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

Management Discussion & Analysis

Date of Report – February 10, 2010

Description of Business

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

Discussion of Operations

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

Sales revenue reported for the quarter ending December 31, 2009 was $790,773 for the three month period and in comparison to $1,123,344 generated in the same quarter in 2008. Year-to-date sales were $1,372,253 vs. $2,709,911. Total sales volume, as measured by surface volume of product shipped, was 1,342,700 sq. ft. This is a slight decrease from the 1,578,600 sq. ft. shipped during the same quarter in the previous year. Sales for the six months ending December 31, 2009 (fiscal year-to-date) were 2,245,700 sq. ft. vs. 3,684,100 sq. ft. for the same period in 2008. Of the total year-to-date shipped volume, 1,850,000 sq. ft. was to commercial modular and 395,700 sq. ft. into residential roof deck.

The stagnant sales volume is attributed to the continued depression in the US housing market and slow construction trends. Shipments into the Commercial Modular Market during the quarter were 1,144,000 sq. ft. Sales into the Residential Roof Deck Market Sector this quarter were 198,500 sq. ft. (vs. 355,800 sq. ft. in previous year quarter) which was almost equally split between the South region at 97,700 sq ft and the Mid-Atlantic region at 93,800 sq. ft. (7,000 sq ft was shipped out to the West). There were no shipments in the Structural Insulated Panel market during this quarter.

Sales volumes increased 49% from first quarter Fiscal 2010 at 903,000 sq.ft. (July 2009 through September 2009) to second quarter Fiscal 2010 at 1,342,700 sq.ft. (Oct 2009 through December 2009). While Barrier does not believe this significant increase necessarily proves nor predicts a trend, we do see it as a positive sign that as housing construction slowly turns around; our products will continue to be chosen.

Gross profit for the quarter was $94,247 vs. $196,644 in the previous year. The gross margin, as a percentage of sales revenue was 12% in comparison to 18% in the prior year (year-to-date 9% vs. 17%). 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 larger or odd size orders and plywood (warped boards), all other ~~Blazeguard®~~ production is run on the new line. The new line is proving out that expected gains in efficiency and quality are possible at speeds over twice as fast as the old line. As sales volumes increase to levels where the new line is used at or near full capacity (approximately 20 million sq. ft. per 8 hr shift), efficiency gains will be noticeable on the bottom line as profits improve substantially.

Cost of sales in the three and six month periods ending December 31, 2009 decreased to $696,526 and $1,246,238 from $926,700 and $2,258,116 in the previous year. The decrease is attributable to gaining efficiency in operations. The gain in efficiency is reflected in the decreased year-to-date average cost per sq.ft. of production of $0.55 in comparison to $0.61 in the comparable period.

R&D expenses which were incurred as new market applications continue to be explored and developed were $20,073 for the current quarter vs. $2,133 in Q1 2009. The increase is due to listing services for strength and updates to allow for new products in our ICC-ES Code Evaluation Report. 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.

Strategic partnerships are a viable way to perform R&D efforts and keep costs as low as possible. MuleHide Products, for example, paid the majority of costs required to develop the MuleHide FR panel product which has been an extremely important part of Barrier sales over the last three years. As new strategic alliances emerge, new business partners will not only illuminate new areas for potential growth, they will also provide the financial resources to perform the necessary R&D to develop exciting new products and market application.

Included in cost of sales was depreciation on plant and equipment. Depreciation decreased slightly from $135,408 in 2008 to $127,766. The expense reflects scheduled depreciation of the new manufacturing line equipment and building expansion. The amortization of the worldwide Pyrotite technology (including patents, technical know-how, and trademarks) began when Barrier purchased it in 2004 and will continue at existing rates until it is fully depreciated (eight years). Neither of these items have an impact on the cash position of the Company.

Administrative expenses in the reported three and six month period decreased from $290,310 and $545,587, respectively to $217,920 and $467,278. Administrative costs per sq. ft. decreased for the quarter, from $0.18 to $0.16 and increased from $0.15 to $0.21 for the year-to-date period. As volumes continue to increase, an overall reduction in the average cost of administrative expense per sq.ft. produced is expected. Barrier expects the reduction in the average cost of administration to have a significant impact on bottom line performance in future reporting periods.

Accounting and Audit Fees decreased in the quarter ending December 31, 2009 vs. the same time period last year ($10,775 vs. 41,786) and increased year-to-date ($51,351 vs. $47,166). This is attributed to timing and increase of year-end audit fees due to regulatory compliance with Sarbanes-Oxley.

Insurance costs have increased slightly to $15,082 for the three months and $37,229 for six months in comparison to $11,026 and $35,400 the previous year. The difference is due annually adjusted premiums.

Interest on Long Term Debt has increased slightly from $20,669 to $22,185 for the reporting period (from $41,723 to $44,240 year-to-date). 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 December 31, 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 $11,110 for the three month period and $19,028 for the six months ending December 31, 2009. For the same period in the prior year, legal fees were $21,814 and $40,613 respectively. Legal fees were expended on activities in support of Blazeguard and Pyrotite patent and trademark registration as well as for help in the drafting and review of certain business correspondence. Barrier believes protecting its technology and trademarks is an important step in positioning itself to develop strategic partners and potential technology licensees. Barrier received the final patent approval in late October.

Legal fees may tend to increase over the next few quarters as a number of initiatives are bought forward. Barrier has been working on the development of a Supply Agreement with LP Corporation which would have Barrier provide fire treatment services for LP Corporations oriented strand board (OSB) panel products. These partnerships require considerable legal review to insure that the needs of both sides are protected while providing for an appropriate context from which to grow business opportunity.

Also of possible legal significance in the next few quarters is that Barrier and Pyrotite Corporation (holder of the integral treatment Pyrotite patent) have been discussing royalty payments potentially due to Barrier from receipts Pyrotite Corporation received over the past few years related to integral Pyrotite technology. If a consensus agreement cannot be negotiated with Pyrotite regarding royalties due Barrier, a required mediation/arbitration clause will be triggered which will have legal coast associated with it.

Travel, promotion and trade show expenses remained consistent for the three month period ($11,072 vs. $11,134) and also for the six month period end December 31, 2009 ($15,498 vs. $22,302). Barrier is intent upon developing markets where exterior wall designs are required to accommodate both strength and fire considerations; this is inherently the case in the wild-fire prone areas of the west coast where building for earthquake risks is code mandated. Sales expenses, therefore, are expected to grow during Fiscal 2010 with the development of both the northern and southern California territories, Oregon, and Colorado – the Northern Pacific region. While Barrier has always planned business travel to accommodate only "necessary" trips, all business travel is will continue to be 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 $187 in interest income and ($695) in foreign exchange loss. Year-to-date, the interest income is $1,096 and the foreign exchange gain is $10,346. The Canadian dollar has been strong so far this fiscal year. To compare, for the same reporting period last year, foreign exchange was a negative ($72,140) for the quarter and ($68,576) year-to-date.

Net Loss. A net loss of ($124,181) is being reported for the quarter ending December 31, 2009, whereas in the same period in 2008, a net loss of ($164,079) was reported, which is an improvement of 24%. For the six months ending December 31, 2009, the net loss is ($329,821) vs. ($158,314) in the prior year which reflects the impact of the lower sales volume in Q1 2010. 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:

	Dec 31 2009	Sept 30 2009	Jun 30 2009	Mar 31 2009	Dec 31 2008	Sept 30 2008	June 30 2008	March 31 2008	Dec 31 2007
Volume shipped (MSF)	1,343	903	1,011	1,085	1,578	2,106	1,891	1,893	1,555
Total Revenues (000)	$791	$581	$618	$764	$1,123	$1,587	$1,349	$1,214	$1,065
Operating Income (000)	($123)	($218)	($277)	($211)	($94)	($0)	($143)	($208)	($271)
Net income (loss) (000)	($124)	($206)	($346)	($215)	($164)	$6	($134)	($224)	($258)
EPS (Loss) Per Share	($0.00)	($0.01)	($0.00)	($0.01)	($0.01)	$0.00	($0.01)	($0.01)	($0.01)

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

New product and market development activities have been limited over the past year as a result of reduced sales volume. Barrier anticipates that as the economy improves and strategic partnerships develop, an in crease in this activity will transpire. Prior to finding alternative sources of funding (partnerships) or improving cash flow (increased sales) Barrier anticipated a continuation of this reduced emphasis on new product and market development activities.

Initiatives that react to existing market opportunity, however, especially those that would rely primarily on past testing and product development work already completed, will continue to be pursued. An example of this is provided by the successful effort to have Barrier's Pyrotite products added to California's Office of the State Fire Marshall list of limited ignition products for use in the Wildland Urban Interface zones (WUI) where wildfires are of eminent concern to home builders and owners.

Global licensing opportunities

Barrier remains open to exploring opportunities for Pyrotite technology 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.

Financial position & financings

Barrier ended the period with a working capital deficit of ($401,432).

The Company generated negative operating cash flow for the six months ended December 31, 2009 of ($31,466) in comparison to ($215,946) for the six months ended December 31, 2008. The net cash outflow from operating activities for the current fiscal period ended was primarily a result of a net loss of ($329,821) and a reduction in amounts owed to vendors ($123,541). 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. In addition, a private placement to pay down debt and generate extra working capital is planned in the near future.

The Company does not expect any significant additional long-term capital investments in the near future as they recently expanded manufacturing operations with a more efficient automated process that is projected to fulfill mid-term growth needs.

Should a developing strategic alliance create the need for a quick ramp up of production and sales, however, some additional investments in working capital (e.g.; raw materials and finished goods inventory) will be required. In addition, the company has identified some relatively small capital improvement projects specifically targeted on material storage and moving larger amounts of items though the shop on a timely basis. These funds would be generated by the private placement of stock identified above.

Financing activities resulted in a net cash outflow of ($57,632) in the current period compared to a similar net cash outflow of ($56,845) 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.

Related Party Transactions

During the six months ended December 31, 2009 the Company incurred wages and management fees of $81,257 with directors of the Company and companies with common directors. The Company paid $90,642 in wages and management fees for the same prior year-to-date.

Capitalization

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

Issued as of December 31, 2009: 29,414,926common shares at $15,079,071
Issued as of February 5, 2010: 29,414,926 common shares at $15,079,071

Options outstanding:

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

Number	Number Exercisable	Exercise Price	Expiry Date
615,000	615,000	$0.45	January 10, 2010
250,000	250,000	$0.55	August 9, 2010
40,000	20,000	$0.09	March 07, 2011
905,000	885,000		

Subsequent to December 31, 2009, the 615,000 options exercisable at $0.45 expired unexercised on January 10, 2010.

Critical Accounting Estimates

Stock-based Compensation Charge and Expense

As described in Note 2 to the audited annual financial statements dated June 30, 2009, 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 six month period ended December 31, 2009, which would materially affect the accuracy of this financial report.

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

Other Matters

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

The Company announced that, subject to regulatory approval, it will now carry out a private placement for a minimum of 10 million and up to a maximum of 15 million units at a price of CDN$0.10 per unit for gross proceeds of a minimum of CDN$1,000,000, and up to a maximum of CDN$1,500,000. Each unit will consist of one common share and one non-transferable share purchase warrant (the "Warrants"). The Warrants have an exercise term of two years from the closing date. One Warrant and CDN$0.15 will entitle the placee to acquire an additional common share of the Company. All securities issued will be subject to a four-month hold period. The Company has yet to receive proceeds or issue any securities subject to this private placement.

On January 19, 2010, Barrier and Louisiana Pacific Corporation (LP) executed a 1-year Supply Agreement where Barrier has agreed to provide exclusive fire treatment services for LP on their oriented strand board panel product (OSB). LP is the largest producer of OSB in the world. LP will market and sell the fire treated OSB in North America under their own trade name LP® FlameBlock™ Fire-Rated OSB Sheathing. Barrier has agreed not to market or sell Pyrotite™ technology coated wood products under the registered trademark Blazeguard® for as long as the agreement is in place. Current Blazeguard customers, as of January 19, will be referred to LP customer service when they wish to place orders or arrange for shipping schedules. Barrier will provide technical support. Barrier will continue to supply MuleHide FR panel to MuleHide Products, Inc. under the existing Supply Agreement executed between Barrier and MuleHide in 2004.

LP studied available fire retardant technology for OSB for some time and after an exhaustive review of available technologies, selected Pyrotite™, Barrier's proprietary and patent protected technology. The Barrier/LP partnership is particularly powerful in that it links the raw manufacturing of the OSB substrate with the company that actually mixes and produces the fire retardant slurry. Barrier and LP believe that not only will LP® FlameBlock™ be recognized as the premier fire rated sheathing in the marketplace; it will be priced competitively to alternative products. LP has a strong sales and distribution network all over North America and will be able to leverage this substantial support network in a way that Barrier was never able to do successfully with its relatively small size.

More descriptive details relating to the long-term relationship of LP and Barrier will be reported as they are developed. Presently, however, Barrier and LP agree that moving quickly to establish both a customer base of support and recognition of the product in the builder community is the number one priority. Establishing market share now, while the overall building market is slow, will enable LP® FlameBlock™ sales to grow exponentially as the economy improves.

LP's number one market development priority will be roof and exterior wall applications in the wildfire prone areas of California. LP® FlameBlock™'s inherent attributes of strength enhancement coupled with superior fire protection will help position it as the premier choice for residential and commercial wood framed construction because along the west coast designing for both fire and earthquake protection is required.

INTERNATIONAL BARRIER TECHNOLOGY INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

(Stated in US Dollars)

(Unaudited)

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

	December 31, 2009	June 30, 2009
ASSETS		
Current		
Cash and cash equivalents	$ 121,625	$ 210,723
Accounts receivable	58,757	179,778
Inventory – Note 3	241,036	314,002
Prepaid expenses and deposits	21,794	46,418
	443,212	750,921
Property, plant and equipment	3,698,325	3,826,091
Patent, trademark and technology rights	208,497	272,105
	$ 4,350,034	$ 4,849,117
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 241,668	$ 365,209
Deferred revenue	11,911	-
Current portion of long term debt – Note 4	538,061	60,863
Current portion of obligation under capital leases	53,004	53,894
	844,644	479,966
Long-term debt – Note 4	353,547	860,597
Obligation under capital leases	317,520	344,410
	1,515,711	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	(13,256,800)	(12,926,979)
	2,834,323	3,164,144
	$ 4,350,034	$ 4,849,117

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
for the three and six months ended December 31, 2009 and 2008
(Stated in US Dollars)
(Unaudited)

	Three months ended December 31,		Six months ended December 31,	
	2009	2008	2009	2008
Sales – Note 7	$ 790,773	$ 1,123,344	$ 1,372,253	$ 2,709,911
Cost of sales	696,526	926,700	1,246,238	2,258,116
Gross profit	94,247	196,644	126,015	451,795
Administrative expenses				
Accounting and audit fees	10,775	41,786	51,351	47,166
Filing fees	6,601	8,445	6,601	8,445
Insurance	15,082	11,026	37,229	35,400
Interest and bank charges	17	36	53	53
Interest on long-term debt	22,185	20,669	44,240	41,723
Investor relations	4,448	-	4,448	-
Legal fees	11,110	21,814	19,028	40,613
Office and miscellaneous	14,379	24,392	26,717	41,809
Sales, marketing, and investor relations	440	6,108	3,351	11,172
Telephone	2,606	2,900	4,838	6,232
Transfer agent fees	-	7,673	3,705	9,279
Travel, promotion and trade shows	11,072	11,134	15,498	22,302
Wages and management fees – Note 6	119,205	134,327	250,219	281,393
	217,920	290,310	467,278	545,587
Loss before other items	(123,673)	(93,666)	(341,263)	(93,792)
Other items:				
Foreign exchange gain (loss)	(695)	(72,140)	10,346	(68,576)
Other income	187	1,727	1,096	4,054
	(508)	(70,413)	11,442	(64,522)
Net loss and comprehensive loss for the period	$ (124,181)	$ (164,079)	$ (329,821)	$ (158,314)
Basic and diluted loss per share	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of shares outstanding	29,414,926	29,414,926	29,414,926	29,414,926

SEE ACCOMPANYING NOTES

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

	Six months ended December 31, 2009	Six months ended December 31, 2008
Operating Activities		
Net loss for the period	$ (329,821)	$ (158,314)
Items not involving cash:		
Amortization – plant and equipment	127,766	135,408
– trademark and technology costs	63,608	63,208
Stock-based compensation	-	9,820
Changes in non-cash working capital:		
Accounts receivable	121,021	93,626
Prepaid expenses	24,624	4,259
Inventory	72,966	(90,633)
Accounts payable and accrued liabilities	(123,541)	(273,320)
Deferred revenue	11,911	-
Cash used in operations	(31,466)	(215,946)
Investing Activity		
Acquisition of plant and equipment	-	(7,681)
Cash used in investing activity	-	(7,681)
Financing Activities		
Long term debt obligations	(29,852)	(24,639)
Capital lease obligations	(27,780)	(32,206)
Cash used in financing activities	(57,632)	(56,845)
Change in cash during the period	(89,098)	(280,472)
Cash and cash equivalents, beginning of the period	210,723	436,426
Cash and cash equivalents, end of the period	$ 121,625	$ 155,954
Supplementary cash flow information:		
Cash paid for:		
Interest	$ 44,240	$ 41,723
Income taxes	$ -	$ -

SEE ACCOMPANYING NOTES

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

	Common Stock Issued Shares	Common Stock Amount	Additional 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	-	-	-	(329,821)	(329,821)
Balance, December 31, 2009	29,414,926	$ 15,079,071	$ 1,012,052	$ (13,256,800)	$ 2,834,323

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009
(Stated in US Dollars)
(Unaudited)

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 December 31, 2009 the Company had an accumulated deficit of $13,256,800 (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 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. The Company has evaluated subsequent events through the filing date of these financial statements.

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 December 31, 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

	December 31, 2009	June 30, 2009
Raw materials	$ 146,902	$ 164,260
Finished goods	94,134	149,742
	$ 241,036	$ 314,002

Note 4 Long-term Debt

	December 31, 2009	June 30, 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.	416,608	446,460
	891,608	921,460
Less: Current portion	538,061	60,863
	353,547	860,597

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

2010	$ 538,061
2011	67,685
2012	285,862
	$ 891,608

(Unaudited - Stated in US Dollars) – Page 4

Note 5 Share Capital

Escrow:

At December 31, 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 December 31, 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 December 31, 2009, the Company has outstanding options that were granted to directors, officers and consultants the option to purchase 905,000 common shares of the Company.

A summary of the status of company's stock option plan for the six months ended December 31, 2009 is presented below:

	Number of Shares	Weighted Average Exercise Price
Outstanding, June 30, 2009	1,941,750	$0.56
Forfeited	(50,000)	$0.45
Expired	(986,750)	$0.65
Outstanding, December 31, 2009	905,000	$0.46
Exercisable, December 31, 2009	885,000	$0.46
Exercisable, June 30, 2009	1,839,250	$0.57

The following summarizes information about the stock options outstanding at December 31, 2009:

Number	Exercise Price	Expiry Date
615,000	$0.45	January 10, 2010
250,000	$0.55	August 9, 2010
40,000	$0.09	March 7,2011
905,000		

Subsequent to December 31 2009, the 615,000 options exercisable at $0.45 expired unexercised on January 10, 2010.

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Note 6 Related Party Transactions

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

	Three months ended December 31,		Six months ended December 31,	
	2009	2008	2009	2008
Wages and management fees	$ 35,000	$ 43,823	$ 81,257	$ 90,642

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 six months ended December 31, 2009, the Company earned sales revenue of $1,372,253 (2008: $2,709,911), 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:

	December 31, 2009	June 30, 2009
Canada	$ 208,497	$ 272,105
United States	3,698,325	3,826,091
Total	$ 3,906,822	$ 4,098,196

During the six months ended December 31, 2009, one (2008 - one) customer accounted for 79% (2008: 71%) of sales revenue. The amount receivable from this customer at December 31, 2009 was $1,875 (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.

Note 8 Subsequent Events

a) The Company announced that, subject to regulatory approval, it will now carry out a private placement for a minimum of 10 million and up to a maximum of 15 million units at a price of CDN$0.10 per unit for gross proceeds of a minimum of CDN$1,000,000, and up to a maximum of CDN$1,500,000. Each unit will consist of one common share and one non-transferable share purchase warrant (the "Warrants"). The Warrants have an exercise term of two years from the closing date. One Warrant and CDN$0.15 will entitle the placee to acquire an additional common share of the Company. All securities issued will be subject to a four-month hold period. The Company has yet to receive proceeds or issue any securities subject to this private placement.

Note 8 Subsequent Events – (cont'd)

b) Subsequent to December 31, 2009, the Company signed a one year customer supply agreement whereby the Company has agreed to supply fire treatment services to a company whose business is the production and marketing of oriented strand board. There is no specified quantity of fire treatment services to be sold under this agreement. It is anticipated that, as a result of terms in the agreement providing for sales orders resulting in revenue earned for the equivalent of four million square feet of products shipped annually, this customer will account for in excess of 10% the Company's revenue over the duration of the agreement.

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: February 11, 2010

/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: February 11, 2010

/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 December 31, 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: February 11, 2010

/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 December 31, 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: February 11, 2010

/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.