INTERNATIONAL BARRIER TECHNOLOGY INC.
QUARTERLY REPORT
<u>for the period ended September 30, 2009</u>

Management Discussion & Analysis

Date of Report – November 12, 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.

<u>Sales</u> revenue reported for the quarter ending September 30, 2009 was $581,480 in comparison to $1,586,567 generated in the same quarter in 2008. Total sales volume, as measured by surface volume of product shipped, was 903,000 sq. ft. This is a decrease over the 2,105,500 sq. ft. shipped during the same quarter in the previous year.

The loss of sales volume is attributed to the continued decline in US economy and construction. Sales into the Residential Roof Deck Market Sector this quarter were 197,100 sq. ft. vs. 524,700 sq. ft. in the same period last year) which was similarly split among several regions – Mid-Atlantic, were 705,900 sq. ft. vs. 1,545,000 sq. ft. There were no shipments in the Structural Insulated Panel market during this quarter in comparison to 35,800 sq. ft. in Q1 2009.

Barrier continues to expand the geographic base for Blazeguard sales in the US. Barrier and is actively marketing Blazeguard to the multi-family residential roof deck market in Southern California and in Texas. Barrier is also marketing Blazeguard to single family exterior side wall applications in the wildfire prone areas of California as well. Barrier's wholesale building products distributor in California has invested in Blazeguard inventory (carload shipments to keep freight costs down) and expects to see increased sales to builders and lumber dealers in the coming 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 into 2010, 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 $31,768 vs. $255,151 in the previous period. The gross margin, as a percentage of sales revenue was 5.5% in comparison to 16% in the prior period. This is largely due to the lower level of sales revenue while fixed costs, including amortization, remained the same. We expect as sales volumes rise, gross margin will improve.

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 for the quarter July-Sept 2009 decreased to $549,712 from $1,331,416 in July-Sept 2008, which is attributable to gaining efficiency in operations and the decreased sales volume. The average cost per sq. ft. of production improved to $0.61 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 $10,045 vs. $6,938 in the comparable period. 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 remains a viable opportunity in the future.

Included in cost of sales was amortization on plant and equipment. Amortization decreased slightly for the period from $67,704 to $65,907. 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 periods). Neither of these items have an impact on the cash position of the Company.

Administrative expenses in the reported three month period decreased to $249,358 from $255,277. The administrative costs per sq. ft. for the quarter was $0.28 vs. $0.12. 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 for the three month period increased from $5,380 to $40,576. This is attributed to timing and increased year-end audit fees due to regulatory compliance with Sarbanes-Oxley.

Insurance costs have decreased to $22,147 for the reporting period in comparison to $24,374 last period. The difference is due to lower product liability premiums based on the lower volume of sales on an annual basis and timing.

Interest on Long Term Debt has increased slightly from $21,054 to $22,055 for the reporting period. This 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.

During the year ended June 30, 2009, the terms of the revolving bank facility were modified to include a $500,000 capital loan being amortized by the bank over a 7 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 $475,000 as at June 30, 2009. Subsequent to June 30, 2009, the terms of the bank load facility were amended to extend the maturity date to August 1, 2010 and to reduce the interest rate to 7%.

Legal fees decreased to $7,918 for the three month period. For the same period in the prior year, legal fees were $18,799. 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. Barrier received the final patent approval in late October. Barrier anticipates legal fees to continue to decline as the main patent expenses have been completed.

Travel, promotion and trade show expenses decreased from $11,168 to $4,426. Sales expenses are expected to grow during the later part of Fiscal 2010 with the development of Texas, Kansas City, and both the northern and southern California territories. 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 Insulative 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 $909 in interest income and a gain of $11,041 in foreign exchange vs. $2,327 and $3,564, respectively in the prior comparative period.

Net loss. A net loss of ($205,640) is being reported for the quarter ending September 30, 2009, whereas in the same period in 2008, a net income of $5,765 was reported. Sales volume for the quarter was down 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:

	Sept 30 2009	Jun 30 2009	Mar 31 2009	Dec 31 2008	Sept 30 2008	June 30 2008	March 31 2008	Dec 31 2007	Sept 30 2007
Volume shipped (MSF)	903	1,011	1,085	1,578	2,106	1,891	1,893	1,555	1,883
Total Revenues (000)	$581	$618	$764	$1,123	$1,587	$1,349	$1,214	$1,065	$1,249
Operating Income (000)	($218)	($277)	($211)	($94)	($0)	($143)	($208)	($271)	($239)
Net income (loss) (000)	($206)	($346)	($215)	($164)	$6	($134)	($224)	($258)	($193)
EPS (Loss) Per Share	($0.01)	($0.00)	($0.01)	($0.01)	$0.00	($0.01)	($0.01)	($0.01)	($0.00)

Selected Annual Information

The following financial data is for the three most recent years ended June 30:	2009	2008	2007
Total Revenue	$4,092.0	$4,878.0	$6,130.0
Net income (loss)	(719.0)	(808.0)	(491.0)
Per share	(0.02)	(0.03)	(0.02)
Per share, fully diluted	(0.02)	(0.03)	(0.02)
Total assets	4,849.0	5,738.0	5,887.9
Total long-term financial liabilities	1,319.8	1,212.3	819.4
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.

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. We passed the required fire tests to market a coated ISO foam product to interior ceiling and wall markets. Our Quality Control Manual has been updated to include this product and as the market for commercial building improves, we are confident it will lead to increased sales.

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 ($340,003).

The Company generated negative operating cash flow for the quarter ended September 30, 2009 of ($19,707) in comparison to $5,774 for the quarter ended September 30, 2008. The net cash outflow from operating activities for the current fiscal period ended was primarily a result of a net loss of ($205,640), a reduction in amounts owed to vendors ($55,942) offset by non cash charges to net income for $97,511. 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 additional 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.

Financing activities resulted in a net cash outflow of ($28,480) in the current period compared to a similar net cash outflow of ($26,018) for the same period last year.

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.

Current and Future Financing Needs

The Company currently does not have sufficient cash to operate its business for the fiscal year ended June 30, 2010. At September 30, 2009, the current cash and cash equivalents total $162,536 and the revolving credit facility on which there is an amount of $25,000 available to draw. However, over the next 9 months, the Company anticipates that the operation of business will produce an average negative monthly operating cash flow of approximately $25,000 for a total of $300,000 for the 2010 fiscal year. In addition, over the next 12 months, the Company is required to make payments totaling $115,852 in respect of its long-term debt and capital lease obligations. Potential sources of financing include strategic relationships or private sales of stock.

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

In order to meet its current and long-range capital requirements, the Company anticipates it will be required to raise in the range of $500,000 - $1,000,000 by way of private sales of its common stock in the 2010 fiscal year. The Company may seek to access the public equity markets when conditions are favorable due to our long-term capital requirements. We do not have any committed sources of financing at this time nor are there potential strategic relationship agreements in place at this time, and it is uncertain whether additional funding will be available when we need it on terms that will be acceptable to us, or at all. If the Company raises funds by selling additional shares of common stock or other securities convertible into common stock, the ownership interest of our existing stockholders will be diluted. If the Company is not able to obtain financing when needed, it will be unable to carry out its business plan. As a result, the Company will have to significantly limit its operations and its financial condition and results of operations would be materially harmed.

Related Party Transactions

During the three months ended September 30, 2009 the Company incurred wages and management fees of $46,257 with directors of the Company and companies with common directors. The Company paid $46,819 in wages and management fees for the same prior period quarter.

Capitalization

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

Issued as of September 30, 2009: 29,414,926 common shares at $15,079,071
Issued as of November 12, 2009: 29,414,926 common shares at $15,079,071

Options outstanding:

The following summarizes information about the stock options outstanding at September 30, 2009 reflected in US dollar currency:

Number	Number Exercisable	Exercise Price	Expiry Date
665,000	665,000	$0.45	January 10, 2010
250,000	250,000	$0.55	August 9, 2010
40,000	20,000	$0.09	March 07, 2011
955,000	935,000		

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 quarterly period ended September 30, 2009, which would materially affect the accuracy of this financial report.

There has been no change in internal control procedures in the three month period ending September 30, 2009.

Other Matters

As at September 30, 2009 the Company did not have any off-balance sheet arrangements to report.

International Barrier Technology Inc. (the Company) received a preliminary liability and damage report from a New Jersey townhouse association in connection with a lawsuit the association filed against its contractor, engineering consultant, property manager and the Company (the "Defendants"). The lawsuit involved 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$5,506,409.46. Repairs, to date, have been limited to certain townhouse units where water satins have appeared in ceiling areas. The damage claimed include the 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.

At the end of this past fiscal year, the Company made a small contribution of $50,000 to a settlement that was otherwise funded by our insurer. The matter was settled to allow Barrier to focus on future opportunities and was settled without admission of liability. Barrier continues to maintain the issue in this townhouse association was due to improper ventilation of the attic space and that there was no defective product.

The lawsuit by the townhouse association is the first involving the Company in 17 years of manufacturing, selling, and distributing fire-rated products 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.

INTERNATIONAL BARRIER TECHNOLOGY INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2009

(Stated in US Dollars)

(Unaudited)

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

ASSETS	September 30, 2009	June 30, 2009
Current		
Cash and cash equivalents	$ 162,536	$ 210,723
Accounts receivable	112,027	179,778
Inventory – Note 3	256,609	314,002
Prepaid expenses and deposits	27,198	46,418
	558,370	750,921
Property, plant and equipment	3,760,184	3,826,091
Patent, trademark and technology rights	240,501	272,105
	$ 4,559,055	$ 4,849,117
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 309,267	$ 365,209
Current portion of obligation under long term debt – Note 4	536,958	60,863
Current portion of obligation under capital leases	52,148	53,894
	898,373	479,966
Long-term debt – Note 4	369,749	860,597
Obligation under capital leases	332,429	344,410
	1,600,551	1,684,973
STOCKHOLDERS' EQUITY		
Common stock – Note 5		
Authorized:		
100,000,000 common shares without par value		
Issued:		
29,414,926 common shares (June 30, 2009: 29,414,926 common shares)	15,079,071	15,079,071
Additional paid-in capital	1,012,052	1,012,052
Accumulated deficit	(13,132,619)	(12,926,979)
	2,958,504	3,164,144
	$ 4,559,055	$ 4,849,117

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME
for the three months ended September 30, 2009 and 2008
(Stated in US Dollars)
(Unaudited)

	Three months ended September 30, 2009	Three months ended September 30, 2008
Sales	$ 581,480	$ 1,586,567
Cost of goods sold	549,712	1,331,416
Gross profit	31,768	255,151
Expenses		
Accounting and audit fees	40,576	5,380
Insurance	22,147	24,374
Interest and bank charges	36	17
Interest on long-term debt	22,055	21,054
Legal fees	7,918	18,799
Office and miscellaneous	12,338	17,417
Sales, marketing, and investor relations	2,911	5,064
Telephone	2,232	3,332
Transfer agent fees	3,705	1,606
Travel, promotion and trade shows	4,426	11,168
Wages and management fees – Notes 5 and 6	131,014	147,066
	249,358	255,277
Loss before other items	(217,590)	(126)
Other income	11,950	5,891
Net income (loss) and comprehensive income (loss) for the period	$ (205,640)	$ 5,765
Basic and diluted loss per share	$ 0.01	$ 0.00
Weighted average number of shares outstanding	29,414,926	29,414,926

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three months ended September 30, 2009 and 2008
(Stated in US Dollars)
(Unaudited)

	Three months ended September 30, 2009	Three months ended September 30, 2008
Operating Activities		
Net income (loss) for the period	$ (205,640)	$ 5,765
Changes not involving cash:		
Amortization – plant and equipment	65,907	67,704
– trademark and technology costs	31,604	31,604
Stock-based compensation	-	9,820
Changes in non-cash working capital:		
Accounts receivable	67,751	53,244
Prepaid expenses	19,220	12,811
Inventory	57,393	(111,303)
Accounts payable and accrued liabilities	(55,942)	(63,871)
Cash provided by (used in) operations	(19,707)	5,774
Investing Activity		
Acquisition of plant and equipment	-	(7,681)
Financing Activities		
Long-term debt	(14,753)	(10,567)
Capital lease obligations	(13,727)	(15,451)
Cash used in financing activities	(28,480)	(26,018)
Change in cash and cash equivalents during the period	(48,187)	(27,925)
Cash and cash equivalents, beginning of the period	210,723	436,426
Cash and cash equivalents, end of the period	$ 162,536	$ 408,501
Supplementary cash flow information:		
Cash paid for:		
Interest	$ 22,055	$ 19,492
Income taxes	$ -	$ -

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
for the period ended September 30, 2009
(Stated in US Dollars)
(Unaudited)

	Common Stock		Additional		
	Issued Shares	Amount	Paid-in Capital	Accumulated Deficit	Total
Balance, June 30, 2008	29,414,926	15,079,071	1,002,232	(12,208,434)	3,872,869
Stock-based compensation	-	-	9,820		9,820
Net loss for the year	-	-	-	(718,545)	(718,545)
Balance, June 30, 2009	29,414,926	15,079,071	1,012,052	(12,926,979)	3,164,144
Net loss for the period	-	-	-	(205,640)	(205,640)
Balance, September 30, 2009	29,414,926	$ 15,079,071	$ 1,012,052	$ (13,132,619)	$ 2,958,504

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 consolidated 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 September 30, 2009 the Company had an accumulated deficit of $13,132,619 (June 30, 2009 - $12, 926,979) 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 private placement equity financings. 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-V") and the OTC Bulletin Board in the United States of America.

These 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, 2009. The interim results are not necessarily indicative of the operating results expected for the full fiscal year ending on June 30, 2010. 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 Recently Issued Accounting Standards

In September 2006, the Financial Accounting Standards Board ("FASB") issued guidance which defined fair value, established a framework for measuring fair value in generally accepted accounting principles ("GAAP") and expanded disclosures about fair value measurements. The Company adopted this guidance effective July 1, 2008. On July 1, 2009, the Company adopted the remaining provisions of this accounting standard as it relates to non-financial assets and liabilities that are not recognized or disclosed at fair value on a recurring basis. The adoption of these standards did not impact the Company's consolidated financial statements in any material respect.

Note 2 Recently Issued Accounting Standards – (cont'd)

In December 2007, the FASB revised the authoritative guidance for business combinations, which establishes the principles and requirements for how the acquirer in a business combination (i) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, (ii) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase and (iii) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The guidance is effective for financial statements issued for fiscal years beginning after December 15, 2008. The impact of this guidance on the Company's consolidated financial statements will ultimately depend on the terms of any future business transactions.

In February 2008, the FASB issued guidance for all non-financial assets and liabilities, except those that are recognized or disclosed at fair value in issued financial statements on a recurring basis. This guidance is effective for financial statements issued for fiscal years beginning after November 15, 2008. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In April 2008, the FASB issued guidance amending the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset. This guidance improves the consistency between the useful life of a recognized intangible asset and the period of expected cash flows used to measure the fair value of the asset. This guidance was effective for the Company on July 1, 2009. The Company does not believe that the adoption of this guidance will have a material effect on its financial position or results of operations.

In May 2009, the FASB issued guidance related to accounting for and disclosure of events that happen after the date of the balance sheet but before the release of the financial statements. The guidance requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for selecting that date. This guidance was effective for reporting periods ending after June 15, 2009. The adoption of this guidance did not have a material effect on its financial position or results of operations.

In June 2009, the FASB issued the FASB Accounting Standards Codification ("Codification") establishing the sole source of authoritative U.S. generally accepted accounting principles ("GAAP"). Pursuant to the provisions of the Codification, the Company has updated references to GAAP in its financial statements for the period ended September 30, 2009. The adoption of the Codification did not impact the Company's financial position or results of operations.

In August 2009, the FASB issued authoritative guidance that provides clarification for circumstances in which a quoted price in an active market for an identical liability is not available. The guidance is intended to reduce potential ambiguity in financial reporting when measuring the fair value of liabilities. The guidance is effective for the first interim reporting period beginning after issuance. The Company does not anticipate the adoption of this guidance to have a material impact on the Company's future consolidated financial statements.

(Unaudited - Stated in US Dollars) – Page 3

Note 3 Inventory

	September 30, 2009	June 30, 2009
Raw materials	$ 144,791	$ 164,260
Finished goods	111,818	149,742
	$ 256,609	$ 314,002

Note 4 Long-term Debt

	2009	2009
Revolving bank loan facility in the amount of $500,000 bearing interest at 7.5% per annum and 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 balance is due on August 1, 2010.	$ 475,000	$ 475,000
Term bank loan facility in the amount of $500,000 bearing interest at 7% per annum and secured by a second charge over the real estate. The facility is being amortized over 7 years with fixed monthly blended payments of principal and interest totalling $7,550 and has a balloon payment due July 1, 2012.	431,707	446,460
	906,707	921,460
Less: Current portion	536,958	60,863
	$ 369,749	$ 860,597

Future principal payments required on long-term debt are as follows:

2010	$ 536,958
2011	66,501
2012	303,248
	$ 906,707

(Unaudited - Stated in US Dollars) – Page 4

Note 5 Share Capital

Escrow:

At September 30, 2009, there are 48,922 (June 30, 2009 – 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 September 30, 2009 and June 30, 2009, all of the shares held in escrow are issuable but the Company has yet to request their release.

Commitments:

Stock-based Compensation Plan

At September 30, 2009, the Company has outstanding options that were granted to directors, officers and consultants the option to purchase 955,000 common shares of the Company.

A summary of the status of company's stock option plan for the three months ended September 30, 2009 is presented below:

	Number of Shares	Weighted Average Exercise Price
Outstanding, June 30, 2009	1,941,750	$0.56
Expired	(986,750)	$0.62
Outstanding, September 30, 2009	955,000	$0.46
Exercisable, September 30, 2009	935,000	$0.46
Exercisable, June 30, 2009	1,839,250	$0.57

The following summarizes information about the stock options outstanding at September 30, 2009:

Number	Exercise Price	Expiry Date
665,000	$0.45	January 10, 2010
250,000	$0.55	August 9, 2010
40,000	$0.09	March 7,2011
955,000		

(Unaudited - Stated in US Dollars) – Page 5

Note 6 Related Party Transactions

The Company was charged the following by directors of the Company or private companies with common directors during the three months ended September 30, 2009 and 2008:

	Three months ended September 30, 2009	Three months ended September 30, 2008
Wages and management fees	$ 46,257	$ 46,819

Note 7 Segmented Information and Sales Concentration

The Company operates in one industry segment being the manufacturing and marketing of fire resistant building materials. During the three months ended September 30, 2009, the Company earned sales revenue of $581,480 (2008: $1,586,567), 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:

	September 30, 2009	June 30, 2009
Canada	$ 240,501	$ 272,105
United States	3,760,184	3,826,091
Total	$ 4,000,685	$ 4,098,196

During the three months ended September 30, 2009, one (2008 - one) customer accounted for 74% (2008: 70%) of sales revenue, respectively. The amount receivable from this customer at September 30, 2009 was $32,678 (June 30, 2009: $75,188). 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.

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: November 12, 2009

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

EXHIBIT 31.2

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

I, David Corcoran, 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: November 12, 2009

/s/ David Corcoran
David Corcoran
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of International Barrier Technology Inc. (the “Company”) on Form 10-Q for the quarterly period ended September 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael Huddy, President and 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: November 12, 2009

/s/ Michael Huddy
Michael Huddy
President and 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 32.2

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of International Barrier Technology Inc. (the “Company”) on Form 10-Q for the quarterly period ended September 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David Corcoran, 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: November 12, 2009

/s/ David Corcoran
David Corcoran
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.