercial Modular shipments.

Gross profit for the three month period ended March 31, 2017 was $392,335 vs. $364,777 in the previous year quarter and $1,240,478 for the fiscal year-to-date period (in comparison to $1,041,834 in the prior year). The gross margin, as a percentage of sales revenue, increased to 16% from 14% for the quarterly period and to 17% from 15% for the nine month reporting period. During the first three months of the reporting period (July through September), a tornado and excessive heat temporarily affected production. In the near term, gross margins are anticipated to continue to improve slightly based on increased production and continued focus on labor and materials efficiency.

Cost of sales decreased in the three months ended March 31, 2017 (to $2,056,875 from $2,263,266) and increased for the nine months ended March 31, 2017 (to $6,401,645 from $6,014,787), respectively. The differences are attributable to the lower volume produced in the quarter and then the increase in volume produced for the nine months. Manufacturing efficiency as reflected in the three and nine month average cost per sq. ft. of production improved to $0.29 from $0.31 for the quarter and improved to $0.30 from $0.33 for the year-to-date period.

Substrate cost and materials/labor were the major expenses in this category for the nine months ended March 31, 2017. Substrate accounted for $743,082 for the period versus $1,094,707 in the same period last year. Materials and labor accounted for an additional $4,622,191 in the nine month period in 2017 versus $3,767,621 in 2016.

Depreciation on plant and equipment is included in cost of sales category. Depreciation, which has non-cash impact on Barrier's actual cash flow, decreased from $267,905 to $211,670 for the nine month period. The expense reflects scheduled depreciation of the newer manufacturing line equipment and building improvements.

Administrative expenses for the quarter ended March 31, 2017 decreased from $253,536 to $247,377 in the prior year quarterly period and decreased in the nine month period from $806,975 to $751,556. Administrative costs per square foot remained consistent quarterly (at $0.035) and decreased year-to-date (from $0.045 to $0.035). The year-to-date improvement is a result of increased sales volumes during the reporting periods.

Accounting and Audit Fees decreased to $15,873 from $18,992 for the quarterly period and increased to $81,425 from $72,863 for the year-to-date period. A significant portion of the cost for accounting services is related to the year-end audit and quarterly review of Barrier's financial statements. The quarterly cost differential reported here is related to the timing of invoices and higher for the nine-month reporting period as costs have increased slightly.

Insurance costs have increased for the quarter and for the fiscal year-to-date periods ($32,072 vs. $22,597 quarterly and $78,934 vs. $61,970 year-to-date). The increase is attributed to premium increases based on increased sales volumes.

Legal fees increased from $5,818 for the three months ended March 31, 2016 to $11,704 in the three months ended March 31, 2017 and decreased significantly from $52,393 in the nine month period ended March 31, 2016 to $23,254 for the nine month period ended March 31, 2017. Legal fees the prior year was expended on activities in support of developing strategic partners and technology licensees. In addition each year for beginning preparations for the year-end Annual General Meeting, as well as in monitoring and protecting Pyrotite® patents and trademarks.

Barrier has four issued patents, two in the US, a patent in Australia, and a patent in Canada. These patents protect the manufacturing and process technology utilized in the production of fire-rated sheathing products utilizing Pyrotite®. In addition, Barrier has a provisional patent from the US Patent Office for the process of treating I-Joists with Pyrotite®.

Sales, marketing, and investor relations expenses remained consistent at $7,712 vs. $7,972 for the current quarter and decreased to $20,545 from $26,814 for the nine month reporting period. During the reporting period, there were sales trips directly related to the expansion of product markets and potential manufacturing expansion sites.

The majority of sales and marketing activities for traditional uses of Barrier's Pyrotite® treated structural wood panels continue to be performed by Louisiana Pacific, Inc. This helps Barrier keep the cost of sales and marketing as low as reasonably possible.

Wages and management fees were $152,041 in comparison to $170,081 during the quarter and $451,760 vs. $504,039 year-to-date. The major decrease in the nine month fee is attributed to Board of Director remuneration for the execution of the Louisiana-Pacific Corporation Technology License Agreement in the prior year.

Operating Income of $144,958 is being reported for the quarterly period ending March 31, 2017, whereas in the same period in 2016, operating income of $111,241 was reported. Operating income of $488,922 is reported for the year-to-date period vs. income of $234,859 in the comparable nine months in 2016.

It is Barrier's fundamental belief that increased sales volume coupled with an intense focus on manufacturing efficiency in both labor and materials is the best pathway to long-term profitability.

Other items include income and costs not directly related to business operations. Other income items reported during the quarterly and nine month periods ended March 31, 2017 include interest/other income of $593 and $1,428, respectively. To compare, for the same reporting periods last year there was interest/other income of $388 (quarter) and $1,073 (nine months).

Interest on Long Term Debt was $1,730 vs. $7,729 for the 3-month reporting period and $17,723 vs. $24,021 for the 9-month reporting period, as a result of larger principal payments as long term debt continues to decline.

Tax payments were $15,392 during the quarter, in comparison to $0 in the comparable period and $15,392 for the nine-month period vs. $1,800 for the nine-months ended March 31, 2016.

Net income. Net income of $128,429 is being reported for the quarter ended March 31, 2017, whereas in the same period in 2016, net income of $103,900 was reported. For nine months ended March 31, 2017, net income was $457,235 vs. net income of $210,111 in the prior year.

Barrier remains focused on improving efficiencies wherever it can. This includes operating the manufacturing line with maximum efficiency. Barrier continues to keep a vigilant handle on costs to help keep operational costs as low as possible and enable financial improvements to continue.

Summary of Quarterly Results. The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Mar 31, 2017	Dec 31, 2016	Sept 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sept 30, 2015	Jun 30, 2015
Volume shipped (MSF)	7,137	7,572	6,507	6,555	7,229	5,712	5,162	5,485
Total Revenues (000)	$2,449	$2,717	$2,476	$2,558	$2,628	$2,295	$2,134	$2,199
Operating Income(loss) (000)	$145	$344	$0	$111	$111	$141	$(19)	$162
Net income (loss) (000)	$128	$336	$(7)	$107	$104	$133	$(27)	$128
EPS (Loss) Per Share	$0.00	$0.01	$(0.00)	$0.00	$0.00	$0.00	$(0.00)	$0.01

Selected Annual Information

The following financial data is for the three most recent years ended June 30:

	2016	2015	2014
Total Revenue	$9,614.6	$8,472.0	$8,154.4
Net income (loss)	$317.0	$701.6	$585.9
Per share	$0.01	$0.02	$0.01
Per share, fully diluted	$0.01	$0.01	$0.01
Total assets	$5,457.9	$4,924.9	$4,317.3
Total long-term financial liabilities	$27.0	$280.1	$547.9
Cash dividends declared per share	Nil	Nil	Nil

New product and market development

Barrier continues to provide support to LP for a number of new product and market development initiatives including activity directed specifically toward applications in geographic areas where wildfires are prevalent and where building code development is becoming more restrictive with respect to designing for improved fire resistance. Focus has continued on developing products engineered to meet requirements established for Wildland/Urban Interface (WUI) zones. WUI zones are primarily located in the western US, and are areas where special building codes have been developed to help save homes if a brush fire should occur.

Enhanced focus has been made over this past year on developing products used in multifamily residential projects since the multifamily market is strong and is expected to stay vibrant over the next few years. In particular, Barrier and LP's introduction of a UL certified 2-hr exterior load bearing wall designed for use in wood-frame buildings of Type III construction is being well received by architects, building code professionals and builders alike. As more architects and specifying engineers become aware of this new design Barrier and LP are confident that considerable sales will result for these projects.

Barrier and LP continue exploring opportunities related to emerging code requirements for Engineered Wood Products (EWP) such as I-Joist and Rimboard. I-Joist and Rimboard produced using oriented strand board (OSB) technology are widely used in the building industry but have only recently been put under intense scrutiny for structural performance in a fire. Both Barrier and LP believe there is significant opportunity in developing EWP products that are rated for performance in a fire situation.

After successful preliminary fire testing and initial test marketing, further testing resulted in a UL certified fire-rated I-Joist listing and small scale commercial production has begun. Barrier and LP's EWP Division will be actively pursuing these exciting opportunities during the next fiscal year. By working together we will endeavor to develop products that will meet code requirements being developed by the International Code Council (ICC), as well as production technology and capacity.

Global licensing opportunities

Barrier continues to explore manufacturing and distribution opportunities for Pyrotite® technology in geographies outside of the US. During the fiscal year ended June 30, 2014, Barrier announced a licensing agreement for the manufacture and distribution of Pyrotite® products in the European Union and Russia. Kronospan, a world-wide leader in OSB manufacturing, has officially added "OSB Pyrotite ECO" (a fire-resistant OSB panel) to their family of products. Barrier provided technical assistance in the design of their first manufacturing line, the transfer of production process technology, and material acquisition criteria. The manufacturing line is now fully operational. The license agreement provides for a payment made quarterly to Barrier by the Licensee of a royalty based on the volume of product produced. A minimum annual royalty fee was established along with an "up-front" license fee which was paid pursuant to the execution of the license agreement. The agreement contemplates the Licensee developing additional production facilities over the term of the license and making additional royalty payments to Barrier based on these plants production. The license agreement follows standard licensing protocol, which allows for the audit of manufacturing process and financial revenue information.

The selection of Pyrotite® technology by the licensor after extensive research and testing of several other fire-resistant technologies adds additional credibility to our Pyrotite® technology and could lead to potential interest in other geographies. Particular interest in Barrier's Pyrotite® technology has been expressed by parties in China, Australia, and South America.

Financial position & financings

Barrier ended the period with a working capital surplus (current assets less current liabilities) of $1,894,236 vs. $954,974 for the three-month period ended March 31, 2016. Operating cash flow was $703,006 in comparison to $807,972 for the nine months ended March 31, 2016.

Financing activities resulted in net cash inflow of $304,378 for the nine month period compared to a net cash outflow of $45,539 for the comparable nine month period.

Barrier has a short term revolving line of credit ($500,000) at the local Farmers State Bank of Watkins, in Watkins, Minnesota. As of March 31, 2017 the balance owing on the revolving line of credit was $0 leaving an additional $500,000 available for use.

Investing activities resulted in net cash outflow of $407,435 in the nine month period ended March 31, 2017 in comparison to a net cash outflow of $477,270 in the prior year. The cash outflow was the result of the acquisition of plant and equipment capital improvements.

There is no assurance that Barrier will operate profitably or will generate positive cash flow in the future. In addition, Barrier's operating results in the future may be subject to significant fluctuations due to many factors not within our control, such as the unpredictability of when customers will order products, the size of customers' orders, the demand for our products, the level of competition or general economic conditions.

Current and Future Financing Needs
At March 31, 2017, the current cash and cash equivalents totaled $1,528,889 and there was $500,000 in available funds to draw on the revolving credit facility.

The Company bases its estimate of future cash requirements on assumptions that may prove to be wrong and the requirements for cash are subject to factors, some of which are not within the control of the Company, including:

- Increased costs of general and administrative expenses
- Increased costs of raw materials and freight
- Costs associated with the research and development activities
- Costs associated with maintaining property, plant and equipment and intellectual property

Related Party Transactions
During the year ended June 30, 2012, the Company approved the issuance of two convertible debentures to a director and a company controlled by a director in the amount of $300,000. The debentures bore interest at 12% per annum, payable quarterly, and are collateralized by a third charge over the Company's plant and equipment as well as a charge against the Company's patents. At any time, the notes were convertible into units of the Company at a price of $0.10 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder the right to purchase one additional share for $0.10 for a period of two years from the conversion date. During the three and nine months ended March 31, 2017, the Company incurred interest charges of $1,548 and $15,948, respectively (2016: $7,200 and $21,600, respectively) on these convertible debentures. On January 20, 2017, the convertible debentures were converted to units of the Company and corresponding warrants were issued. The warrants were also exercised in full.

Capitalization
Authorized: 100,000,000 common shares without par value.
Issued as of March 31, 2017: 53,684,926 common shares at $16,584,133
Issued as of May 14, 2017: 53,684,926 common shares at $16,584,133

Options outstanding: There are no options outstanding.

Other Matters
As at March 31, 2017 the Company did not have any off-balance sheet arrangements to report.

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 (a) of the US Sarbanes-Oxley Act of 2002

I, Michael Huddy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Barrier Technology Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:

a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2017

/s/ Michael Huddy
Michael Huddy
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.1

SECTION 1350 CERTIFICATION

In connection with the Interim Report of International Barrier Technology Inc. (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Huddy, Chief Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2017

/s/ Michael Huddy
Michael Huddy
Chief Executive Officer
(Principal Executive Officer)

This certification is being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as otherwise stated in such filing.

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 (a) of the US Sarbanes-Oxley Act of 2002

I, Melissa McElwee, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of International Barrier Technology Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:

a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2017

/s/ Melissa McElwee
Melissa McElwee
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.2

SECTION 1350 CERTIFICATION

In connection with the Interim Report of International Barrier Technology Inc. (the “Company”) on Form 10-Q for the fiscal quarter ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Melissa McElwee, Chief Financial Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2017

/s/ Melissa McElwee
Melissa McElwee
Chief Financial Officer
(Principal Financial Officer)

This certification is being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934 (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as otherwise stated in such filing.