INTERNATIONAL BARRIER TECHNOLOGY INC.
QUARTERLY REPORT
for the period ended March 31, 2009

Management Discussion & Analysis

Date of Report – May 14, 2009

Description of Business

International Barrier Technology Inc. (Barrier) manufactures and sells fire-rated building materials primarily in the United States. Barrier has a patented fire protective material (Pyrotite™) that is applied to building materials to greatly improve their respective fire resistant properties. Coated wood panel products are sold to builders through building product distribution companies all over the United States. Many of the top multifamily homebuilders in the United States utilize Barrier's fire-rated structural panel Blazeguard® in areas where the building code requires the use of a fire-rated building panel.

Discussion of Operations

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 quarter ending March 31, 2009 was $764,398 vs. the $1,214,182 generated in the same quarter in 2008. Year-to-date sales are $3,474,309 vs. $3,528,709. Total sales volume, as measured by surface volume of product shipped, was 1,084,800 sq.ft. This is a decrease over the 1,893,200 sq.ft. shipped during the same quarter in the previous year. Sales into the Residential Roof Deck Market Sector were 348,300 sq. ft. vs. 374,800 sq. ft. in the prior year quarter. Sales into the Commercial Modular Sector were 736,500 sq. ft. vs. 1,498,200 sq. ft. There were no shipments into the Structural Insulated Panel market in the current quarter, in comparison to 20,200 sq. ft. in Q3 2008.

Sales for the nine months ending March 31, 2009 (fiscal year to date) are 4,768,900 sq.ft. vs. 5,331,700 sq.ft. for the same period in 2008. Of the total shipped volume; 3,495,400 sq.ft. was into commercial modular, 1,228,700 sq.ft. into residential roof deck, and 44,800 sq.ft. into Structural Insulated Panels.

Barrier continues to expand the geographic base for Blazeguard sales in the US and Canada. Barrier and is actively marketing Blazeguard to the multi-family residential roof deck market in Southern California. Barrier is also marketing Blazeguard to single family exterior side wall applications in the wildfire prone areas of California, Oregon, Washington and Colorado as well. Barrier's wholesale building products distributor in California has Blazeguard inventory (carload shipments to keep freight costs down) and expects to see increased sales to builders and lumber dealers in the coming months. During the past quarter, we added sales representation in both the Mountain States (Colorado, Utah, and Wyoming) and the Pacific Northwest (Washington, Oregon, and Northern California). Specified Building Products, Stan South and Chad Nibbe, represent a variety of specified construction product lines throughout the Mountain States Region and have added Blazeguard Fire-Rated Sheathing to their product base. Snuff-It's, James

Walmsley, has his own fire-rated products distributorship and website, www.wildfireoptions.com. Blazeguard is now a featured product for Snuff-It throughout the Pacific Northwest region. Several potential distribution sources have been identified in both markets and we expect inventory in these regions over the next several months.

In August 2008, Blazeguard® was added to the short list of the California State Fire Marshall's Office (CSFM) approved products for high risk wildfire zones. Blazeguard® is listed as an approved exterior sheathing for roof and wall applications; a "limited ignition" material; and, for use in soffit areas under eaves. Barrier is currently marketing this fact to local architects, building code officials, and builders in the area. The initial response has encouraged Barrier to believe that as the housing economy improves in California, Blazeguard® sales there to residential markets could exceed any other area previously targeted.

Barrier believes that recent success in introducing Blazeguard into other market applications (such as commercial modular), and other emerging geographical locations for multi-family residential, have served to lower risk by spreading sales over a broader market playing field and making the business less vulnerable to cyclicality in any one region or product application. The broadening of the geographic markets served will help Barrier withstand periodic cyclicality in one market by focusing efforts and providing sales opportunities to others.

As the US building industry continues its recovery throughout 2009, and as housing starts continue their climb back to levels reflecting the underlying need for new homes, Barrier anticipates a significant recovery in the growth rate of Blazeguard residential sales volume. Barrier continues its press to add builders, one by one. During "slow times", Barrier, and the existing Blazeguard distribution network, have found builders eager to learn about how Blazeguard can improve the value of their homes. Barrier's aggressive positioning during this time period has created future opportunity and set the stage for strong growth as the housing market improves.

Gross profit for the quarter was $65,628 for the period ending March 31, 2009 and $517,423 for the nine month period ($137,800 and $186,925 respectively in 2008). There was a classification change during the current and prior year to include amortization and R&D in cost of sales. Therefore, the reclassified gross margin, as a percentage of sales revenue was 9% in comparison to 11% in the prior year quarter largely as a result of lower quarterly sales volumes. Year-to-date, however, the gross margin is 15%, which represents a significantly improvement from 5% in the prior year.

The new production line became "fully" operational in October 2007. While the "old" line continues to produce odd size orders and plywood (warped boards), all other Blazeguard® production is run on the new line. The new line is proving out that expected gains in efficiency and quality are possible at speeds over twice as fast as the old line. As sales volumes increase to levels where the new line is used at or near full capacity (approximately 20 million sq. ft. per 8 hr shift), efficiency gains will be noticeable on the bottom line as profits improve substantially.

Cost of sales in the three and nine month periods ending March 31, 2009 decreased to $698,770 and $2,956,886 from $1,076,382 and $3,341,784 in the previous year. The decrease is attributable to gaining efficiency in operations and slightly lower sales volume. As mentioned previously, the cost of sales was reclassified to include amortization and R&D expenses in this reporting period. After reclassification, the year-to-date average cost per sq.ft. of production was $0.62 in comparison to $0.63 in the comparable period.

R&D expenses which were incurred as new market applications continue to be explored and developed were $9,016 for the current quarter vs. $20,393 in Q3 2008. The significant decrease in research and development expenses is attributable to the Company's cost management due to its necessity to conserve cash as well as the fact that the significant R&D expenses associated with the implementation of the new line have been incurred and there is no longer a need for substantial R&D expenditures. Barrier continues to invest in R&D to potentially develop other markets for Pyrotite™ and Blazeguard® products for future diversification, while keeping the expenses as low as possible. Directly applying Pyrotite™ to foam insulation is quickly proving to be a viable opportunity for Fiscal 2009.

Included in cost of sales was depreciation on plant and equipment. Depreciation decreased slightly for the quarter from $68,887 to $67,704 and increased from $200,398 in 2008 to $203,112 in 2009. The expense reflects scheduled depreciation of the new manufacturing line equipment and building expansion. The amortization of the worldwide Pyrotite technology (including patents, technical know-how, and trademarks) began when Barrier purchased it in 2004 and will continue at existing rates until it is fully depreciated (eight years). Neither of these items have an impact on the cash position of the Company.

Administrative expenses in the reported three and nine month period decreased from $346,213 and $904,807, respectively to $277,157 and $822,744. Due to the decline in sales this quarter, the administrative costs per sq. ft. increased for the quarter, from $0.18 to $0.25, but have remained consistent year-to-date at $0.17. Many of these costs are fixed and don't change proportionately with sales volume. As the economy and sales improve, a reduction in the average cost of administrative expense per sq.ft. produced is expected. Barrier expects the reduction in the average cost of administration to have a significant impact on bottom line performance in future reporting periods.

Accounting and Audit Fees decreased in the quarter ending March 31, 2009 vs. the same time period last year ($8,833 vs. $11,887) and increased year-to-date ($55,999 vs. $34,225). This is attributed to timing and increase of year-end audit fees due to regulatory compliance with Sarbanes-Oxley.

Insurance costs have decreased to $25,098 for the three months and $60,498 for nine months in comparison to $28,274 and $96,125 the previous year. The difference is due primarily to lower product liability premiums, which is a function of sales volumes.

Interest on Long Term Debt has decreased slightly from $21,697 to $20,780 for the reporting period (and increased from $56,700 to $62,503 year-to-date). This year-to-date increase is a result of utilizing an operating line of credit that has enabled Barrier to grow inventory levels to anticipate customer needs and to provide interim funding for short term working capital requirements.

On July 16, 2008, the Company restructured the revolving bank loan. The terms of the revolving bank facility were modified to include a $500,000 capital loan being amortized by the bank over a seven-year period. Additionally, the bank provided a $500,000 credit facility as an operating line of credit from which the Company has drawn $375,000. The collateral for both of these lines is: the building, property and equipment; cash accounts; accounts receivable; and, inventory.

Legal fees increased to $26,419 for the three month period and $67,032 for the nine months ending March 31, 2009. For the same period in the prior year, legal fees were $19,252 and

$42,638 respectively. Legal fees were expended on activities in support of Blazeguard and Pyrotite patent and trademark registration as well as for help in the drafting and review of certain business correspondence. Barrier believes protecting its technology and trademarks is an important step in positioning itself to develop strategic partners and potential technology licensees.

Travel, promotion and trade show expenses increased slightly for the three month period ($14,630 vs. $10,766) and also for the nine month period ending March 31, 2009 ($36,932 vs. $32,777). Sales expenses in Fiscal 2009 are focused on the development of both the northern and southern California territories, Oregon, and Colorado – the Northern Pacific region. Additionally, with the emergence of Mr. James Dukart as a trained and "seasoned" sales and marketing expert for Blazeguard (especially in multifamily residential roof decks and Structural Insulated Panel (SIPs) markets), an additional person is now available to travel from Barrier's headquarters' office in support of sales activities. While Barrier has always planned business travel to accommodate only "necessary" trips, all business travel is currently pre-approved by a cash flow committee in addition to approval by Barrier's CEO.

Other income includes income not directly related to business operations. Other items reported during the period herein include $1,504 in interest income and ($4,965) in foreign exchange loss. Year-to-date, the interest income is $5,558 and the foreign exchange loss is ($73,541). The Canadian dollar depreciated substantially year over year. To compare, for the same reporting period last year, foreign exchange was a positive $25,888 year-to-date, a swing of $99,429 for the nine month period.

Net Loss. A net loss of ($214,990) is being reported for the quarter ending March 31, 2009, whereas in the same period in 2008, a net loss of ($223,534) was reported. For the nine months ending March 31, 2009, the net loss is ($373,304) vs. ($674,529) in the prior year. This represents an improvement of $301,225 in the net income, on top of absorbing the $99,429 negative foreign exchange movement. Sales volume for the quarter was up and Barrier remains focused on cutting costs wherever it can. This includes operating the manufacturing line with maximum efficiency, as the economy remains unsettled and the retraction in residential construction continues. Keeping a vigilant handle on costs will help keep operational costs as low as possible and enable recovery to occur sooner and at lower volumes than previously possible.

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

	Mar 31 2009	Dec 31 2008	Sept 30 2008	June 30 2008	March 31 2008	Dec 31 2007	Sept 30 2007	June 30 2007	March 31 2007
Volume shipped (MSF)	1,085	1,578	2,106	1,891	1,893	1,555	1,883	2,273	1,643
Total Revenues (000)	$764	$1,123	$1,587	$1,349	$1,214	$1,065	$1,249	$1,434	$1,068
Operating Income (000)	($211)	($94)	($0)	($143)	($208)	($271)	($239)	($44)	($204)
Net income (loss) (000)	($215)	($164)	$6	($134)	($224)	($258)	($193)	$12	($191)
EPS (Loss) Per Share	($0.01)	($0.01)	$0.00	($0.01)	($0.01)	($0.01)	($0.00)	$0.00	($0.01)

Selected Annual Information

The following financial data is for the three most recent years ended June 30:	2008	2007	2006
Total Revenue	$4,878.0	$6,130.0	$6,604.4
Net income (loss)	(808.0)	(491.0)	(211.7)
Per share	(0.03)	(0.02)	(0.01)
Per share, fully diluted	(0.03)	(0.02)	(0.01)
Total assets	5,738.0	5,887.9	6,172.2
Total long-term financial liabilities	1,212.3	819.4	630.0
Cash dividends declared per share	Nil	Nil	Nil

New product and market development

Barrier continues to invest time and financial resources in an effort to accelerate long and near term growth. While these expenditures take away from near term profits, research and development of new products and applications as well as market development for existing products and applications are crucial to the attainment of strategic objectives and business alliances. Barrier intends to grow the business to levels far beyond those currently attained and new initiatives in products and markets are necessary if these long term goals are to be achieved. Ongoing initiatives continue to provide opportunities for sales expansion and growth.

Barrier, in collaboration with MuleHide Products, continues to experience success in supply both Class A and C rated roof assemblies in commercial modular roof decks for buildings destined for military use on domestic military bases. A “new” Underwriters Laboratories (UL) listing allows a FR C board to be utilized under an alternate single-ply membrane (FPEM) while achieving a Class A system rating. This system significantly reduces the cost of the structure and Barrier and MuleHide believe this system has a great future in commercial modular sales.

In support of the strength requirements for fire and strength rated walls, Barrier completed an extensive testing protocol performed by Progressive engineering, Inc. (PEI), an ICS certified independent testing, certification, and listing laboratory. The results demonstrate Blazeguard’s ability to improve lateral load capability (shear strength for earthquake zones) and include new span and load ratings for both roof and wall applications (allowable vertical load for snow and wind load requirements).

Blazeguard treatment has always been known to increase the strength of the substrate panel, now these strength improvements are certified in a way that will improve an architect’s ability to reach required designed loads in a variety of applications without having to use thicker panels to improve strength.

Barrier has been working with a major insulated foam producer in an attempt to develop a fire rated foam product that can be used both in the finishing of basement walls as well as in “built-up” commercial roof decks. While it is still early in the R&D phase, Barrier and the foam producer have developed samples and completed some preliminary fire tests that were very encouraging. Additional fire tests have already been scheduled to be completed during the first quarter of 2009.

Barrier improved certain elements of the old production line in an effort to produce structural insulated panels (SIPs) with a more consistent surface appearance. SIPs were a significant business for Blazeguard from 1996–1999. Variability in the surface appearance of the coating, however, created repeatable issues and complaints when the panels were used as an exposed interior wall surface, especially in residential applications. The improvements completed will help to improve the consistency of Blazeguard panels used in SIPs and make them more appealing and marketable to SIPs customers. Barrier will be participating with the SIPA organization at the International Builders Show in January to promote Blazeguard and gain further credibility with the key players in this market.

Global licensing opportunities

Barrier continues to solicit opportunities for licensing arrangements wherever in the world that opportunity exists. When interested parties inquire regarding licensing, Barrier responds with an information packet and begins an assessment of appropriateness of fit with our technology. Barrier believes that expansion of production capacity to meet the increased demand for Blazeguard in particular geographies or in particular market applications may be best served by cooperating with a partner company in the targeted industry when a new production facility is built. Barrier is exploring both joint venture and licensing scenarios as plans for future growth are discussed.

Any licensing agreements will be designed to protect the technology, prohibit competition, and provide for royalties to be paid to Barrier on an ongoing basis.

Product and technology licensing scenarios are being developed within Barrier and management is confident that licensing relationships or relationships leading to licensing contracts will be in existence in the near future.

Financial position & financings

Barrier ended the period with a working capital deficit of ($35,121).

The Company generated negative operating cash flow for the nine months ended March 31, 2009 of ($202,919) in comparison to ($6,971) for the same nine month period in 2008. The Company expects to fund short-term cash needs out of current operations and supplement other short-term needs with the operating line of credit that is secured by a security interest in inventory, accounts receivable, equipment and all intangibles of the company as well as an assignment of the building lease.

The Company does not expect any long-term capital needs in the near future as they recently expanded the operations with a more efficient automated process that is projected to fulfill future growth needs. The new automation was funded largely by a private placement coupled with operating cash flows.

There is no assurance that we will operate profitably or will generate positive cash flow in the future. In addition, our 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.

Although management believes that revenues will increase, management also expects an increase in operating costs. Consequently, the Company expects to incur operating losses and negative cash flow until our products gain market acceptance sufficient to generate a commercially viable and sustainable level of sales, and/or additional products are developed and commercially released and sales of such products made so that we are operating in a profitable manner.

Related Party Transactions

During the nine months ended March 31, 2009 the Company incurred wages and management fees of $127,242 with directors of the Company and companies with common directors. The Company paid $140,204 in wages and management fees for the same prior year-to-date.

Capitalization

Authorized: 100,000,000 common shares without par value.

Issued as of March 31, 2009: 29,414,925 common shares at $15,079,071
Issued as of May 14, 2009: 29,414,925 common shares at $15,079,071

Options outstanding:

The following summarizes information about the stock options outstanding at March 31, 2009 reflected in US dollar currency:

Number	Number Exercisable	Exercise Price	Expiry Date
986,750	986,750	$0.65	August 24, 2009
665,000	611,250	$0.45	January 10, 2010
250,000	250,000	$0.55	August 9, 2010
40,000	10,000	$0.05	March 07, 2011
1,941,750	1,858,000		

Critical Accounting Estimates

Stock-based Compensation Charge and Expense

As described in Note 2 to the audited annual financial statements dated June 30, 2008, the Company accounts for all stock-based payments and awards under the fair value based method. This fair value of the stock options is estimated at the date the stock options are granted using the Black-Scholes option-pricing model. Stock-based payments to non-employees is periodically re-measured until counter-party performance is complete and any change is recognized over the life of the award. The Company accounts for share purchase options to employees by recording the fair value of the awards on the grant date and the related stock-based compensation expense is recognized over the period in which the options vest. In addition, this is a non-cash compensation charge and the cash flow effects are realized only at the time of exercise.

Internal Control and Financial Reporting Procedures

The board of directors evaluates and maintains internal control procedures and financial reporting procedures to ensure the safeguarding of Barrier's assets as well as to ensure full, true, accurate and timely disclosure of Barrier's financial position for the nine month period ended March 31, 2009, which would materially affect the accuracy of this financial report.

There has been no change in internal control procedures in the nine month period ending March 31, 2009.

Other Matters

As at March 31, 2009 the Company did not have any off-balance sheet arrangements to report.

International Barrier Technology Inc. (the Company) has received a preliminary liability and damage report from a New Jersey townhouse association in connection with a lawsuit the association has filed against its contractor, engineering consultant, property manager and the Company (the "Defendants"). The lawsuit involves alleged water damage in a 1997/1998 roof replacement project that was allegedly caused by claimed Company product failure along with other alleged deficiencies. The Company first reported on the prospect of this litigation in December 2005. The townhouse association claims that as a result of defective product supplied, and negligent work performed by other named Defendants, the association has suffered damages of US$5,400,000. Repairs, to date, have been limited to certain townhouse units where water stains have appeared in ceiling areas. The damages claimed include the costs of repairs made subsequent to the initial installation work, attorney and consultant fees, and the estimated anticipated future costs for roof repairs on all units including those that have not previously required roof repairs nor have shown any sign of damage.

The Defendants, through their insurers, have engaged qualified experts to consider the report and to prepare a response to refute it. The townhouse association's request for mediation resulted in the scheduling of a "non-binding" mediation hearing held on May 15, 2007. Counsel for Barrier and the plaintiffs failed to negotiate a resolution during this mediation hearing. The parties continue to negotiate settlement terms but if the parties cannot agree to a settlement, the suit may go to court. The Company carries $1 million of product liability insurance, including the cost of attorney's fees, to protect itself against such claims and has documented that any damage occurring to date was the result of insufficient ventilation and incorrect installation. The Company anticipates that the claim will have no material financial impact on the Company.

The lawsuit by the townhouse association is the first involving the Company in 17 years of product distribution in the United States. Over that time, millions of square feet of the Company's products have been successfully installed for roofing and other applications.

The Company will report further on this matter as developments occur.

INTERNATIONAL BARRIER TECHNOLOGY INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

(Stated in US Dollars)

(Unaudited)

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED BALANCE SHEETS
March 31, 2009 and June 30, 2008
(Stated in US Dollars)
(Unaudited)

	March 31, 2009	June 30, 2008
ASSETS		
Current		
Cash and cash equivalents	$ 258,528	$ 436,426
Accounts receivable	182,196	360,417
Inventory – Note 3	354,185	293,979
Prepaid expenses and deposits	58,561	58,870
	853,470	1,149,692
Property, plant and equipment	3,887,100	4,076,017
Patent, trademark and technology rights – Note 4	417,455	512,267
	$ 5,158,025	$ 5,737,976
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 397,132	$ 652,815
Bank loan facility – Note 5	375,000	-
Current portion of obligation under long term debt – Note 6	59,787	-
Current portion of obligation under capital leases	56,672	63,994
	888,591	716,809
Long-term debt – Notes 5 and 6	401,163	750,000
Obligation under capital leases	358,886	398,298
	1,648,640	1,865,107
STOCKHOLDERS' EQUITY		
Share capital – Note 7		
Authorized:		
100,000,000 common shares without par value		
Issued:		
29,414,925 common shares (June 30, 2008: 29,414,925 common shares)	15,079,071	15,079,071
Additional paid-in capital	1,012,052	1,002,232
Accumulated deficit	(12,581,738)	(12,208,434)
	3,509,385	3,872,869
	$ 5,158,025	$ 5,737,976

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
for the three and nine months ended March 31, 2009 and 2008
(Stated in US Dollars)
(Unaudited)

	Three months ended March 31, 2009	Three months ended March 31, 2008	Nine months ended March 31, 2009	Nine months ended March 31, 2008
Sales	$ 764,398	$ 1,214,182	$ 3,474,309	$ 3,528,709
Cost of goods sold	698,770	1,076,382	2,956,886	3,341,784
Gross profit	65,628	137,800	517,423	186,925
Administrative expenses				
Accounting and audit fees	8,833	11,887	55,999	34,225
Consulting fees	2,255	-	2,255	2,500
Filing fees	10,082	8,023	18,527	23,546
Insurance	25,098	28,274	60,498	96,125
Interest and bank charges	15	92	68	140
Interest on long-term debt	20,780	21,697	62,503	56,700
Legal fees	26,419	19,252	67,032	42,638
Office and miscellaneous	14,912	19,278	56,721	53,893
Sales, marketing, and investor relations	7,993	6,188	19,165	19,084
Telephone	3,044	2,989	9,276	9,023
Transfer agent fees	3,778	1,026	13,057	12,642
Travel, promotion and trade shows	14,630	10,766	36,932	32,777
Wages and management fees – Note 7 and 8	139,318	216,741	420,711	521,514
	277,157	346,213	822,744	904,807
Loss before other items	(211,529)	(208,413)	(305,321)	(717,882)
Other items:				
Foreign exchange gain (loss)	(4,965)	(19,279)	(73,541)	25,888
Other income	1,504	4,158	5,558	17,465
	(3,461)	(15,121)	(67,983)	43,353
Net loss for the period	$ (214,990)	$ (223,534)	$ (373,304)	$ (674,529)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average number of shares outstanding	29,414,925	29,414,925	29,414,925	29,414,925

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
for the nine months ended March 31, 2009 and 2008
(Stated in US Dollars)
(Unaudited)

	Nine months ended March 31, 2009	Nine months ended March 31, 2008
Operating Activities		
Net loss for the period	$ (373,304)	$ (674,529)
Changes not involving cash:		
Amortization – plant and equipment	203,112	200,398
– trademark and technology costs	94,812	93,750
Stock-based compensation	9,820	49,930
Changes in non-cash working capital:		
Accounts receivable	178,221	(47,580)
Prepaid expenses and deposits	309	(15,512)
Inventory	(60,206)	200,562
Accounts payable and accrued liabilities	(255,683)	186,010
Cash used in operating activities	(202,919)	(6,971)
Investing Activity		
Acquisition of plant and equipment	(14,195)	(534,334)
Financing Activities		
Demand loan	125,000	409,000
Note payable	-	14,515
Repayment of long-term debt obligations	(39,050)	-
Capital lease obligations	(46,734)	(48,646)
Cash provided by financing activities	39,216	374,869
Change in cash and cash equivalents during the period	(177,898)	(166,436)
Cash and cash equivalents, beginning of the period	436,426	557,316
Cash and cash equivalents, end of the period	$ 258,528	$ 390,880
Supplementary cash flow information:		
Cash paid for:		
Interest	$ 62,503	$ 54,010
Income taxes	$ -	$ 1,250

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
for the period ended March 31, 2009
(Stated in US Dollars)
(Unaudited)

	Common Stock Issued Shares	Common Stock Amount	Additional Paid-in Capital	Deficit	Total
Balance, June 30, 2007	29,414,925	$ 15,079,071	$ 954,903	$ (11,400,084)	$ 4,633,890
Stock-based compensation	-	-	47,329	-	47,329
Net loss for the period	-	-	-	(808,350)	(808,350)
Balance, June 30, 2008	29,414,925	15,079,071	1,002,232	(12,208,434)	3,872,869
Stock-based compensation – Note 7	-	-	9,820	-	9,820
Net loss for the period	-	-	-	(373,304)	(373,304)
Balance, March 31, 2009	29,414,925	$ 15,079,071	$ 1,012,052	$ (12,581,738)	$ 3,509,385

SEE ACCOMPANYING NOTES

Note 1 Nature of Operations and Ability to Continue as a Going Concern

The Company develops, manufactures and markets proprietary fire resistant building materials branded as Blazeguard in the United States of America and, as well, the Company owns the exclusive U.S. and international rights to the Pyrotite fire retardant technology.

These financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its obligations and commitments in the normal course of operations. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At March 31, 2009, the Company had an accumulated deficit of $12,581,738 (June 30, 2008 - $12,208,434) since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but is considering obtaining additional funds by debt financing to the extent there is a shortfall from operations. While the Company is expending its best efforts to achieve the above plans, there is no assurance that any such activity will generate funds for operations.

The Company was incorporated under the British Columbia Company Act and is publicly traded on the TSX Venture Exchange in Canada ("TSX") and the NASD: OTC Bulletin Board in the United States of America.

These financial statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein. It is suggested that these interim consolidated financial statements be read in conjunction with the audited consolidated financial statements of the Company for the year ended June 30, 2008. The interim results are not necessarily indicative of the operating results expected for the full fiscal year ending on June 30, 2009. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures herein are adequate to make the information presented not misleading.

Note 2 New Accounting Standards

Recently adopted accounting pronouncements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". This Statement defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosure related to the use of fair value measures in financial statements. The Company adopted SFAS 157 effective July 1, 2008. The adoption of SFAS 157 did not have a material effect on the Company's financial position, results of operations or cash flows.

In February, 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities". This Statement establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. The Company adopted SFAS 159 effective July 1, 2008. The adoption SFAS 159 did not have a material effect on the Company's financial position, results of operations or cash flows.

Recent Accounting Pronouncements Not Yet Adopted

In April 2008, the FASB issued FSP 142-3, "Determination of the Useful Life of Intangible Assets." This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, "Goodwill and Other Intangible Assets." The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under Statement 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141 (Revised 2007), "Business Combinations," and other U.S. generally accepted accounting principles (GAAP). This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The Company is in the process of evaluating the impact, if any, of this FSP on its financial statements.

In December 2007, the Emerging Issues Task Force ("EITF") reached a consensus on EITF No. 07-01, Accounting for Collaborative Arrangements Related to the Development and Commercialization of Intellectual Property ("EITF 07-01"). EITF 07-01 discusses the appropriate income statement presentation and classification for the activities and payments between the participants in arrangements related to the development and commercialization of intellectual property. The sufficiency of disclosure related to these arrangements is also specified. EITF 07-01 is effective for fiscal years beginning after December 15, 2008. As a result, EITF 07-01 will be effective for the Company as of July 1, 2009. The Company expects that the adoption of EITF 07-01 will have minimal, if any, impact on its financial position and results of operations. However, based upon the nature of the Company's business, EITF 07-01 could have a material impact on its financial position and results of operations in future years.

(Stated in US Dollars) – Page 3

Note 3 Inventory

	March 31 2008	June 30 2008
Raw materials	$ 163,658	$ 223,750
Finished goods	190,527	70,229
	$ 354,185	$ 293,979

Note 4 Patent, Trademark and Technology Rights

	March 31, 2009	June 30, 2008
Trademark and technology rights – at cost	$ 1,000,000	$ 1,000,000
Patent – at cost	24,104	24,104
	1,024,104	1,024,104
Less: accumulated amortization	(606,649)	(511,837)
	$ 417,455	$ 512,267

Note 5 Bank Loan Facility

	March 31, 2009	June 30, 2008
Revolving bank loan facility in the amount of $500,000 bearing interest at 7.5% and secured by a security interest in inventory, accounts receivable, equipment and all intangibles of the Company as well an assignment of the building lease. The balance is due on August 1, 2009	$ 375,000	$ 750,000

During the nine months ended March 31, 2009, the terms of the revolving bank facility were modified to include a $500,000 capital loan being amortized by the bank over a 10 year period and which is secured by building, property and equipment. Additionally, the bank provided a $500,000 credit facility as an operating line of credit from which the company has drawn $375,000 as at March 31, 2009.

(Stated in US Dollars) – Page 4

Note 6 Long-term debt

	March 31, 2009	June 30, 2008
Capital loan bearing interest at 7% per annum and secured by a charge over the building and property and equipment. The loan is repayable in monthly amounts of $7,550 up to July 1, 2012 at which time the remaining loan balance of $250,209 is due.	$ 460,950	$ -
Less: current portion	(59,787)	-
	$ 401,163	$ -

Principal payments over the remaining life of the loan are as follows:

2009	$ 59,787
2010	67,685
2011	333,478
	$ 460,950

Note 7 Share Capital

Escrow:

At March 31, 2009, there are 48,922 (June 30, 2008: 48,922) shares are held in escrow by the Company's transfer agent. These shares are issuable in accordance with a time release clause in the escrow share agreement. As at March 31, 2009 and June 30, 2008, all of the shares held in escrow are issuable but the Company has yet to request their release.

Commitments:

Stock-based Compensation Plan

At March 31, 2009, the Company has outstanding options that were granted to directors, officers and consultants the option to purchase 1,941,750 common shares of the Company.

(Stated in US Dollars) – Page 5

Note 7 Share Capital – (cont'd)

Commitments: – (cont'd)

Stock-based Compensation Plan – (cont'd)

A summary of the status of Company's stock option plan for the nine months ended March 31, 2009 is presented below:

	Number of Shares	Weighted Average Exercise Price
Outstanding, June 30, 2008	2,107,550	$0.56
Granted	40,000	$0.05
Cancelled	(109,550)	$0.62
Forfeited	(96,250)	$0.45
Outstanding, March 31, 2009	1,941,750	$0.56
Exercisable, March 31, 2009	1,858,000	$0.57
Exercisable, June 30, 2008	1,870,050	$0.58

The following summarizes information about the stock options outstanding at March 31, 2008:

Number	Exercise Price	Expiry Date
986,750	$0.65	August 24, 2009
665,000	$0.45	January 10, 2010
250,000	$0.55	August 9, 2010
40,000	$0.05	March 7, 2011
1,941,750		

During the nine months ended March 31, 2009, a compensation charge included in wages and management fees associated with the grant of stock options in prior years in the amount of $9,820 (2008: $1,212) was recognized in the financial statements.

(Stated in US Dollars) – Page 6

Note 8 Related Party Transactions

The Company was charged the following by directors of the Company or private companies with common directors during the three and nine months ended March 31, 2009 and 2008:

	Three months ended March 31, 2009	Three months ended March 31, 2008	Nine months ended March 31, 2009	Nine months ended March 31, 2008
Wages and management fees	$ 36,601	$ 45,605	$ 127,242	$ 140,204

As at March 31, 2009, included in accounts payable and accrued liabilities is an amount of $3,789 (June 30, 2008: $1,510) owed to a director of the Company.

Note 9 Segmented Information and Sales Concentration

The Company operates in one industry segment being the manufacturing and marketing of fire resistant building materials. During the nine months ended March 31, 2009, the Company earned sales revenue of $3,474,309 (2008: $3,528,709), all of which were earned in the United States of America.

The Company's long lived assets are located in each of the United States and Canada as follows:

	March 31, 2009	June 30, 2008
Canada	$ 395,829	$ 489,579
United States	3,908,726	4,098,705
Total	$ 4,304,555	$ 4,588,284

During the three and nine months ended March 31, 2009, one customer accounted for 65% and 70% (2008: 78% and 79%) of sales revenue, respectively. The amounts receivable from this customer at March 31, 2009 was $15,853 (June 30, 2008: $49,495). The loss of this customer or the curtailment of purchases by such a customer could have a material adverse effect on the Company's financial condition and results of operations.

Note 10 Contingent Liability

The Company is a defendant in a lawsuit claiming damages for defective building materials wherein the plaintiff has claimed approximately $5,400,000 from the Company. In the opinion of management, this lawsuit is without merit. The Company has liability insurance for up to $1,000,000. Any loss resulting from the lawsuit will be recognized in the period such a loss becomes likely.

Note 11 Comparative Figures

Certain of the comparative figures have been reclassified to conform with the current period's presentation.

EX-31.1 3 ex31a.htm CERTIFICATION

EXHIBIT 31.1

CERTIFICATIONS

I, Michael Huddy, certify that:

1. I have reviewed this 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 (or persons performing the equivalent functions):

(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;

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: May 14, 2009

/S/ MICHAEL HUDDY
Michael Huddy
Director, President and Chief Executive Officer

EX-31.2 4 ex31b.htm CERTIFICATION

EXHIBIT 31.2

CERTIFICATIONS

I, David Corcoran, certify that:

1. I have reviewed this 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 (the registrant’s fourth fiscal quarter in the case of an annual report) 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 (or persons performing the equivalent functions):

   (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;

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: May 14, 2009

/S/ DAVID CORCORAN
David Corcoran
Director and Chief Financial Officer