INTERNATIONAL BARRIER TECHNOLOGY INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

(Stated in US Dollars)

(Unaudited)

INTERNATIONAL BARRIER TECHNOLOGY, INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2016 and June 30, 2015
(Stated in US Dollars)
(Unaudited)

ASSETS	March 31, 2016	June 30, 2015 (audited)
Current		
Cash and cash equivalents	$ 1,089,615	$ 804,452
Accounts receivable	513,345	405,859
Inventory - Note 4	503,652	640,219
Prepaid expenses and deposits	113,465	59,879
Total Current Assets	2,220,077	1,910,409
Property, plant and equipment – Note 5	3,223,841	3,014,476
Total Assets	$ 5,443,918	$ 4,924,885
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 941,491	$ 653,931
Obligation under capital leases	16,711	48,740
Deferred revenue	66,901	-
Convertible debentures - Note 6	240,000	-
Total Current Liabilities	1,265,103	702,671
Convertible debentures - Note 6	-	240,000
Obligation under capital leases	26,629	40,139
Total Liabilities	1,291,732	982,810
STOCKHOLDERS' EQUITY		
Common Stock - Note 7		
Authorized:		
100,000,000 common shares without par value		
Issued:		
47,807,426 common shares (June 30, 2015: 47,807,426)	15,934,256	15,934,256
Additional paid-in capital	1,509,283	1,509,283
Accumulated deficit	(13,291,353)	(13,501,464)
Total Stockholders' Equity	4,152,186	3,942,075
Total Liabilities and Stockholders' Equity	$ 5,443,918	$ 4,924,885

APPROVED BY THE BOARD OF DIRECTORS

"David Corcoran" — David Corcoran, Director

"Victor Yates" — Victor Yates, Director

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY, INC.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
for the three and nine months ended March 31, 2016 and 2015
(Stated in US Dollars)
(Unaudited)

	Three months ended March 31, 2016	Three months ended March 31, 2015	Nine months ended March 31, 2016	Nine months ended March 31, 2015
Sales - Note 8	$ 2,618,627	$ 1,964,711	$ 7,030,157	$ 6,268,469
License fee royalties	9,416	-	26,464	4,652
Cost of Sales	2,263,266	1,603,767	6,014,787	5,002,018
Gross Profit	364,777	360,944	1,041,834	1,271,103
Expenses				
Accounting and audit fees	18,992	12,476	72,863	69,375
Filing Fees	10,670	3,353	24,369	21,355
Insurance	22,597	19,350	61,970	60,319
Bank charges and interest	83	40	152	112
Legal fees	5,818	9,147	52,393	60,488
Office and miscellaneous	13,627	13,842	54,338	56,771
Sales, marketing, and investor relations	7,972	15,496	26,814	37,106
Telephone	2,543	2,932	8,911	9,450
Transfer agent fees	1,153	1,966	2,926	4,563
Wages and management fees	170,081	117,260	504,039	338,225
Total Administrative Expenses	253,536	195,862	808,775	657,764
Operating Income	111,241	165,082	233,059	613,339
Other income	388	222	1,073	874
Interest on long-term obligations	(7,729)	(11,781)	(24,021)	(40,511)
Total Other Expense	(7,341)	(11,559)	(22,948)	(39,637)
Net income for the period	$ 103,900	$ 153,523	$ 210,111	$ 573,702
Basic and diluted income per share	$ 0.00	$ 0.00	$ 0.00	$ 0.01
Weighted average number of shares outstanding:				
Basic	47,807,426	44,554,926	47,807,426	44,554,926
Diluted	52,199,727	51,715,536	52,201,020	51,477,411

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY, INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

for the nine months ended March 31, 2016 and 2015

(Stated in US Dollars)

(Unaudited)

	Nine months ended March 31, 2016	Nine months ended March 31, 2015
Operating Activities		
Net income for the period	$ 210,111	$ 573,702
Items not involving cash:		
Depreciation - plant and equipment	267,905	250,647
Changes in non-cash working capital balances related to operations:		
Accounts receivable	(107,486)	(204,951)
Inventory	136,567	(161,346)
Prepaid expenses and deposits	(53,586)	(5,927)
Accounts payable and accrued liabilities	287,560	(75,389)
Deferred Revenue	66,901	-
Net cash provided by operating activities	807,972	376,736
Cash Flows used in Financing Activities		
Repayment of long term debt	-	(47,390)
Decrease in obligations under capital lease	(45,539)	(57,968)
Net cash used in financing activities	(45,539)	(105,358)
Cash Flows used in Investing Activities		
Acquisition of equipment	(477,270)	(355,547)
Net cash used in investing activities	(477,270)	(355,547)
Change in cash and cash equivalents during the period	285,163	(84,169)
Cash and cash equivalents, beginning of the period	804,452	708,926
Cash and cash equivalents, end of the period	$ 1,089,615	$ 624,757
Supplemental Cash Flow Information		
Cash paid for interest	$ 24,021	$ 40,511
Cash paid for income taxes	$ 1,800	$ 800

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY, INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

for the period ended March 31, 2016

(Stated in US Dollars)

(Unaudited)

	Common Stock				
	Issued Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance, June 30, 2014	44,554,926	$ 15,478,926	$ 1,639,363	$(14,203,045)	$ 2,915,244
Exercise of options	3,252,500	325,250	-	-	325,250
Fair value of stock options exercised		130,080	(130,080)	-	-
Net income for the period	-	-	-	701,581	701,581
Balance, June 30, 2015	47,807,426	15,934,256	1,509,283	(13,501,464)	3,942,075
Net income for the period	-	-	-	210,111	210,111
Balance, March 31, 2016	47,807,426	$ 15,934,256	$ 1,509,283	$(13,291,353)	$ 4,152,186

Note 1 Basis of Presentation

The accompanying unaudited condensed financial statements of International Barrier Technology Inc. (the "Company") have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of the Securities and Exchange Commission ("SEC") Regulation S-X. Accordingly, they should be read in conjunction with the audited consolidated financial statements and notes thereto for the fiscal year ended June 30, 2015 included in the Annual Report on Form 10-K filed with the SEC on September 28, 2015. The unaudited condensed consolidated interim financial statements contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the consolidated financial position of the Company at March 31, 2016, and the consolidated results of operations and cash flows for the three and nine months ended March 31, 2016. All intercompany accounts and transactions have been eliminated. It should be understood that accounting measures at interim dates inherently involve greater reliance on estimates than at year end. The results of operations for the three and nine months ended March 31, 2016 are not necessarily indicative of the results to be expected for the full year or any future interim periods.

Note 2 Significant Accounting Policies

a) Earnings per Share

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

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

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

b) Revenue Recognition

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

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

Note 2 Significant Accounting Policies – (cont.)

b) Revenue Recognition – (cont.)

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

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

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

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

Plant and equipment and trademark and technology rights are recorded at cost. Depreciation is provided as follows:

Manufacturing equipment	straight line over estimated useful lives ranging from 5 years to 30 years.
Equipment and furniture	20%- declining balance
Computer equipment	30% - declining balance
Railway spur	4% - declining balance
Equipment under capital lease	20% - declining balance
Patent, trademark and technology rights	straight line over 8 years

Leasehold improvements are depreciated over their estimated useful economic life.

Note 3 Fair Value Measurements

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

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

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

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

(Stated in US Dollars)

Note 3 Fair Value Measurements – (cont.)

Certain of the Company's cash equivalents, consisting of short-term term deposits, are based on Level 2 inputs in the ASC 820 fair value hierarchy.

The Company's convertible debentures are based on Level 2 inputs in the ASC 820 fair value hierarchy. The Company calculated the fair value of these instruments by discounting future cash flows using rates representative of current borrowing rates. At March 31, 2016, the convertible debentures had a fair value of $788,385 (June 30, 2015: $790,630).

The Company's capital lease obligations are based on Level 2 inputs in the ASC 820 fair value hierarchy. The fair value of the capital lease obligations is $43,340 (June 30, 2015: $88,879).

As at March 31, 2016, the Company has no assets or liabilities that have fair values measured using Level 3 inputs.

Note 4 Inventory

	March 31, 2016	June 30, 2015
Raw materials	$ 351,235	$ 387,469
Finished goods	152,417	252,750
	$ 503,652	$ 640,219

Note 5 Property, Plant and Equipment

	Cost	March 31, 2016 Accumulated Depreciation	Net
Manufacturing Equipment	$ 4,149,480	$ 2,261,223	$ 1,888,257
Equipment and Furniture	35,528	33,194	2,334
Computer Equipment	30,032	30,032	-
Equipment	93,291	71,662	21,629
Land	54,498	-	54,498
Building	2,504,914	1,336,949	1,167,965
Railroad Spur	94,108	61,999	32,109
Subtotal Equipment and Property	$ 6,961,851	$ 3,795,059	$ 3,166,792
Assets under Capital Lease			
Equipment	$ 73,216	$ 16,167	$ 57,049
Subtotal Assets under Capital Lease	73,216	16,167	57,049
Total Property, Plant and Equipment	$ 7,035,067	$ 3,811,226	$ 3,223,841

(Stated in US Dollars)

Note 5 Property, Plant and Equipment – (cont.)

		Cost		June 30, 2015 Accumulated Depreciation		Net
Manufacturing Equipment	$	3,806,970	$	2,093,596	$	1,713,374
Equipment and Furniture		33,194		33,194		-
Computer Equipment		30,032		30,032		-
Equipment		93,291		64,642		28,649
Railroad Spur		94,108		59,173		34,935
Subtotal Equipment and Property	$	4,057,595	$	2,280,637	$	1,776,958
Assets under Capital Lease						
Equipment	$	73,216	$	10,692	$	62,524
Land		54,498		-		54,498
Building		2,372,488		1,251,992		1,120,496
Subtotal Assets under Capital Lease		2,500,202		1,262,684	$	1,237,518
Total Property, Plant and Equipment	$	6,557,797	$	3,543,321	$	3,014,476

Note 6 Convertible Debt

During the year ended June 30, 2012, the Company approved the issuance of two convertible debentures to a director and a company controlled by a director in the amount of $300,000. The debentures are being issued in tranches from $10,000-$50,000 and as at March 31, 2016 the Company had received $240,000 (June 30, 2015: $240,000) in respect of these debentures. The debentures bear interest at 12% per annum, payable quarterly, and are collateralized by a third charge over the Company's plant and equipment as well as a charge against the Company's patents. At any time, the notes are convertible into units of the Company at a price of $0.10 per unit. Each unit will consist of one common share and one common share purchase warrant entitling the holder the right to purchase one additional share for $0.10 for a period of two years from the conversion date. During the nine month period ended March 31, 2016, the Company incurred interest charges of $21,600 (nine month period ended March 31, 2015: $21,600) on these convertible debentures.

Note 7 Common Stock

Escrow:

At March 31, 2016, there are 48,922 (June 30, 2015 – 48,922) common shares held in escrow by the Company's transfer agent, the release which is subject to the approval of the regulatory authorities. As at March 31, 2016 and June 30, 2015, all of these shares held in escrow are issuable but the Company has yet to request their release.

Commitments:

Stock-based Compensation Plan

At March 31, 2016, the Company has outstanding options that were granted to directors, officers, and consultants to purchase 1,077,500 common shares of the Company.

(Stated in US Dollars)

Note 7 Common Stock – (cont.)

A summary of the status of the Company's share purchase option plan for the nine months ended March 31, 2016 is presented below:

	Number of Shares	Weighted Average Exercise Price
Outstanding, June 30, 2015	1,077,500	$ 0.097
Outstanding, March 31, 2016	1,077,500	$ 0.097
Exercisable, March 31, 2016	1,077,500	$ 0.097
Exercisable, June 30, 2015	1,077,500	$ 0.097

The following summarizes information about the stock options outstanding at March 31, 2016:

Number	Exercise Price	Expiry Date	Remaining Contractual Life
1,077,500	$0.097	August 2, 2016	0.34 years
1,077,500			

Note 8 Segmented Information and Sales Concentration

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

During the three and nine months ended March 31, 2016, two customers accounted for 100% of total sales revenue:

	Three months ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Customer #1	83%	77%	76%	74%
Customer #2	17%	23%	24%	26%

The accounts receivable from each of these customers at March 31, 2016 were $342,561 and $141,230 respectively (June 30, 2015: $175,992 and $187,290, respectively).

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

INTERNATIONAL BARRIER TECHNOLOGY INC.
QUARTERLY REPORT
for the period ended March 31, 2016

Management Discussion & Analysis

Date of Report – May 16, 2016

Description of Business
International Barrier Technology Inc. (Barrier) manufactures and sells fire-rated building materials. Barrier's primary business is in the United States with a manufacturing plant in Minnesota and a technology license agreement for a new manufacturing line in Alabama in 2016. In addition, Barrier has a license agreement with a major OSB producer in the European Union. Barrier is also working to develop distribution partnerships and manufacturing technology license agreements and is successfully endeavoring to enter building products markets in Australia, Europe, and South America. Barrier possesses a proprietary fire resistive material technology (Pyrotite®) and a patented manufacturing process that when applied to building materials their respective fire resistant properties are significantly enhanced. Many of the top multifamily and wood frame commercial builders in the United States utilize Barrier's fire-rated structural panels in areas where the building code requires the use of a fire-rated building panel.

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

Sales revenue reported for the quarter ended March 31, 2016 was up 33% to $2,618,627 in comparison to $1,964,711 generated in the same comparable period in 2015. Year-to date sales increased 12% to $7,030,157 vs. $6,268,469. Total sales volume, as measured by surface volume of product shipped, was 7,228,400 sq. ft. for the quarter. This is a 37% increase from the 5,268,800 sq. ft. shipped during the same quarterly period last year and was a record quarter. Sales for the nine months ending March 31, 2016 (fiscal year-to-date) increased 12% to 18,102,800 sq. ft. vs. 16,139,300 in the same period in 2015. The following is a summary of changes in sales for the three and nine months ended March 31, 2016:

	Three months ended March 31,		Nine months ended March 31,	
	2016	2015	2016	2015
Treatment services	$ 2,222,596	$ 1,567,430	$ 5,571,192	$ 4,810,025
Substrate	297,843	277,210	1,090,301	1,040,634
Freight and miscellaneous	98,188	120,071	368,664	417,810
	$ 2,618,627	$ 1,964,711	$ 7,030,157	$ 6,268,469
License fees	-	-	-	-
Royalties	9,416	-	26,464	4,652
	$ 2,628,043	$ 1,964,711	$ 7,056,621	$ 6,273,121

Shipments into the Residential Roof Deck, Wall Assembly, and Structural Insulated Panel Market Sectors (LP FlameBlock) during the quarter increased 50% over shipments in the comparable quarter last year and increased 16% during the nine month period. Sales into the Commercial Modular Market (FR Deck Panel) decreased 6% in comparison to Q3 a year ago and increased slightly (.05%) year-to-date. Production capacity during the period was negatively impacted by Barrier's commitment to produce fire-treated I-Joist web stock in Watkins, but efficiencies in production of that material in Watkins began to materialize with experience in manufacturing it.

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

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

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

Gross profit for the quarterly period ended March 31, 2016 was $364,777 vs. $360,944 in the previous year quarter and $1,041,834 for the fiscal year-to-date period (vs. $1,271,103 in 2015). The gross margin, as a percentage of sales revenue, decreased from 18% to 14% for the quarterly period and decreased to 15% from 20% for the year-to-date period. In the near term, gross margins are anticipated to improve based on continued gains in production efficiency with I-Joist and the addition of an additional partial shift. Capacity limitations at the current manufacturing facility in Watkins Minnesota, however, are being approached and further non-marginal improvement in scale efficiency will be delayed until additional production capacity is added. Additional manufacturing capability through the addition of a FlameBlock line in Clarke County Alabama is anticipated by late 2016.

Cost of sales in the three and nine month periods increased to $2,263,266 and $6,014,787 from $1,603,767 and $5,002,018, respectively in the prior year comparable periods. The increases are attributable to the increase in volume produced and the manufacture of fire-rated I-Joists. Manufacturing efficiency as reflected in the three and nine month average cost per sq. ft. of production was $0.31 for the quarter and $0.33 for the year-to-date period (in comparison to $0.30 and $0.31, in 2015 respectively).

Depreciation on plant and equipment is included in cost of sales category. Depreciation, which has non-cash impact on Barrier's actual cash flow, increased from $250,647 to $267,905 in the first nine months of 2016. The expense reflects scheduled depreciation of newer manufacturing line equipment and building expansion/improvement.

Administrative expenses for the quarter ended March 31, 2016 increased to $253,536 from $195,862 and during the nine month period to $808,775 from $657,764. The administrative costs per sq. ft. decreased quarterly (from $0.037 to $0.035) and remained comparable year-to-date at $0.04. The positive impact of increased sales volume reducing administrative cost per square foot shipped was captured during the quarterly reporting period and is expected to continue in future periods if sales levels remain elevated.

Accounting and Audit Fees increased to $18,992 from $12,476 for the quarterly period and to $72,863 from $69,375 year-to-date. A significant portion of the cost for accounting services are related to the year-end audit and publishing of Barrier's annual financials.

Insurance costs increased for the quarterly period and remained consistent during the fiscal year-to-date periods ($22,597 vs. $19,350 in the quarter and $61,970 vs. $60,319 year-to-date). The difference in quarterly amount was timing of billing.

Legal fees decreased from $9,147 in Q3 2015 to $5,818 in Q3 2016 and from $60,488 to $52,393 for the nine month period. Legal fees the past two years were expended on activities in support of developing strategic partners and technology licensees, the year-end Annual General Meeting, as well as in monitoring and protecting Pyrotite® patents and trademarks.

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

Sales, marketing, and investor relations expenses decreased from $15,496 to $7,972 for the current quarter and decreased from $37,106 to $26,814 for the nine month reporting period. During the reporting period, there were sales trips directly related to the expansion of product markets and potential manufacturing expansion sites.

Barrier's cost for sales and marketing will remain at relatively low levels compared to sales volume as our partners, LP and MuleHide Products/ABC Supply Co., perform the majority of those functions themselves. Barrier remains active in a support role by providing necessary technical sales support but most of the day to day market and sales development activities are already being performed by the capable sales and marketing staff of LP and MuleHide Products/ABC Supply Co. resulting in improved sales but also lower costs for Barrier.

Wages and management fees increased to $170,081 from $117,260 during the quarter and to $504,039 from $338,225 year-to-date. The major increase in the fee is attributed to Board of Director remuneration for the execution of the Louisiana-Pacific Corporation Technology License Agreement and accrual of the annual $15,000 Board of Director compensation for the periods ending June 30, 2015 and June 30, 2016.

Operating Income of $111,241 being reported for the quarterly period ending March 31, 2016, whereas in the same period in 2015, income of $165,082 was reported. Operating income of $233,059 is reported for the year-to-date period vs. income of $613,339 in the comparable period in 2015.

The decline in operating income is a result of lower efficiencies during the first test period of manufacturing I-Joist material. There were also considerable costs associated with finding and training labor to manufacture an additional half shift of production on our second shift on the automated line. It is Barrier's fundamental belief that increased sales volume coupled with an intense focus on manufacturing efficiency is the best pathway to long-term profitability and expansion. New products will be the driver for such long-term expansion in sales.

Other items include income and costs not directly related to business operations. Other income items reported during the quarterly and nine month periods ended March 31, 2016 include interest/other income of $388 and $1,073, respectively. To compare, for the same reporting period(s) last year interest/other income was $222 (quarter) and $874 (nine months).

Interest on Long Term Debt has decreased from $11,781 to $7,729 for the three-month reporting period and from $40,511 to $24,021 for the nine-month reporting period as a result of larger principal payments as long term debt ages. During the prior quarter (Q2), the capital lease for the manufacturing plant and property was paid in full. Barrier has received the deed to the property.

Net Income. Net income of $103,900 is being reported for the quarter ended March 31, 2016, whereas in the same period in 2015, income of $153,523 was reported. For the nine months ended March 31, 2016, net income was $210,111 vs. net income of $573,702 in the prior year.

Barrier remains focused on cutting costs and improving efficiencies wherever it can. This includes operating the manufacturing line with maximum efficiency. Keeping a vigilant handle on costs will help keep operational costs as low as possible and enable financial improvements to continue 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 2016	Dec 31 2015	Sept 30 2015	Jun 30 2015	Mar 31 2015	Dec 31 2014	Sept 30 2014	Jun 30 2014
Volume shipped (MSF)	7,229	5,712	5,162	5,485	5,268	4,516	6,355	6,650
Total Revenues (000)	$2,628	$2,295	$2,134	$2,199	$1,965	$1,836	$2,472	$2,778
Operating Income(loss) (000)	$111	$141	$(19)	$162	$165	$119	$329	$520
Net income (loss) (000)	$104	$133	$(27)	$128	$154	$105	$315	$457
EPS (Loss) Per Share	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	$0.01	$0.01

Selected Annual Information

	2015	2014	2013
Total Revenue	$8,472.0	$8,154.0	$5,995.0
Net income (loss)	$702.0	$586.0	$(58.6)
Per share	$0.02	$0.01	$0.00
Per share, fully diluted	$0.01	$0.01	$0.00
Total assets	$4,924.9	$4,317.3	$3,921.9
Total long-term financial liabilities	$328.9	$687.1	$818.1
Cash dividends declared per share	Nil	Nil	Nil

New product and market development

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

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

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

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

Global licensing opportunities

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

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

Financial position & financings

Barrier ended the period with a working capital surplus (current assets less current liabilities) of $954,974. Operating cash flow was $807,972 in comparison to $376,736 for the period ended March 31, 2015.

Barrier has a short term revolving line of credit ($500,000) at the local Farmers State Bank of Watkins, in Watkins, Minnesota. As of March 31, 2016 the balance owing on the revolving line of credit was $0 leaving an additional $500,000 available for use. In addition, two convertible debentures in the amount of $150,000 each were established in December 2011. To date, $240,000 has been used on these debentures with an additional $60,000 available for cash flow if needed.

Financing activities resulted in net cash outflow of $45,539 in the current reporting period compared to a net cash outflow of $105,358 for the comparable period.

Investing activities resulted in net cash outflow of $477,270 in the current period in comparison to a net cash outflow of $355,547 in the prior year. The cash outflow was the result of the acquisition of plant and equipment capital improvements.

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

Current and Future Financing Needs

At March 31, 2016, the current cash and cash equivalents totaled $1,089,615; there was $500,000 in available funds to draw on the revolving credit facility, and an additional $60,000 available from the convertible debentures.

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

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

Related Party Transactions

During the year ended June 30, 2012, the Company approved the issuance of two convertible debentures to a director and a company controlled by a director in the amount of $300,000. The debentures are being issued in tranches from $10,000 - $50,000 and as at March 31, 2016 the Company had received $240,000 (2015: $240,000) in respect of these debentures. The debentures bear interest at 12% per annum, payable quarterly, and are collateralized by a third charge over the Company's plant and equipment as well as a charge against the Company's patents. At any time, the notes are convertible into units of the Company at a price of $0.10 per unit. Each unit will consist of one common share and one common share purchase warrant entitling the holder the right to purchase one additional share for $0.10 for a period of two years from the conversion date. During the nine month period ended March 31, 2016, the Company incurred interest charges of $21,600 (2015: $21,600) on these convertible debentures. The convertible debentures expire January 2017.

Capitalization

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

Issued as of March 31, 2016: 47,807,426 common shares at $15,934,256
Issued as of May 16, 2016: 47,807,426 common shares at $15,934,256

Options outstanding:

The following summarizes information about the stock options outstanding at March 31, 2016:

Number	Exercise Price	Expiry Date
1,077,500	$0.097	August 2, 2016
1,077,500		

Other Matters

As at March 31, 2016 the Company did not have any off-balance sheet arrangements to report.

EXHIBIT 31.1

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

I, Michael Huddy, certify that:

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

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

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

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

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

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

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

Date: May 16, 2016

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

EXHIBIT 32.1

SECTION 1350 CERTIFICATION

In connection with the Interim Report of International Barrier Technology Inc. (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Huddy, Chief Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that to the best of my knowledge:

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

Date: May 16, 2016

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

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

EXHIBIT 31.2

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

I, Melissa McElwee, certify that:

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

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

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

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

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

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

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

Date: May 16, 2016

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

EXHIBIT 32.2

SECTION 1350 CERTIFICATION

In connection with the Interim Report of International Barrier Technology Inc. (the “Company”) on Form 10-Q for the fiscal quarter ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Melissa McElwee, Chief Financial Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that to the best of my knowledge:

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

Date: May 16, 2016

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

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