UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[**X**] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Fiscal Year Ended June 30, 2017

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to ________

Commission File Number: 000-20412

INTERNATIONAL BARRIER TECHNOLOGY INC.

(Name of registrant as specified in its charter)

British Columbia, Canada	N/A
(State or Incorporation or Organization)	(IRS Employer ID No.)

510 4th Street North, Watkins, Minnesota, USA 55389
(Address of principal executive offices)

Issuer's Telephone Number, 320-764-5797

Securities to be registered pursuant to Section 12(b) of the Act: None

Securities to be registered pursuant to Section 12(g) of the Act:
Common Shares without par value.
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. [ ] Yes [**X**] No

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. [ ] Yes [**X**] No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [X] Yes [] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ] Yes [**X**] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller reporting company [**X**]
Emerging growth company [ ]	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). [ ] Yes [**X**] No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter (OTCQB). **December 30, 2016= $11,732,382**

Common Shares outstanding at **August 31, 2017** **53,684,926 shares**

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INTRODUCTION

International Barrier Technology Inc. is organized under the laws of British Columbia, Canada. In this Annual Report, the “Company”, “Barrier”, “we”, “our” and “us” refer to International Barrier Technology Inc. and its subsidiaries (unless the context otherwise requires). We refer you to the actual corporate documents for more complete information than may be contained in this Annual Report. Our principal corporate offices are located at 510 4th Street North, Watkins, Minnesota, USA 55389. Our telephone number is 320-764-5797.

BUSINESS OF INTERNATIONAL BARRIER TECHNOLOGY INC.

International Barrier Technology Inc. develops, manufactures, and markets proprietary fire resistant building materials designed to help protect people and property from the destruction of fire. The Company uses a patented, non-combustible, non-toxic *Pyrotite®* formulation that is used to coat wood panels and has potential application to engineered wood products, paint, plastics, and expanded polystyrene. Sales have been US$9.2 million and US$9.5 million during Fiscal 2017 and 2016, respectively. During the respective reporting periods, License Fee Royalties were US$248 thousand and US $88 thousand.

FINANCIAL AND OTHER INFORMATION

In this Annual Report, unless otherwise specified, all dollar amounts are expressed in U.S. Dollars (“$”).

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements, principally in ITEM #1, “Business” and ITEM #7, “Management's Discussion and Analysis or Plan of Operation”. These statements may be identified by the use of words like “plan,” “expect,” “aim,” “believe,” “project,” “anticipate,” “intend,” “estimate,” “will,” “should,” “could” and similar expressions in connection with any discussion, expectation, or projection of future operating or financial performance, events or trends. In particular, these include statements about the Company’s strategy for growth, property exploration, mineral prices, future performance or results of current or anticipated mineral production, interest rates, foreign exchange rates, and the outcome of contingencies, such as acquisitions and/or legal proceedings.

Forward-looking statements are based on certain assumptions and expectations of future events that are subject to risks and uncertainties. Actual future results and trends may differ materially from historical results or those projected in any such forward-looking statements depending on a variety of factors, including, among other things, the factors discussed in this Annual Report and factors described in documents that we may furnish from time to time to the Securities and Exchange Commission. We undertake no obligation to update publicly or revise any forward-looking statements because of new information, future events or otherwise.

PART I

ITEM 1. BUSINESS

1.A. General Development of Business

Introduction
International Barrier Technology Inc. and its subsidiaries are collectively hereinafter referred to as the "Company".

Incorporated in July 1986, pursuant to agreements, the Company acquired the rights to the Pyrotite® Technology for Canada in July 1986 and for the United States in March 1992. The Canadian rights and the US rights under the 1992 agreement were voluntarily terminated in January 1996 due to marketing conflict with a corporation which acquired the licensor's rights to the technology. A new agreement for the rights in the United States was signed in January 1996 and revised in March 1996. The Company acquired the world-wide rights to the Pyrotite® technology, including: US patents; foreign patent filings; manufacturing know-how; trade secrets, and trademarks pursuant to a March 2004 agreement. The Company completed construction of a new manufacturing facility in Minnesota, USA in December 1995; the facility was upgraded to include substantial automation, increased capacity and product quality in April/May 2000; as Barrier continued to achieve double digit growth year after year, it decided the current manufacturing facility needed to be expanded. The planning and development of a higher volume and more fully automated facility began in 2004; the first phase that included the building addition was complete in March 2005. The second phase of the new line development was complete in August 2005 and the first commercial production run was in March 2006. The final phase of equipment installation, shake down improvements, and training was complete in late 2006 at which time full commercial production began.

The Company has been involved in the development and manufacturing/marketing of fire-rated building products since 1986, including current products: Pyrotite®, a fire-barrier material comprised of the patented formulation reinforced with chopped fiberglass strands and applied adhered directly to structural sheathing (OSB – oriented strand board or plywood) designed to prevent ignition and inhibit the spread of flames. The products are currently marketed through exclusive supply agreements as LP® FlameBlock® Fire-Rated OSB Sheathing into Residential Roof Deck, Wall Assembly, Wildland Urban Interface Zones, and Structurally Insulated Panel market; and Blazeguard® FR Deck Panel into the Commercial Modular Market. In August 2015, LP and Barrier extended their existing Supply Agreement through December 31, 2019. LP is the largest producer of Oriented Strand Board (OSB) in the world and believes that Barrier's Pyrotite® Technology will help them achieve their strategy of providing a number of value added OSB products to the building community. The agreement gives LP the exclusive right to sell Pyrotite® treated panel products in North America, in all markets other than Commercial Modular, under their brand name LP® FlameBlock® Fire-Rated OSB Sheathing. During the 2014 fiscal year, the Company granted a license for the manufacture and distribution of Pyrotite® products in a plant in the European Union and Russia. The agreement contemplates the Licensee developing additional production facilities over the term of the license. In August 2015, the Company granted a license to LP for the manufacture and distribution of Pyrotite® products in a plant in Clarke County Alabama. The Clarke County Alabama facility began production in November 2016. In July 2017, the Company entered into an agreement to combine with LP. The transaction is subject to the approval of the Barrier shareholders and satisfaction of customary conditions, including court approval and is expected to close early October 2017.

The Company's executive office is located at:
510 4th Street North, Watkins, Minnesota, USA 55389
Telephone: (320) 764-5797
Telephone: (800) 638-4570
Facsimile: (320) 764-5799
e-mail: info@intlbarrier.com
website: www.intlbarrier.com

The Company's registered office is located at:
1750, 750 West Pender St., Vancouver, BC, Canada V6C 2T8
Telephone: (800) 638-4570; and
Facsimile: (320) 764-5799.

The contact person is: Melissa McElwee; CFO.

The Company's fiscal year ends June 30th.

The Company's common shares trade in Canada on the TSX Venture Exchange under the symbol "IBH.V" and in the United States on the OTCQB Bulletin Board under the symbol "IBTGF".

The Company has 100,000,000 no par common shares authorized. At 6/30/2017, the end of the Company's most recent fiscal year, there were 53,684,926 common shares issued and outstanding.

History and Development

Incorporation and Name Changes. The Company was incorporated in British Columbia under the *British Columbia Company Act* on 7/10/86 under the name "Barrier Technology Inc."; the name was changed to "International Barrier Technology Inc." on 3/11/1996. The Company adopted new By-Laws on 12/09/2004 to comply with the new British Columbia Corporation Act enacted on 3/29/2004.

Subsidiaries. The Company has two wholly-owned subsidiaries:
a) Pyrotite Coatings of Canada Inc.
incorporated in British Columbia on 7/10/1986
b) Barrier Technology Corporation
incorporated in Minnesota, USA on 5/8/1996

Existing Marketing/Licensing Agreements:

1. Mulehide Products, Inc., Commercial Modular Building Industry for Class A products
2. LP® Building Products, Multi-family Residential Roof Deck, Wall Assembly, and Structural Insulated Panel Markets.
3. License agreement – European Union/Russia.
4. License agreement – LP® Building Products, Clarke County, Alabama.

SEC Filing Status. After Fiscal 2005 year end, the Company ceased being a "foreign private issuer" eligible to file its Fiscal 2006 Annual Report on Form 20-F; beginning Calendar 2006, the Company began filing Form 10-QSB and Form 10-KSB as its primary disclosure documents. As a "smaller reporting company", the Company has transitioned to using the Form 10-K Annual Report.

Financings. The Company has financed its operations through borrowings and/or private issuance of common shares:

Fiscal 2011: 40,000 shares at US$0.09 per share = US$3,600
Fiscal 2012: US$200,000 from the issuance of convertible debentures
Fiscal 2013: US$40,000 from the issuance of convertible debentures
Fiscal 2014: 100,000 shares at US $0.097 per share = US$9,700
Fiscal 2015: 3,252,500 shares at US $0.10 per share = US$325,250
Fiscal 2017: 1,077,500 shares at US $0.097 per share = US$104,518; US$240,000 on the exercise of 2,400,000 warrants included in the units issued on the conversion.

Capital Expenditures

Fiscal 2011:	$ 74,857, purchase of plant and equipment
Fiscal 2012:	$ 116,363, purchase of plant and equipment
Fiscal 2013:	$ 155,121, purchase of plant and equipment
Fiscal 2014:	$ 134,124, purchase of plant and equipment
Fiscal 2015:	$ 474,723, purchase of plant and equipment
Fiscal 2016:	$ 547,090 purchase of plant and equipment
Fiscal 2017:	$ 507,536 purchase of plant and equipment

1.B. Financial Information About Segments

Refer to the audited financial statements for Fiscal 2017 ended June 30th (footnote #10 "Segmented Information and Sales Concentration") for this information.

1.C. Narrative Description of Business

International Barrier Technology Inc. (Barrier) manufactures and sells fire-rated building materials 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 US utilize Barrier's fire-rated structural panel manufactured with Pyrotite® in areas where the building code requires the use of a fire-rated building panel.

Barrier sells LP® FlameBlock Fire-Rated OSB Sheathing to LP® Building Products and sales to LP accounted for 88% of Fiscal 2017 revenues. Barrier sells Blazeguard FR Deck Panel to ABC Supply Company (parent company of Mule-Hide Products, Inc.) and sales to the commercial modular market accounted for 12% of Fiscal 2017 revenues. Barrier sold LP® FlameBlock Fire-Rated OSB Sheathing to LP® Building Products and sales to LP accounted for 77% of Fiscal 2016 revenues. Barrier sold Blazeguard FR Deck Panel to ABC Supply Company (parent company of Mule-Hide Products, Inc.) accounted for 23% of Fiscal 2016 revenues.

Barrier's business is based on the premise that building projects occasionally require fire resistive performance. Whether based on a requirement of a national or local building code, the possibility for lower insurance rates, or simply the desire for safety by a building owner, Barrier's health as a manufacturing company is based on a demand for resistive building products. Any factor that could mitigate the demand for fire resistive construction could have a negative impact on Barrier.

Barrier suffers a larger risk in the possibility that a new generation of technology that will impart fire resistance to building products may be developed. New technology may serve to decrease the demand for Barrier's Pyrotite® products if the new technology proved to impart either better characteristics of fire performance or was found to be less expensive to produce and market than products manufactured with Pyrotite®. Barrier's management team makes a concerted effort to stay abreast of new technologies as they are being developed. Barrier does this by staying in close contact with the industry via trade associations (e.g. The National Association of Home Builders, NAHB) and the independent research laboratories that are asked to test these new technologies and products as they are developed. However, there is no guarantee that the Company is able to adopt and utilize the new technology. New technologies require years of testing, not only in development but in use, before they are accepted and "evaluated for use" by the major building code agencies such as The International Code Council (ICC).

Barrier presumes that corporate growth will be funded from positive cash flow, conventional bank loans, and from the occasional sale of equity to generate needed capital. The business plan anticipates stable sales volumes at the MN plant as production levels are approaching capacity limitations. However, Barrier anticipates growth in Pyrotite products in the marketplace when the new LP plant in the southeastern US ramps up production over the next few years. Companies experiencing rapid growth depend upon solid support both in the market place and in the manufacturing facilities themselves. Ensuring that capital is available to increase production capacity and to provide support materials and training in the market place is essential to success.

R&D activity continues to focus on developing and improving the designs of existing 1 and 2-hr certified interior and exterior wall assemblies. New R&D projects were launched during the current fiscal year to examine the development of fire-rated engineered wood products (EWP), including I-joist and Rimboard. With the expanded use of EWP in building applications, as an alternative to solid sawn lumber, the importance of evaluating their performance during a fire has escalated tremendously. Efforts to develop fire-rated EWP are at an early stage, however, largely because building code requirements and the acceptance criteria for evaluating performance and suitability are still being developed. During the 2015 fiscal year, a new UL certified fire-rated I-Joist listing was secured, with further testing successfully completed during the 2016 fiscal year. Also during the 2016 fiscal year, LP announced the debut of LP® FlameBlock® I-Joist along with marketing efforts to concentrated market areas. Barrier feels there is great opportunity here, and will continue to pursue techniques to fire treat EWP with our Pyrotite® Technology as the current year progresses. During the 2015 fiscal year, Barrier applied for and was granted a provisional patent for treating I-Joists with Pyrotite®. During the year ended June 30, 2017, the Company incurred research and development costs of $26,351 (2016: $41,644).

Seasonality

The building products industry in the United States does experience seasonality with housing starts generally depressed in winter months. Barrier's Pyrotite® products, however, are sold in housing markets that have excellent winter business, including the states of Georgia, Texas, Florida and California. Also, much of the modular housing, including the foam core panel market, performs a considerable amount of their required construction inside factories. Since the work is done within protected environments they tend to be less impacted by the winter season than typical building projects. Seasonality, therefore, is not considered to be a major impediment to Barrier's success in the US market place.

Dependency upon Patents/Licenses/Processes

Pursuant to an agreement for sale of technology dated 3/1/2004 ("original agreement"), between the Company and Pyrotite Corporation, the Company acquired the rights (previously licensed) to certain fire retardant technology and trademarks for $1,000,000. These rights and technology included all of the patents that deal with "surface applied" and "integral" OSB technology Pyrotite® technology.

Barrier utilizes patented manufacturing technology, as well as manufacturing know-how and trade secrets that have been developed and are closely protected by Barrier.

The manufacturing process for the Pyrotite® products is protected by trade secrets and has a patent on an improved technology. International Barrier Technology, Inc. and Barrier Technology Corporation are, in that regard, totally dependent upon these for success in the business.

All employees are required to sign a Confidentiality Agreement that incorporates a "do not compete clause". As these clauses pertain to Barrier's employees at the US operations, they have been drafted to conform to the strictest interpretation under Minnesota law.

Employees

As of 8/20/2017, the Company had 24 full-time employees, 3 full-time temporary, 2 full time Executive Officers and 1 part-time Corporate Secretary. As of 6/30/2017, the Company had 24 full-time employees, 4 full-time temporary employees, 2 full-time Executive Officers and 1 part-time Corporate Secretary. As of 6/30/2016, the Company had 28 full-time employees, 6 full-time temporary employees, 2 full-time Executive Officers and 1 part-time Corporate Secretary.

Dependency upon Customers

Fiscal 2017

During Fiscal 2017, the company's largest customer was LP® Building Products (LP). LP is a customer that services the multifamily residential roof deck construction, wall assemblies, and structural insulated panels (SIPs) markets. LP purchased 89% of the 25,639,608 sq. ft. of Pyrotite® products shipped in Fiscal 2017. LP is the largest producer of Oriented Strand Board (OSB) in the world and believes that Barrier's Pyrotite® Technology will help them achieve their strategy of providing a number of value added OSB products to the building community. Through an exclusive supply agreement, LP has the exclusive right to sell Pyrotite® treated panel products in North America in all markets other than the Commercial Modular (ABC Supply Company) Market, under their brand name LP® FlameBlock® Fire-Rated OSB Sheathing. Such markets include Multifamily Residential Roof Deck, Structural Wall Assemblies, and Structural Insulated Panels.

LP® FlameBlock® is sold through wholesale distribution companies such as Boise, Cedar Creek, Curtis Lumber, Matheus Lumber, Taiga Building Products, Vandermeer Forest Products, and Universal Forest Products. The MidAtlantic Region market (MD-VA) remained the strongest region in these markets with 34% of total sales into these markets, with the South a close second at 27%. Other regions in these markets include the Midwest, the West and Canada. The building products distribution companies mentioned have a presence in all of these areas and are consistent FlameBlock customers throughout these geographies.

The second largest market for Pyrotite® products was the commercial modular market which is serviced through ABC Supply Company (parent of Mule-Hide Products). Commercial modular sales accounted for 11% of total shipments in 2017. The FR Deck Panel is distributed through ABC Supply Company locations throughout the United States.

Fiscal 2016

During Fiscal 2016, the company's largest customer was LP® Building Products (LP). LP is a customer that services the multifamily residential roof deck construction, wall assemblies, and structural insulated panels (SIPs) markets. LP purchased 79% of the 24,657,600 sq. ft. of Pyrotite® products shipped in Fiscal 2016. LP is the largest producer of Oriented Strand Board (OSB) in the world and believes that Barrier's Pyrotite® Technology will help them achieve their strategy of providing a number of value added OSB products to the building community. Through an exclusive supply agreement, LP has the exclusive right to sell Pyrotite® treated panel products in North America in all markets other than the Commercial Modular (MuleHide Products, Inc./ABC Supply Company) Market, under their brand name LP® FlameBlock® Fire-Rated OSB Sheathing. Such markets include Multifamily Residential Roof Deck, Structural Wall Assemblies, and Structural Insulated Panels.

LP® FlameBlock® is sold through wholesale distribution companies such as Boise, Cedar Creek, Curtis Lumber, Matheus Lumber, Taiga Building Products, Vandermeer Forest Products, Universal Forest Products, and Weyerhaeuser. The MidAtlantic Region market (MD-VA) remained the strongest region in these markets with 38% of total sales into these markets. Other regions in these markets include the South, the Midwest, the West and Canada. The building products distribution companies mentioned have a presence in all of these areas and are consistent FlameBlock customers throughout these geographies.

The second largest market for Pyrotite® products was the commercial modular market which is serviced through MuleHide Products, Inc. “Mulehide” and parent company ABC Supply Company. Commercial modular sales accounted for 21% of total shipments in 2016. The FR Deck Panel is distributed through ABC Supply Company locations throughout the United States.

1.D. Financial Information about Geographic Areas
During Fiscal 2017 and 2016, all sales were in the United States and Canada.

At 6/30/2017 and 6/30/2016: $5,782,192 and $5,442,573 of the assets were located in the United States and $15,803 and $15,344 were located in Canada, respectively.

ITEM 1A. RISK FACTORS

In addition to the other information presented in this Annual Report, the following should be considered carefully in evaluating the Company and its business. This Annual Report contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from results discussed in the forward-looking statements. Factors that might cause such a difference include those discussed below and elsewhere in this Annual Report.

General Corporate Risks

Investors may be disadvantaged because the Company is incorporated in Canada, which has different laws.

The articles/by-laws and the laws of Canada are different from those typical in the United States. The typical rights of investors in Canadian companies differ modestly from those in the United States. Such differences may cause investors legal difficulties.

U.S. investors may not be able to enforce their civil liabilities against the Company or its directors, controlling persons and officers.

It may be difficult to bring and enforce suits against the Company. The Company is a corporation incorporated under the laws of the British Columbia, Canada. A majority of the Company's directors are resident outside the United States, and all or substantial portions of their assets are located outside of the United States. As a result, it may be difficult for U.S. holders of the Company’s common shares to effect service of process on these persons within the United States or to realize in the United States upon judgments rendered against them. In addition, a shareholder should not assume that the courts of Canada (i) would enforce judgments of U.S. courts obtained in actions against the Company or such persons predicated upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States, or (ii) would enforce, in original actions, liabilities against us or such persons predicated upon the U.S. federal securities laws or other laws of the United States.

Passive Foreign Investment Company (“PFIC”) designation could lead to an adverse tax situation for U.S. investors.

U.S. investors in the Company could be subject to U.S. taxation at possibly adverse or higher rates and under a system that might be more complicated and unfamiliar to them. For example, a U.S investor might be subject to special tax rules with respect to any “excess distribution” received and any gain realized from a sale or other disposition (including a pledge) of that holder's shares. Distributions a U.S. investor receives in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the holder's holding period for the shares will be treated as excess distributions. For example, under certain circumstances, a U.S. investor who is an individual might be subject to information reporting requirements and backup withholding, currently at a 28% rate, on dividends received on common shares. If a U.S. Holder holds shares in any year in which the Company is a PFIC, that holder might be required to file Internal Revenue Service Form 8621.

Risks Relating to Financial Condition

The Company has accumulated losses since inception.
Since inception through June 30, 2017, the Company has an accumulated deficit of ($12,692,020). In addition, our operating results in the future may be subject to 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.

The Company has net income the past two fiscal years, however, the Company's prior history of losses could require the need for additional, financings and related problems if net income doesn't continue.

The Company had positive net income this fiscal year: $492,439 FY2017 and net income of $317,005 in FY2016. The Company may require additional funding to meet its long-term business objectives, if the Company isn't able to continue the current trend of positive operating income. Capital may be needed to expand manufacturing capacity and marketing of the Company's products. The Company may not be able to obtain additional financing on reasonable terms, or at all. If equity financing is required, then such financings could result in significant dilution to existing shareholders. If the Company is unable to obtain sufficient financing, the Company might have to dramatically slow marketing efforts and/or lose control of its products. The Company has historically obtained the preponderance of its financing through the issuance of equity. The company may issue an unlimited number of common shares. The Company has no current plans to obtain financing through means other than equity financing and/or loans. The potential need for external financings could result in losses of investment value.

The Company's need for additional financing to expand production and conduct marketing efforts could lead to the Company's inability to continue generating material sales revenue.

The Company develops, manufactures, and markets proprietary fire resistant building materials designed to help protect people and property from the destruction of fire. Additional amounts of financing may be required to facilitate corporate operational growth and to expand marketing efforts on a short-term basis. Conventional bank financing was originally established at a local bank for up to $1,000,000 in the form of a revolving line of credit. In July 2008, the terms of the existing revolving bank facility of $1,000,000 were modified to be comprised of a $500,000 capital loan being amortized by the bank over a 10-year period and which is secured by building, property and equipment and a $500,000 credit facility as an operating line of credit at 7.5%. In August 2010, the line of credit was amended to include a reduced limit of $250,000, and was extended until September 1, 2011 at a reduced interest rate of 6.75%. In December 2011, Barrier negotiated a term bank loan facility in the amount of $450,000 bearing interest at 6.25% and collateralized 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 facility was being amortized over 4 years with fixed monthly blended payments of principal and interest totaling $6,800 with a balloon payment due on January 1, 2016. This facility was paid in full during the Fiscal 2016 year. By a promissory note agreement dated June 22, 2017 the Company has arranged for credit facilities with Farmers State Bank of Watkins which allows the Company to be advanced up to $500,000 under the terms of the promissory note agreement. Advances will bear interest at 5.5% per annum and will be repayable in installments of accrued interest beginning June 22, 2017 with the entire unpaid Principal and interest to be repaid on June 22, 2018. The balance at June 30, 2017 was $0.00. Advances are collateralized by a security interest on inventory, accounts receivable, equipment and all intangibles of the Company as well as an assignment of the building lease.

The Company competes with other building materials companies that have similar operations, and many such competitor companies have operations and financial resources and industry experience far greater than those of the Company.

Even if the Company maintains a successful marketing program, the Company will still be subject to competition from much larger and financially stronger competitors and such competition may materially adversely affect the Company's financial performance. Also, the Company's need to acquire inventory will require additional financial resources.

The Company relies on reliable and competitively priced suppliers.

Barrier relies on key relationships with industry leaders to maintain its position in the market place. Barrier is dependent upon suppliers to provide key elements of production at critical times at reasonable prices. While the majority of these materials are readily available and abundant, without quality suppliers providing reasonable terms of sales, Barrier would not be able to stay in business: there would be no operating or working goods of production to use in the manufacturing process.

Risks Relating to Management and Specific Operations

The Company's Articles/By-Laws contain provisions indemnifying its officers and directors against all costs, charges and expenses incurred by them.

The Company's Articles/By-Laws contain provisions that state, subject to applicable law, the Company shall indemnify every director or officer of the Company, subject to the limitations of the British Columbia Corporations Act, against all losses or liabilities that the Company's director or officer may sustain or incur in the execution of their duties. The Company's Articles/By-Laws further state that no director of officer shall be liable for any loss, damage or misfortune that may happen to, or be incurred by the Company in the execution of their duties if they acted honestly and in good faith with a view to the best interests of the Company. Such limitations on liability may reduce the likelihood of litigation against the Company's officers and directors and may discourage or deter its shareholders from suing the Company's officers and directors based upon breaches of their duties to the Company, though such an action, if successful, might otherwise benefit the Company and its shareholders.

<u>Key management employees may fail to properly carry out their duties or may leave which could negatively impact corporate operations and/or stock pricing.</u>

Barrier is relatively “thin” in its management team. Barrier has intentionally kept the number of middle and upper management at a minimum in an effort to conserve financial resources. As the company grows it will be essential to have new talent emerging to help provide leadership in the factories of production and in the market place to introduce the products to new markets: both in geography and in use. As long as the management team is thin, the impact of losing a key player is very large. However, if the acquisition with Louisiana-Pacific proceeds, this risk is greatly reduced, as the resources available allow for more seamless transition.

While developing, manufacturing, and marketing proprietary fire resistant building materials designed to help protect people and property from the destruction of fire, the nature of the Company’s business, its ability to develop a successful sales force, and to develop a competitive edge in the marketplace, depends, in large part, on its ability to attract and maintain qualified key management personnel. Competition for such personnel is intense and the Company may not be able to attract and retain such personnel. The Company’s growth will depend on the efforts of its Directors (David Corcoran, Michael Huddy, and Victor Yates) and its Senior Management. President/CEO/Director, Michael Huddy, and CFO, Melissa McElwee, work for the Company on a full-time basis. The Corporate Secretary, Lindsey Nauen works for the Company on a part-time basis. The Company carries no key-man insurance and there are no written agreements with them.

Risks Relating to Sales Environment

Barrier’s business is directly related to housing/building starts in the United States. Any factor resulting in a slowdown of economic activity, especially those that result in an increase in interest rates will have a negative impact on Barrier’s business. New housing starts in the U.S. continue to be on the rise. The U.S. Census Bureau reported 1,155,000 new housing starts in July 2017 (adjusted on an annual basis). July's numbers were 4.8 percent below the June 2017 estimate of 1,213,000 and 5.6 percent lower than the July 2016 annually adjusted rate of 1,223,000. There continues to be a risk that the economy is not yet stable enough to support long term improvements in new housing starts. If housing growth becomes unstable, sales of Pyrotite® products could be negatively impacted or unpredictable.

Risks Relating to the Company’s Common Stock

<u>Principal stockholders, officers and directors have substantial control regarding stock ownership; this concentration could lead to conflicts of interest and difficulties in the “public” investors effecting corporate changes, and could adversely affect the Company’s stock prices.</u>

The Company’s Senior Management, Directors and greater-than-five-percent stockholders (and their affiliates), acting together, hold approximately 34% of the shares of the Company, on a diluted basis, and have the ability to control substantially all matters submitted to the Company’s stockholders for approval (including the election and removal of directors and any merger, consolidation or sale of all or substantially all of the Company’s assets) and to control the Company’s management and affairs. Accordingly, this concentration of ownership may have the effect of delaying, deferring or preventing a change in control of the Company, impeding a merger, consolidation, takeover or other business combination involving the Company or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could materially adversely affect the market price of the Company’s stock. The insider group, including Senior Management, Directors and greater-than-five-percent stockholders are supportive of the proposed acquisition by Louisiana-Pacific, with the Senior Management and Directors signing Lock-Up Agreements. There is a chance that the Company will not get 66 2/3% of the vote total in support of the agreement. In that case, with Louisiana Pacific being the largest customer of Barrier, a negative impact on the stock could occur if they decide to pursue other alternatives for their fire-rated building materials product offering.

<u>Employee/Director/Consultant stock options could lead to greater concentration of stock ownership among insiders and could lead to dilution of stock ownership which could lead to depressed stock prices.</u>

Because the success of the Company is highly dependent upon its respective employees, in the past, the Company has granted to some or all of its key employees, Directors and consultants options to purchase common shares as non-cash incentives. To the extent that significant numbers of such options may be granted and exercised, the interests of the other stockholders of the Company may be diluted causing possible loss of investment value. If the acquisition with Louisiana-Pacific does not proceed, it is likely stock options will be granted in the future.

The Company has never declared or paid cash dividends on its common shares and does not anticipate doing so in the foreseeable future.
There can be no assurance that the Company's Board of Directors will ever declare cash dividends, which action is exclusively within its discretion. Investors cannot expect to receive a dividend on the Company's common shares in the foreseeable future, if at all.

Low stock market prices and volume volatility for the Company's common shares create a risk that investors might not be able to effect purchases/sales at prices that accurately reflect corporate value.
The market for the common shares of the Company on the OTC Bulletin Board in the United States may be highly volatile for reasons both related to the performance of the Company or events pertaining to the industry (i.e., price fluctuation/technological change/new competitor) as well as factors unrelated to the Company or its industry. The Company's common shares can be expected to be subject to volatility in both price and volume arising from market expectations. Stockholders of the Company may be unable to sell significant quantities of common shares in the public trading markets without a significant reduction in the price of the common shares.

Broker-Dealers may be discouraged from effecting transactions in the Company's common shares because they are subject to the penny stock rules.
Rules 15g-1 through 15g-9 promulgated under the Securities Exchange Act of 1934, as amended, impose sales practice and disclosure requirements on NASD broker-dealers who make a market in "penny stock". A penny stock generally includes any non-NASDAQ equity security that has a market price of less than $5.00 per share. The Company's shares are quoted on the OTC Bulletin Board in the United States and the TSX Venture Exchange in Canada. The additional sales practice and disclosure requirements imposed upon broker-dealers may discourage broker-dealers from effecting transactions in the Company's shares, which could severely limit the market liquidity of the shares and impede the sale of the Company's shares in the secondary market.

Under the penny stock regulations, a broker-dealer selling penny stock to anyone other than an established customer or "accredited investor" (generally, an individual with net worth in excess of $1,000,000 or an annual income exceeding $200,000, or $300,000 together with his or her spouse) must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker-dealer or the transaction is otherwise exempt.

In addition, the penny stock regulations require the broker-dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the US SEC relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt. A broker-dealer is also required to disclose commissions payable to the broker-dealer and the registered representative and current quotations for the securities. Finally, a broker-dealer is required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account and information with respect to the limited market in penny stocks.

ITEM 1B. UNRESOLVED STAFF COMMENTS
None

ITEM 2. DESCRIPTION OF PROPERTY

The Company's operating and manufacturing facilities, along with executive offices, are located in leased premises at 510 Fourth Street North, Watkins, Minnesota. The Company entered into a 20-year capital lease in 1995. The lease allowed the Company to purchase the facility for a small "transfer fee" once the 20-year lease was up and the industrial development bonds the City of Watkins issued to fund the project are paid in full. In the prior year reporting period, the capital lease for the manufacturing plant and property was paid in full. Barrier has received the deed to the property.

The Company's manufacturing complex consists of two manufacturing lines housed in the main building. A 2,500 square-foot office is located in the front of this building. To the immediate east of the main drive, three storage buildings (90' x 60', 106' x 60', and 106'x60') allow for short-term storage of materials and products.

The earlier of the two production lines, our spray technology line, is housed nearest the offices and occupies approximately 22,000 sq. ft. of space. This line is primarily used for panels larger than 4' x 8' or for production not suited for the highly automated standard production line, including plywood. The mix for this line is produced in batches and fed through a reciprocating spray apparatus on to the panels. The fiberglass is supplied as roving and automatically chopped as it is applied to the panels. An infra-red oven supplies the energy to accelerate the cure of the coating; space is provided for the panels to be stacked. Specialty panels can be stacked in custom designed racks if required. The designed capacity from this line is 8MM board feet per shift. We are currently running two shifts on this line.

The newer of the two lines, our automated line, is housed in the extension added to the main building in 2004. This portion of the building is 15,000 sq. feet and houses a completely separate line. This line runs at 20 feet per minute and is capable of producing over 20MM board feet per shift annually when running at 100% efficiency. We are currently running this line on a shift and a half and could quickly increase our capacity to meet market demand by adding an additional half shift. Automation efficiencies on this line cover: unstacking and restacking of panels; use of automated Pyrotite coating equipment, a computer controlled mixing area; automatic panel weight information fed back continuously to the operators; and a custom panel curing system. This line produces panels of much higher, consistent quality than the older line, at a much more marketable cost point.

In August 2015, it was announced that a second manufacturing line will be added at LP's existing Clarke County, Alabama location. The Clarke County Alabama facility began production in November 2016. In July 2017, the Company entered into an agreement to combine with LP. The transaction is subject to the approval of the Barrier shareholders and satisfaction of customary conditions, including court approval and is expected to close early October 2017.

Regardless of which line is used, the production process for the Pyrotite® technology contains no hazardous or controlled substances that could raise environmental concerns. The majority of the materials used in the production of Pyrotite® are naturally occurring and are therefore accepted at local land-fills. Use and handling instructions for the Company's finished products are no more stringent than those required for handling other natural wood based building products.

ITEM 3. LEGAL PROCEEDINGS

The Directors and the management of the Company know of no material, active or pending, legal proceedings against them; nor is the Company involved as a plaintiff in any material proceeding or pending litigation.

The Directors and the management of the Company know of no active or pending proceedings against anyone that might materially adversely affect an interest of the Company.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Company's common shares began trading on the TSX Venture Exchange (formerly the Canadian Venture Exchange) in Toronto, Ontario, Canada, under its former name Barrier Technology Inc. in September 1986. The current stock symbol is "IBH.V". The CUSIP number is #458968-10-4.

The Company's common shares began trading on the OTC Bulletin Board in August 2002. The current stock symbol is IBTGF.

The following table lists the volume of trading and high, low and closing sales prices on the TSX Venture Exchange for the Company's common shares for the last eight fiscal quarters.

Table No. 1
TSX Venture Exchange
Common Shares Trading Activity
Canadian Dollars

Period Ended Quarterly	Volume	High	Low	- Sales - Closing
6/30/2017	902,700	$0.45	$0.34	$0.35
3/31/2017	1,549,500	0.41	0.29	0.38
12/31/2016	1,247,600	0.41	0.29	0.31
9/30/2016	770,900	0.42	0.27	0.37
6/30/2016	860,400	0.48	0.33	0.34
3/31/2016	1,212,600	0.39	0.22	0.39
12/31/2015	1,616,400	0.35	0.20	0.26
9/30/2015	1,695,400	0.44	0.22	0.22

Table No. 2 lists the volume of trading and high, low and closing sales prices on the OTC Bulletin Board for the Company's common shares for: the last eight fiscal quarters.

Table No. 2
OTC Bulletin Board
Common Shares Trading Activity
US Dollars

Period Ended Quarterly	Volume	High	Low	- Sales - Closing
6/30/2017	575,600	$0.33	$0.25	$0.27
3/31/2017	2,219,600	0.31	0.19	0.30
12/31/2016	963,500	0.31	0.22	0.24
9/30/2016	729,000	0.32	0.20	0.30
6/30/2016	569,000	0.38	0.25	0.27
3/31/2016	706,800	0.30	0.16	0.29
12/31/2015	1,128,100	0.27	0.14	0.19
9/30/2015	641,900	0.35	0.16	0.17

Holders
The Company's common shares are issued in registered form and the following information is taken from the records of Computershare (located in Vancouver, British Columbia, Canada), the registrar and transfer agent for the common shares.

On 8/19/2017, the Company's shareholders' list showed 53,684,926 common shares outstanding and 139 registered shareholders with: 7,513,669 shares owned by 38 registered shareholders/depositories resident in Canada, 16% of the total; 40,293,657 shares owned by 100 registered shareholders/depositories resident in the United States; and 100 shares owned by one shareholder in one other country.

Based on this research and other research into the indirect holdings of other financial institutions, the Company believes that it has approximately 6000 beneficial owners of its common shares.

Dividends
The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain future earnings for use in its operations and expansion of its business. There are no restrictions that limit the ability of the Company to pay dividends on common equity or that are likely to do so in the future.

Use of Proceeds From Sales of Securities is for working capital

Recent Sales of Unregistered Securities

The Company relied on the exemptions from registration under Regulation S for the following private placements of securities to only Canadian residents:

Fiscal 2011: 40,000 shares at US$0.09 per share = US$3,600
Fiscal 2012: None
Fiscal 2013: None
Fiscal 2014: 100,000 shares at US$0.097 per share = US$9,700
Fiscal 2015: 3,252,500 share at US $0.10 per share = US$325,250
Fiscal 2016: None
Fiscal 2017: 1,077,500 shares at US $0.097 per share = US$104,518; issued 2,400,000 shares through conversion of convertible debt (US $0.10 per share) and received = US$240,000 on the exercise of 2,400,000 warrants included in the units issued on the conversion.

ITEM 6. SELECTED FINANCIAL DATA

Selected financial data as shown in the following table for the Company for Fiscal 2017/2016 Ended June 30th was derived from the consolidated financial statements of the Company that have been audited by Dale Matheson Carr-Hilton Labonte, LLP (current year), as indicated in their auditor's report included elsewhere in this Annual Report and BDO Canada LLP, Chartered Accountants (prior year). Selected financial data as shown in the following table for the Company for Fiscal 2016/2015/2014/2013 is derived from the Company's audited consolidated financial statements, not included herein.

The information presented below should be read in conjunction with following "Management's Discussion and Analysis" and with the consolidated financial statements and other financial data included elsewhere in this Annual Report.

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the near future.

Table No. 3
Selected Financial Data
($ in 000's, except per share data)

	Year Ended 6/30/2017	Year Ended 6/30/2016	Year Ended 6/30/2015	Year Ended 6/30/2014	Year Ended 6/30/2013
Sales Revenue	$9,156	$9,527	$8,434	$8,054	$5,995
License Fee Royalties	$248	$88	$38	$100	
Net Income (Loss)	$492	$317	$702	$586	($59)
Income (Loss) per Share	$0.01	$0.01	$0.02	$0.01	$0.00
Diluted Earnings per Share	$0.01	$0.01	$0.01	$0.01	$0.00
Dividends Per Share	Nil	Nil	Nil	Nil	Nil
Wtg. Avg. Shares (000)	50,291	47,807	44,992	44,504	44,455
Dil. Wtg. Avg. Shares (000)	50,291	52,308	51,754	46,272	44,455
Period-end Shares O/S	53,685	47,807	47,807	44,555	44,455
Working Capital	$1,843	$1,075	$1,208	$586	($112)
Long-Term Debt	$0	$0	$240	$552	$612
Capital Lease Obligations	$0	$40	$89	$135	$206
Capital Stock	$16,584	$15,934	$15,934	$15,479	$15,464
Shareholders' Equity	$5,336	$4,259	$3,942	$2,915	$2,254
Total Assets	$5,852	$5,458	$4,925	$4,317	$3,922

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The SEC defines critical accounting policies as those that are, in management's view, important to the portrayal of the Company's financial condition and results of operations and require management's judgment. The discussion and analysis of the financial condition and results of operations is based on the audited consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. Management bases its estimates on experience and on various assumptions that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. The Company's critical accounting policies include:

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.

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

License fees are based on sales of licenses to third parties. Revenue from up-front license fees and milestones 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 fee agreements.

In accordance with the terms of the agreement, commencing on the first anniversary date of the agreement, the licensee will commence paying royalties to the Company for the product it manufactures and sells. Licence fees are recognized as earned in accordance with the terms of the agreement when the license fees can be reasonably estimated and collectability is reasonably assured.

Impairment of Long-Lived Assets

The Company reviews the recoverability of its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about future operating performance, and may differ from actual cash flows. Long-lived assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value in the period in which the determination is made.

Stock-based Compensation

The company accounts for all stock-based payments and awards under the fair value based method.

Stock-based payments to non-employees are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, or liabilities incurred, whichever is more reliably measurable. The fair value of stock-based payments to non-employees is periodically re-measured until the counterparty performance is complete, and any change therein is recognized over the vesting period of the award and in the same manner as if the Company had paid cash instead of aping with or using equity based instruments. The cost of the stock-based payments to non-employees that is fully vested and non-forfeitable as at the grant date is measured and recognized at that date.

The Company accounts for the granting of share purchase options to employees using the fair value method whereby all awards to employees will be recorded at fair value on the date of the grant. The fair value of all share purchase options are expensed over their vesting period with a corresponding increase to additional capital surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in additional paid-in capital is recorded as an increase to share capital.

The Company uses the binomial option pricing model to determine the fair value of all stock based awards classified as liabilities and the Black-Scholes option pricing model to calculate the fair value of share purchase options. Option pricing models require the input of highly subjective assumptions, include the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Equity Financing Timeline

Fiscal 2011: 40,000 shares at US$0.09 per share = US$3,600
Fiscal 2012: US$200,000 from the issuance of convertible debentures
Fiscal 2013: US$40,000 from the issuance of convertible debentures
Fiscal 2014: 100,000 shares at US $0.097 per share = US$9,700
Fiscal 2015: 3,252,500 shares at US $0.10 per share = US$325,250
Fiscal 2017: 1,077,500 shares at US $0.097 per share = US$104,518; US$240,000 on the exercise of 2,400,000 warrants included in the units issued on the conversion.

Fiscal 2017 Ended 6/30/2017

International Barrier Technology Inc. (Barrier) manufactures and sells fire-rated building materials. Barrier's primary business is in the United States but through the development of distribution partnerships and manufacturing technology license agreements 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 currently manufactures a private label fire rated sheathing product under contract for both LP® Building Products, Inc. (LP) and MuleHide Products, Inc. (MuleHide). LP introduced a fire rated OSB trademarked LP® Flameblock® Fire-Rated OSB Sheathing (LP FlameBlock) in 2010 and MuleHide and parent company, ABC Supply Company, have been selling FR Deck Panel to commercial modular building manufacturers since 2004.

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 reviews 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 fiscal period ending June 30, 2017 was down slightly by 4% to $9,155,528 in comparison to $9,527,052 generated in the same fiscal period in 2016. Total sales volume, as measured by surface volume of product shipped, was 25,639,608 sq. ft. This is a 4% increase from the 24,657,648 sq. ft. shipped during the previous year.

Shipments into the Residential Roof Deck, Wall Assembly, and Structural Insulated Panel Market Sectors (LP FlameBlock) during the fiscal year increased 18% over shipments in fiscal 2016. Sales into the Commercial Modular Market (FR Deck Panel) decreased 46% in comparison to the previous year.

The following is a summary of sales for the past two fiscal years ending June 30:

	June 30, 2017	June 30, 2016
Treatment Services	$ 7,904,712	$ 7,591,125
Substrate	984,688	1,454,980
Freight and Miscellaneous	266,128	480,947
	$ 9,155,528	$ 9,527,052
License Fees	-	-
Royalties	248,204	87,500
	$ 9,403,732	$ 9,614,552

The fire resistance of I-Joists is a timely and important topic in North America's building environment at this time. Web stock material treated in 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 technology for production of treated I-Joist in the long-term are being developed and made.

Barrier and LP conduct business guided by a Supply Agreement. In August 2015, the existing Supply Agreement was extended until December 31, 2019. In addition, in August 2015, 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. The Clarke County Alabama facility began production in November 2016. In July 2017, the Company entered into an agreement to combine with LP. The transaction is subject to the approval of the Barrier shareholders and satisfaction of customary conditions, including court approval and is expected to close early October 2017.

The 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.

License fee royalties for the period increased to $248,204 from $87,500. This is due to increased manufacturing and license fees receivable from Barrier's license agreement in the southern U.S.

Gross profit for the fiscal period was $1,448,321 vs. $1,427,755 in the previous year. The gross margin, as a percentage of sales revenue, increased to 16% in the current fiscal year from 15% in the prior year. There was a significant decline in sales volumes the last quarter of the fiscal year as the facility in Clarke County Alabama was fully operational and orders were being split between both facilities. In the near term, gross margins are anticipated to improve based on increased over-all sales of FlameBlock sales to allow both plants to operate at full production efficiency.

Cost of sales decreased to $7,955,411 in 2017 from $8,186,797 in Fiscal 2016. The decrease is attributable to the slight decrease in volume produced. Manufacturing efficiency as measured by the average cost per square foot of production was $0.31 in comparison to $0.33 during the prior year fiscal reporting period.

Substrate cost and materials/labor were the major expenses in this category. Substrate accounted for $991,524 for the fiscal year versus $1,453,606 in the same period last year. Materials and labor accounted for an additional $5,592,326 in the twelve month period in 2016 versus $5,230,859 in 2016.

Depreciation on plant and equipment is included in cost of sales category. Depreciation, which has non-cash impact on Barrier's actual cash flow, decreased year-to-date from $342,734 in 2016 to $287,422. The expense reflects scheduled depreciation of the newer manufacturing line equipment and building expansion.

Administrative expenses for Fiscal 2017 decreased to $986,207 from $1,083,256 in the prior year. The administrative costs per sq. ft. were $0.038 for the fiscal year which was lower than the $0.044 reported in Fiscal 2016.

Accounting and Audit Fees increased from $86,498 to $91,704. A significant portion of the cost for accounting services are involved with the annual audit of Barrier's fiscal year-end financial statements.

Insurance costs have increased from $87,082 to $101,356. The difference is due to annually adjusted premiums based on larger sales volume estimates from the prior year.

Legal fees decreased from $57,813 in Fiscal 2016 to $34,277 in Fiscal 2017. Legal fees 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 two US patents, 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®.

Sales, marketing, and investor relations expenses increased slightly from $34,481 to $36,962 for the year. During the year, there were sales trips directly related to the expansion of product markets.

Barrier's cost for sales and marketing will remain at relatively low levels compared to sales volumes as our partners, LP and 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 ABC Supply Co. resulting in improved sales but also lower costs for Barrier.

Wages and management fees decreased to $597,555 from $705,210. The decrease in wages and management fees is attributed to the 2016 Board of Director remuneration for the execution of the Louisiana-Pacific Corporation Technology License Agreement that was in the prior year.

Operating Income of $462,114 is being reported for the fiscal period ending June 30, 2017, vs. $344,499 that was reported for the same period last year.

The increase in operating income is a result of higher production efficiencies during period and the increase in royalty revenue. Its 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 fiscal year herein includes interest/other income of $1,960. To compare, for the same reporting period last year there was interest/other income of $12,256.

Interest on Long Term Debt has decreased from $31,750 to $17,753. During the reporting period, the convertible debentures were converted to common stock of the company. There is no outstanding long-term debt as of the reporting date.

Income taxes During the current period, Barrier paid $15,882 in income tax. As well, during the current period, the Company recognized a deferred income recovery of $62,000 (2016: deferred tax expense of $8,000) related to the change in value of the Company's tax assets and liabilities.
Net Income. Net income of $492,439 is being reported for the fiscal period ending June 30, 2017, whereas in the same period in 2016, net income of $317,005 was reported.

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:

	Jun 30 2017	Mar 31, 2017	Dec 31, 2016	Sept 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sept 30, 2015
Volume shipped (MSF)	4,424	7,137	7,572	6,507	6,555	7,229	5,712	5,162
Total Revenues (000)	$1,762	$2,449	$2,717	$2,476	$2,558	$2,628	$2,295	$2,134
Operating Income(loss) (000)	$(27)	$145	$344	$0	$111	$111	$141	$(19)
Net income (loss) (000)	$35	$128	$336	$(7)	$107	$104	$133	$(27)
EPS (Loss) Per Share	$(0.00)	$0.00	$0.01	$(0.00)	$0.00	$0.00	$0.00	$(0.00)

Selected Annual Information

	2017	2016
Total Revenue	$9,403.7	9,614.6
Net income (loss)	$492.4	$317.0
Per share	$0.01	$0.01
Per share, fully diluted	$0.01	$0.01
Total assets	$5,852.0	$5,457.9
Total long-term financial liabilities	$Nil	$27.0
Cash dividends declared per share	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 are 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 fiscal year with a working capital surplus (current assets less current liabilities) of $1,843,091. Operating cash flow was $351,059 in comparison to $720,317 for the year ended June 30, 2016.

Barrier has a short term revolving line of credit ($500,000) at the local Farmers State Bank of Watkins, in Watkins, Minnesota. As of June 30, 2017 the balance owing on the revolving line of credit was $0 leaving an additional $500,000 available for use.

Investing activities resulted in net cash outflow of $507,536 in the current period in comparison to a net cash outflow of $547,090 in the prior year. The cash outflow was the result of the acquisition of plant and equipment capital improvements.

Financing activities resulted in net cash inflow of $304,378 in the current year compared to a net cash outflow of $48,739 for last year. The cash inflow resulted from the exercise of stock options and the conversion of the warrants associated with the convertible debt.

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 June 30, 2017, the current cash and cash equivalents totaled $1,076,841 and there was $500,000 in available funds to draw on the revolving credit facility. Over the next twelve months, the Company anticipates that the operation of business will produce an average monthly operating cash flow of $60,000 for a total of $720,000 for the 2018 fiscal year. In addition, over the next 12 months, the Company is required to make payments totaling $515,958 in respect of accounts payable outstanding as at June 30, 2017. Based on the foregoing, management believes there will be sufficient cash to maintain operations for the next 12 months if the proposed acquisition with Louisiana-Pacific does not proceed.

Related Party Transactions
During the year ended June 30, 2012, the Company approved the issuance of two convertible debentures to a director and a company controlled by a director in the amount of $300,000. The debentures bore interest at 12% per annum, payable quarterly, and are collateralized by a third charge over the Company's plant and equipment as well as a charge against the Company's patents. At any time, the notes were convertible into units of the Company at a price of $0.10 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder the right to purchase one additional share for $0.10 for a period of two years from the conversion date. During the fiscal year ended June 30, 2017, the Company incurred interest charges of $15,948, respectively (2016: $28,800) on these convertible debentures. On January 20, 2017, the convertible debentures were converted to units of the Company and corresponding warrants were issued. The warrants were also exercised in full.

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

Issued as of June 30, 2017: 53,684,926 common shares at $16,584,133
Issued as of Sept 14, 2017: 53,684,926 common shares at $16,584,133

There are no options outstanding.

Other Matters
As at June 30, 2017 the Company did not have any off-balance sheet arrangements to report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of International Barrier Technology Inc.

We have audited the accompanying consolidated balance sheet of International Barrier Technology Inc. as of June 30, 2017 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2017 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ DMCL LLP
DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
September 28, 2017

Tel: 604 688 5421
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BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
International Barrier Technology Inc.

We have audited the accompanying consolidated balance sheet of International Barrier Technology Inc. as of June 30, 2016 and the related consolidated statements of operations, cash flows and changes in stockholders' equity for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of International Barrier Technology Inc. at June 30, 2016 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/S/ BDO CANADA LLP

Chartered Professional Accountants
Vancouver, Canada

September 28, 2016

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

ASSETS	June 30, 2017	June 30, 2016
Current		
Cash and cash equivalents	$ 1,076,841	$ 928,940
Accounts receivable	246,253	570,266
Inventory - Note 3	988,725	673,868
Prepaid expenses and deposits	47,230	66,011
Total Current Assets	2,359,049	2,239,085
Property, plant and equipment - Note 4	3,438,946	3,218,832
Deferred income taxes – Note 8	54,000	-
Total Assets	$ 5,851,995	$ 5,457,917
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 515,958	$ 860,697
Obligation under capital leases	-	13,151
Deferred revenue	-	50,000
Convertible debentures - Note 5	-	240,000
Total Current Liabilities	515,958	1,163,848
Deferred income taxes – Note 8	-	8,000
Obligation under capital leases	-	26,989
Total Liabilities	515,958	1,198,837
STOCKHOLDERS' EQUITY		
Common Stock - Note 6		
Authorized:		
Unlimited common shares without par value		
Issued:		
53,684,926 common shares (June 30, 2016: 47,807,426)	16,584,133	15,934,256
Additional paid-in capital	1,443,924	1,509,283
Accumulated deficit	(12,692,020)	(13,184,459)
Total Stockholders' Equity	5,336,037	4,259,080
Total Liabilities and Stockholders' Equity	$ 5,851,995	$ 5,457,917

APPROVED BY THE BOARD OF DIRECTORS

"David Corcoran"   "Victor Yates"

David Corcoran, Director   Victor Yates, Director

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
June 30, 2017 and 2016
(Stated in US Dollars)

	June 30,	
	2017	2016
Sales - Note 9	$ 9,155,528	$ 9,527,052
License Fee and Royalty Income	248,204	87,500
Cost of Sales	7,955,411	8,186,797
Gross Profit	1,448,321	1,427,755
Expenses		
Accounting and audit fees	91,704	86,498
Filing Fees	26,632	27,566
Insurance	101,356	87,082
Bank charges and interest	232	193
Legal fees	34,277	57,813
Office and miscellaneous	82,973	69,599
Sales, marketing, and investor relations	36,962	34,481
Telephone	10,148	11,408
Transfer agent fees	4,368	3,406
Wages and management fees	597,555	705,210
Total Administrative Expenses	986,207	1,083,256
Operating Income	462,114	344,499
Other income	1,960	12,256
Interest on long-term obligations	(17,753)	(31,750)
Total Other Expense	(15,793)	(19,494)
Net income before taxes	446,321	325,005
Provision for income taxes – Note 8		
Current	(15,882)	-
Deferred	62,000	(8,000)
Total income tax expense	46,118	(8,000)
Net income for the year	$ 492,439	$ 317,005
Basic and diluted income per share	$ 0.01	$ 0.01
Weighted average number of shares outstanding:		
Basic	50,290,871	47,807,426
Diluted	50,290,871	52,308,274

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
June 30, 2017 and 2016
(Stated in US Dollars)

	Common Stock				
	Issued Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balance, June 30, 2015	47,807,426	15,934,256	1,509,283	(13,501,464)	3,942,075
Net income for the year	-	-	-	317,005	317,005
Balance, June 30, 2016	47,807,426	15,934,256	1,509,283	(13,184,459)	4,259,080
Exercise of options (at $0.097)	1,077,500	104,518	-	-	104,518
Fair value of stock options exercised	-	65,359	(65,359)	-	-
Conversion of convertible debenture	2,400,000	240,000	-	-	240,000
Exercise of warrants (at $0.10)	2,400,000	240,000	-	-	240,000
Net Income for the year	-	-	-	492,439	492,439
Balance, June 30, 2017	53,684,926	$ 16,584,133	$ 1,443,924	$ (12,692,020)	$ 5,336,037

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
June 30, 2017 and 2016
(Stated in US Dollars)

	June 30, 2017	June 30, 2016
Operating Activities		
Net income for the year	$ 492,439	$ 317,005
Items not involving cash:		-
Deferred income tax expense (recovery)	(62,000)	8,000
Depreciation - plant and equipment	287,422	342,734
Changes in non-cash working capital balances related to operations:		
Accounts receivable	324,013	(164,407)
Inventory	(314,857)	(33,649)
Prepaid expenses and deposits	18,781	(6,132)
Accounts payable and accrued liabilities	(344,739)	206,766
Deferred Revenue	(50,000)	50,000
Net cash provided by operating activities	351,059	720,317
Cash Flows provided by (used) in Financing Activities		
Issuance of Common Shares	344,518	-
Decrease in obligations under capital lease	(40,140)	(48,739)
Net cash provided by (used in) financing activities	304,378	(48,739)
Cash Flows used in Investing Activities		
Acquisition of equipment	(507,536)	(547,090)
Net cash used in investing activities	(507,536)	(547,090)
Increase in cash and cash equivalents during the period	147,901	124,488
Cash and cash equivalents, beginning of the period	928,940	804,452
Cash and cash equivalents, end of the period	$ 1,076,841	$ 928,940
Supplemental Cash Flow Information		
Cash paid for interest	$ 17,753	$ 31,750
Cash paid for income taxes	$ 15,882	$ 1,800

SEE ACCOMPANYING NOTES

Note 1 Nature of Operations

The Company develops and manufactures proprietary fire resistant building materials 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. All of the Company's revenues and substantially all of the long-term assets are located in the United States. There are minimal long-term assets held in Canada.

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

Note 2 Significant Accounting Policies

The preparation of financial statements in accordance with United States generally accepted accounting principles ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses in the reporting period. The Company regularly evaluates estimates and assumptions related to deferred income tax asset valuations, asset impairment, derivative liability, stock based compensation and loss contingencies. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

The financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized below:

a) Principles of Consolidation

These consolidated financial statements include the accounts of International Barrier Technology Inc. ("the Company") and its wholly-owned subsidiaries, Pyrotite Coatings of Canada Inc., a Canadian company and Barrier Technology Corporation ("Barrier"), a US company. All inter-company transactions and balances have been eliminated on consolidation.

b) Cash and Cash Equivalents

The Company considers highly liquid investments with insignificant interest rate risk and an original maturity of three months or less on the purchase date to be cash equivalents.

c) Inventory

Inventory is valued at the lower of FIFO (first-in, first-out) and net realizable value. In addition, items such as abnormal amounts of idle facility expense, freight, handling and waste material are recognized as current period charges rather than in inventory value.

Note 2 Significant Accounting Policies – (cont'd)

d) 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
Railroad spur	4% - declining balance
Equipment under capital lease	20% - declining balance
Building under capital lease	straight line over 20 years

e) Impairment of Long-Lived Assets

The Company reviews the recoverability of its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about future operating performance, and may differ from actual cash flows. Long-lived assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value in the period in which the determination is made.

f) Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

g) Foreign Currency Translation

The functional currency for the Company's operations is the U.S.dollar. Monetary assets and liabilities denominated in Canadian dollars are translated into U.S. dollars at the exchange rate prevailing at the end of the year. Non-monetary assets and liabilities are translated at the exchange rate prevailing at the respective transaction dates while revenues and expenses are translated at the average exchange rate during the year. Exchange gains and losses are recognized in the statement of operations.

(Stated in US Dollars)

Note 2 Significant Accounting Policies – (cont'd)

h) Research and Development Costs

Research and development costs are expensed in the year in which they are incurred.

i) Basic and Diluted Income (Loss) per Share

Earnings or loss per share ("EPS") is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income (loss) by the weighted-average number of all potentially dilutive shares of common stock that were outstanding during the periods presented. There were no potentially dilutive equity instruments outstanding at June 30, 2017 (June 30, 2016: - 5,877,500)

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 Company's convertible debentures or; (ii) excluding all interest and costs directly related to the convertible debt (both cash interest and non-cash discount amortization) and including all shares underlying the convertible debt. During the year ended June 30, 2016, diluted EPS was calculated by excluding interest related to the convertible debentures and including the shares underlying their conversion.

The basic and diluted income per share for the years ended June 30, 2017 and June 30, 2016 were calculated as follows:

	2017	2016
Basic		
Numerator		
Net income	$ 492,439	$ 317,005
Denominator		
Weighted average common shares outstanding	50,290,871	47,807,426
Basic net income per share	$ 0.01	$ 0.01
Diluted		
Numerator		
Net income	$ 492,439	$ 317,005
Convertible debt interest	-	28,800
Net income for diluted income per share calculation	$ 492,439	$ 345,805
Denominator		
Weighted average common shares outstanding	50,290,871	47,807,426
Potential share issuances		
Common share options	-	659,860
Common share warrants	-	1,440,988
Convertible debenture conversion	-	2,400,000
Weighted average diluted common shares outstanding	50,290,871	52,308,274
Diluted net income per share	$ 0.01	$ 0.01

Note 2 Significant Accounting Policies – (cont'd)

j) Fair Value Measurements

The book value of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values due to the short term maturity of those instruments. At June 30, 2016, based on borrowing rates that were available to the Company under similar terms, the book value of capital lease obligations approximated their fair value. The fair value hierarchy under US 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.

During the year, the convertible debentures were converted to equity units at a conversion price of $0.10 per equity unit (Notes 5 and 6). At June 30, 2016, the convertible debentures had a fair value of $729,323.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). There were no assets or liabilities measured at fair value on a nonrecurring basis during the periods ended June 30, 2017 and 2016.

k) Accounts Receivable and Concentrations of Credit Risk

The Company grants credit to its customers in the normal course of business. Trade receivables are typically non-interest bearing and are initially recorded at cost. Sales to the Company's recurring customers are generally made on open account terms. Past due status of customer accounts is determined based on how recently payments have been received in relation to payment terms granted. Credit is generally extended based upon an evaluation of each customer's financial condition, with terms consistent in the industry and no collateral required. Losses from credit sales are provided for in the financial statements and consistently have been within the allowance provided. The allowance is an estimate of the ability to collect accounts receivable based on an evaluation of specific customer risks along with additional reserves based on historical and probable bad debt experience. Amounts are written off against the allowance in the period the Company determines that the receivable is uncollectible. The Company has not recorded an allowance for doubtful accounts against its accounts receivable in each of the years ended June 30, 2017 and June 30, 2016.

l) 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'd)

l) Revenue Recognition – (cont'd)

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

License Fees

Revenue from up-front license fees and milestones 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 products is generally recognized when received or earned in accordance with the terms of the license fee agreements.

License fees are recognized as earned in accordance with the terms of the agreement when the license fees can be reasonably estimated and collectability is reasonably assured.

m) Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Deferred income tax assets and liabilities are recognized in the current year for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. Deferred income tax assets and liabilities are measured using tax rates and laws expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred income tax assets and liabilities is recognized in operations in the year of change. A valuation allowance is recorded when it is "more likely-than-not" that a deferred tax asset will not be realized. Deferred tax assets and deferred tax liabilities, along with any associated valuation allowance, are offset and shown in the financial statements as a single noncurrent amount when these items arise within the same tax jurisdiction.

n) Stock-based Compensation

The Company accounts for all stock-based payments and awards under the fair value based method.

Stock-based payments to non-employees are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, whichever is more reliably measurable. The fair value of stock-based payments to non-employees is periodically re-measured until the counterparty performance is complete, and any change therein is recognized over the vesting period of the award and in the same manner as if the Company had paid cash instead of paying with or using equity based instruments. The cost of the stock-based payments to non-employees that is fully vested and non-forfeitable as at the grant date is measured and recognized at that date.

The Company accounts for the granting of share purchase options to employees using the fair value method whereby all awards to employees will be recorded at fair value on the date of the grant. The fair value of all share purchase options are expensed over their vesting period with a corresponding increase to additional capital surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in additional paid-in capital is recorded as an increase to share capital. Share purchase options granted to employees are accounted for as liabilities when they contain conditions or other features that are indexed to other than a market, performance or service condition.

(Stated in US Dollars)

Note 2 Significant Accounting Policies – (cont'd)

n) Stock-based Compensation – (cont'd)

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of share purchase options and the Binomial Option Pricing Model to determine the fair value of all stock based awards classified as liabilities. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

o) Recently Issued Accounting Pronouncements

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

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This guidance will be effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact that the implementation of this standard will have on the financial statements and footnote disclosures.

Note 3 Inventory

	June 30, 2017	June 30, 2016
Raw materials	$ 375,046	$ 396,271
Finished goods	613,679	277,597
	$ 988,725	$ 673,868

(Stated in US Dollars)

Note 4 Property, Plant and Equipment

	June 30, 2017		
	Cost	Accumulated Depreciation	Net
Manufacturing Equipment	$ 4,451,378	$ 2,441,625	$ 2,009,753
Equipment and Furniture	47,801	35,297	12,504
Computer Equipment	30,032	30,032	-
Equipment	206,442	102,292	104,150
Land	54,498	-	54,498
Building	2,728,164	1,497,522	1,230,642
Railroad Spur	94,108	66,709	27,399
Total Equipment and Property	$ 7,612,423	$ 4,173,477	$ 3,438,946

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

During the year ended June 30, 2017, the Company recorded depreciation expense of $287,422 (2016: $342,734) on its property, plant and equipment. This amount is included in cost of sales in the Statement of Operations.

Note 5 Convertible Debenture

During the year ended June 30, 2012, the Company approved the issuance of two convertible promissory debentures to a director and a company controlled by a director in the amount of $300,000. The debentures bore interest at 12% per annum, payable quarterly, and were collateralized by a third charge over the Company's plant and equipment as well as a charge against the Company's patents. At any time, the notes were convertible into units of the Company at a price of $0.10 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder the right to purchase one additional share for $0.10 for a period of two years from the conversion date. On January 20, 2017, the convertible debentures were converted to 2,400,000 shares and the corresponding warrants were also exercised for 2,400,000 shares (Note 6). During the year, the Company incurred interest charges of $15,948 (2016: $28,800) on these convertible debentures.

(Stated in US Dollars)

Note 6 Common Stock

a) Equity Transactions

On August 2, 2016, the Company issued 1,077,500 common shares pursuant to the exercise of options at an exercise price of $0.097 per share.

On January 20, 2017, the Company issued 2,400,000 equity units pursuant to the conversion of convertible debentures totalling $240,000 at the contracted conversion price of $0.10 per equity unit. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.10 for a period of two years.

On January 20, 2017, the Company issued 2,400,000 common shares pursuant to the exercise of 2,400,000 share purchase warrants at an exercise price of $0.10 per warrant for total proceeds of $240,000.

b) Escrow:

At June 30, 2017, there are 48,922 (2016 – 48,922) common shares held in escrow by the Company's transfer agent, the release which is subject to the approval of the regulatory authorities. Subsequent to June 30, 2017, all of these shares held in escrow were released by the Company.

c) Commitments:

Stock-based Compensation Plan

In November 2005, the Company continued its rolling stock option plan ("the 2005 Rolling Plan"). The 2005 Rolling Plan provides for the granting of stock options to selected directors, officers, employees or consultants in an aggregate amount of up to 10% of the issued and outstanding common shares of the Company. Under the 2005 Rolling Plan, the granting of stock options, exercise prices and terms are determined by the Company's Board of Directors. Options granted to non-executive employees and consultants typically vest in stages over various periods of time while options granted to Directors and executive employees vest immediately upon their grant. The exercise price shall not be less than the Discounted Market Price, which is defined as the last closing price of the common shares before the date of the grant less an applicable discount, as allowed by the regulatory authorities. Options granted under the 2005 Rolling Plan may not exceed a term of 5 years unless the Company achieves classification as a "Tier 1 "issuer in accordance with the policies of the TSX, in which case, the options may be granted for a maximum term of 10 years.

A summary of the status of the Company's share purchase option plan as of June 30, 2017 and 2016 and changes during the years ending on those dates is presented below:

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

At June 30, 2017, the Company has no outstanding options.

(Stated in US Dollars)

Note 7 Research and Development Costs

Research and development expense, included in cost of sales, consists of the following for the years ended June 30, 2017 and 2016.

	June 30, 2017	June 30, 2016
Testing Services	$ 26,351	$ 41,644

Note 8 Income Taxes

For financial reporting purposes, income from operations before taxes includes the following:

	June 30, 2017	June 30, 2016
U.S.	$ 509,960	$ 673,694
Non U.S.	(63,639)	(348,689)
	$ 446,321	$ 325,005

The components of income tax benefit (provision) are as follows:

	June 30, 2017	June 30, 2016
Current expense		
U.S.	$ 15,882	$ -
Non U.S.	-	-
	$ 15,882	$ -

The provision for income taxes differs from the amount established using the Canadian statutory income tax rate (26%) as follows:

	June 30, 2017	June 30, 2016
Deferred expense (recovery)		
U.S.	$ (62,000)	$ 8,000
Non U.S.	-	-
	$ (62,000)	$ 8,000

(Stated in US Dollars)

Note 8 Income Taxes – (cont'd)

The tax effects of the temporary differences that give rise to the Company's estimated deferred tax assets and liabilities are as follows:

	June 30, 2017	June 30, 2016
Income tax expense at statutory rate	$ 129,000	$ 85,000
Foreign income taxed at foreign statutory rate	44,000	44,000
Expiry of loss carryforward	-	26,000
Permanent differences	(16,000)	(3,000)
Effect of foreign exchange	70,000	-
Impact of under (over) provision in prior year	(249,000)	55,000
Change in valuation allowance	(40,000)	(199,000)
Net deferred tax asset expense (recovery)	$ (62,000)	$ 8,000

As at June 30, 2017, the Company had estimated net operating loss carry-forwards available to reduce taxable income in future years, which were incurred in the United States and Canada as follows:

	June 30, 2017	June 30, 2016
Deferred tax assets		
Net operating losses	$ 832,000	$ 787,000
Property, plant and equipment - Canada	242,000	304,000
Expenses not currently deductible and other	30,000	20,000
Valuation allowance	(805,000)	(845,000)
Total deferred tax assets	$ 299,000	$ 266,000
Deferred tax liabilities		
Property, plant and equipment - U.S.	(245,000)	(274,000)
Net tax deferred assets (liabilities)	$ 54,000	$ (8,000)

Year of Expiry	United States	Canada	Total
2026	$ -	$ 101,000	$ 101,000
2027	-	98,000	98,000
2028	-	91,000	91,000
2029	-	94,000	94,000
2030	457,000	93,000	550,000
2031	354,000	2,000	356,000
2032	69,000	239,000	308,000
2033	-	126,000	126,000
2034	-	186,000	186,000
2035	-	640,000	640,000
2036		167,000	167,000
2037		216,000	216,000
Total Net Operating Loss Carry-Forwards	$ 880,000	$ 2,053,000	$ 2,933,000

(Stated in US Dollars)

Note 8 Income Taxes – (cont'd)

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. In evaluating the Company's ability to recover deferred tax assets, management considers all available positive and negative evidence including past operating results, the existence of cumulative losses and our forecast of future taxable income. In determining future taxable income, the Company utilizes assumptions including the amount of state, federal and international pre-tax operating income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates used to manage the underlying businesses.

Recognition of deferred tax assets is appropriate when realization of these assets is more likely than not. Based upon the weight of available evidence, including the Company's recent operating performance and the execution of a long-term supply agreement in August 2015, the Company has elected to recognize the gross deferred income tax assets pertaining to net operating loss carryforwards in the United States. In conjunction with the recognition of the deferred tax assets, the Company also recognized a deferred tax liability related to the basis difference between tax and accounting in respect of the Company's fixed assets in the United States.

Uncertain Tax Positions

The Company records liabilities related to uncertain tax positions in accordance with the guidance that clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements by prescribing a minimum recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. At June 30, 2017, the Company does not have an accrual relating to uncertain tax positions. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date.

The Company files income tax returns in the U.S. federal jurisdiction, various state and foreign jurisdictions. The Company's tax returns are subject to tax examinations by U.S. federal and state tax authorities, or examinations by foreign tax authorities until respective statute of limitation. The Company currently has no tax years under examination. The Company is subject to tax examinations by tax authorities for all taxation years commencing after 2004.

Provision has not been made for U.S. or additional foreign taxes on undistributed earnings of foreign subsidiaries. Such earnings have been and will continue to be reinvested but could become subject to additional tax if they were remitted as dividends, or were loaned to the Company affiliate. It is not practicable to determine the amount of additional tax, if any, that might be payable on the undistributed foreign earnings.

Note 9 Segmented information and sales concentration

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

	June 30, 2017	June 30, 2016
Customer #1	88%	77%
Customer #2	12%	23%

The amounts receivable from each of these customers at June 30, 2017 is $159,638 and $80,845 respectively (2016: $335,826 and $155,323 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.

Note 10 Supplemental Cash Flow Information

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows.

During the year ended June 30, 2017, the Company issued 2,400,000 equity units pursuant to the conversion of convertible debentures totalling $240,000 at the contracted conversion price of $0.10 per equity unit. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.10 for a period of two years.

Note 11 Subsequent Event

The Company entered into an agreement with Louisiana-Pacific Canada Ltd. and Louisiana-Pacific Corporation (collectively, "LP"), pursuant to which LP has agreed to acquire all of the issued and outstanding common shares of the Company (the "Transaction").The Transaction will be implemented by way of plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the Arrangement, each issued and outstanding common share of the Company will be transferred to LP in consideration for US$0.41 per common share, for a total purchase price of US$22 million. Upon completion of the Transaction, the Company will become a wholly-owned subsidiary of LP. The Arrangement is subject to applicable shareholder, court and regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On June 21, 2017, the Company's directors approved the dismissal of BDO Canada, LLP as the Company's independent registered public accounting firm.. The Company has appointed Dale Matheson Carr-Hilton Labonte as its principal independent auditor.

BDO Canada LLP's report on the company's financial statements for the fiscal year ended June 30, 2016 did not contain an adverse opinion or disclaimer of opinion, or qualification or modification as to uncertainty, audit scope, or accounting principles.

During the company's fiscal year ended June 30, 2016 and in the subsequent interim period through the date of dismissal, there were no disagreements, resolved or not, with BDO Canada LLP on any matter of accounting principles or practices, financial statement disclosure, or audit scope and procedures, which disagreement, if not resolved to the satisfaction of BDO Canada LLP , would have caused BDO Canada LLP to make reference to the subject matter of the disagreement in connection with its report.

During the company's fiscal year ended June 30, 2016 and in the subsequent interim period through the date of appointment of Dale Matheson Carr-Hilton Labonte , the Company has not consulted with Dale Matheson Carr-Hilton Labonte regarding either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, nor has Dale Matheson Carr-Hilton Labonte provided to our company a written report or oral advice that Dale Matheson Carr-Hilton Labonte concluded was an important factor considered by our company in reaching a decision as to the accounting, auditing or financial reporting issue, other than in connection with carrying out the review procedures required under Appendix K of SEC Practice Section rules adopted by the Public Company Accounting Oversight Board (PCAOB). In addition, during such periods, our company has not consulted with Dale Matheson Carr-Hilton Labonte regarding any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

As required by Rule 13(a)-15 under the Exchange Act, in connection with this annual report on Form 10-K, under the direction of the Chief Executive Officer, the Company has evaluated its disclosure controls and procedures as of June 30, 2017, and has concluded the disclosure controls and procedures were ineffective as discussed in greater detail below. As of the date of this filing, the Company is still in the process of remediating such material weaknesses in its internal controls and procedures.

(b) Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our management evaluated, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, the effectiveness of its internal control over financial reporting as of June 30, 2017.

Based on its evaluation under the framework in Internal Control—Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission, management with the participation of our Chief Executive Officer and our Chief Financial Officer concluded that the Company's internal control over financial reporting was not effective as of June 30, 2017, due to the existence of a significant deficiency constituting a material weakness, as described in greater detail below. A material weakness is a control deficiency, or combination of control deficiencies, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

In light of this material weakness, the Company performed additional post-closing procedures and analyses in order to prepare the consolidated financial statements included in this report. As a result of these procedures, the Company believes its consolidated financial statements included in this report present fairly, in all material respects, the financial position, results of operations and cash flows for the year ended June 30, 2017.

Limitations on Effectiveness of Controls

The Company's Chief Executive Officer does not expect that disclosure controls or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additional controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Material Weaknesses Identified

In connection with the preparation of the consolidated financial statements for the year ended June 30, 2017, management identified the following material weakness in internal control:

> *Our company's accounting staff does not have sufficient technical accounting knowledge relating to accounting for income taxes and complex US GAAP matters.*

Plan for Remediation of Material Weaknesses

We intend to take appropriate and reasonable steps to make the necessary improvements to remediate this deficiency as resources to do so become available. We intend to consider the results of our remediation efforts and related testing as part of our year-end 2018 assessment of the effectiveness of our internal control over financial reporting, should the acquisition arrangement with Louisiana Pacific not proceed.

Such remediation would entail enhancing the training and oversight of the accounting personnel responsible for non-routine transactions involving complex accounting matters and engaging the services of an independent consultant with sufficient expertise in income tax and complex US GAAP matters to assist us in the preparation of our financial statements.

(c) Changes in Internal Controls

There were no changes in the Company's internal control over financial reporting during the fourth quarter of our fiscal year ended June 30, 2017 that have materially affected or are reasonably likely to materially affect, the internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERANCE

The following table lists the names of the Directors and Executive Officers of the Company. The Directors have served in their respective capacities since their election and/or appointment and will serve until the next Annual Shareholders' Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles/By-Laws of the Company. The Executive Officers serve at the pleasure of the Board of Directors.

Table No. 4
Directors and Executive Officers
August 31, 2017

Name		Position	Age	Date of First Election or Appointment
David J. Corcoran	(1)(4)	Director	70	July 1986
Michael D. Huddy	(1)(2)	President/CEO/Director	65	February 1993
Melissa McElwee	(5)	Chief Financial Officer	44	November 2012
Lindsey Nauen	(3)	Corporate Secretary	65	December 2003
Victor A. Yates	(1)(4)	Director	72	November 1987

(1) Member of Audit Committee
(2) Business Address: c/o Barrier Technology Inc. 510 4th Street North, Watkins, Minnesota, USA 55389
He spends full time on the affairs of the Company.
(3) Business Address: c/o Barrier Technology Corp. 510 4th Street North, Watkins, Minnesota, USA 55389
She spends less than 10% of her time on the affairs of the Company.
(4) Member of the Compensation Committee
(5) Business Address: c/o Barrier Technology Inc. 510 4th Street North, Watkins, Minnesota, USA 55389
She spends full time on the affairs of the Company.

David J. Corcoran, Director, is a former Chartered Accountant and a former member of the Institute of Chartered Accountants in British Columbia, Canada, with over thirty years of experience in industry and commerce. Prior to 1976, Mr. Corcoran spent over five years gaining experience in marketing, sales and product distribution while he worked in sales with several major companies including Scott Paper and Bristol Myers. His career in accounting began in 1976 when he joined Touche Ross and Company. In 1979, he founded Corcoran and Company, Chartered Accountants. From 1979 to 1990, his firm secured a wide variety of business clients whom he advised regarding their management and business planning. In 1991, he joined the management of the Company on a full-time basis. Mr. Corcoran brings to the organization specific business experience in both sales and public finance. He has been an officer and director of the Company since it inception in 1986 up until he stepped down from Chief Financial Officer effective 11-30-2012.

Michael D. Huddy, President/CEO and Director, joined the Company in February 1993 as President of the newly-formed US Subsidiary, Barrier Technology Corporation. Dr. Huddy was elected President/CEO of the Company and a Director in July 1994. Dr. Huddy had been in charge of marketing and sales of Blazeguard® with Citadel and Weyerhaeuser. He was part of Weyerhaeuser's research/development team established to develop the Blazeguard® product. Dr. Huddy brings sales, marketing and general management experience. He joined Weyerhaeuser's Architectural Products Group in 1988, after two years as General Manager of Weyerhaeuser's Northwest Hardwoods operations in Wisconsin. Before joining Weyerhaeuser, Dr. Huddy worked for Crown Zellerbach Corporation for seven years. Dr. Huddy holds a Bachelor of Science degree in Biological Sciences with a minor in Chemistry from Lake Superior State College; a Masters of Science degree in Resource Administration; and a Ph.D. in Natural Resource Economics with a minor in Business Management from Michigan State University.

Melissa McElwee, Chief Financial Officer, Ms. McElwee joined Barrier in 2003 as the Financial Services Manager for the USA operations where she was responsible for accounting, internal sales, and human resources. She is the General Operations Manager for Barrier. Ms. McElwee is responsible for customer relations, financial management, and production management for the company. She has a strong background in communication, financial analysis, and management. Prior to Barrier, Ms. McElwee held various managerial roles at Principal Financial Group in Iowa. She lead a team of project analysts responsible for developing and maintaining computer programs designed to efficiently process required IRS compliance testing for over 10,000 qualified retirement plans. In addition, Ms. McElwee facilitated external client presentations and internal training programs. Ms. McElwee holds a B.S. in Finance from Iowa State University in Ames, IA.

Lindsey Nauen, Corporate Secretary, received her MBA from the University of Minnesota in 1988. She also received a B.A. in psychology in 1971 and a M.A. in Library Science in 1974. She recently sold her business of over 15 years, Nauen Mobile Accounting, which provided accounting and business consulting services to small businesses. She remains as a consultant. She has been providing various accounting services to the Company since 1999.

Victor A. Yates, Director, is a self-employed businessman involved in real estate, construction of multi-family and commercial developments. He holds a degree in Real Estate Appraisal and is a Licensed Real Estate Agent. He has 30 years experience in operating a variety of business ventures brings to the Board an entrepreneurial and construction and financial perspective.

The Directors have served in their respective capacities since their election and/or appointment and will serve until the next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles/By-Laws of the Company.

The Executive Officers serve at the pleasure of the Board of Directors with management service contracts but without term of office.

Despite the Company's Secretary/Administrator spending material portions of this time on businesses other than the Company, the Company believes that she devotes sufficient time to the Company to properly carry out his duties.

No Director and/or Executive Officer has been the subject of any order, judgment, or decree of any governmental agency or administrator or of any court or competent jurisdiction, revoking or suspending for cause any license, permit or other authority of such person or of any corporation of which he is a Director and/or Executive Officer, to engage in the securities business or in the sale of a particular security or temporarily or permanently restraining or enjoining any such person or any corporation of which he is an officer or director from engaging in or continuing any conduct, practice, or employment in connection with the purchase or sale of securities, or convicting such person of any felony or misdemeanor involving a security or any aspect of the securities business or of theft or of any felony.

There are no arrangements or understandings between any two or more Directors or Executive Officers, pursuant to which he was selected as a Director or Executive Officer. There are no family relationships between any two or more Directors or Executive Officers.

Board of Director Practices

All directors hold office until the next meeting of the shareholders of the Company unless they resign or are removed in accordance with the Company's Articles. Officers are appointed to serve at the discretion of the Board of Directors. The Board of Directors and Committees of the Board schedule regular meetings over the course of the year.

The fundamental objective of the Board is to ensure that it operates in a fashion that maximizes shareholder value over the long term. The Board's duties and responsibilities are all carried out in a manner consistent with that fundamental objective. The principal duty and responsibility of the Board is to oversee the management and operations of the Company, with the day-to-day management of the business and affairs of the Company delegated by the Board to the CEO and other Executive Officers.

The Board's responsibilities include overseeing the conduct of the Company's business, providing leadership and direction to its management, and setting policies. Strategic direction for the Company is developed through the Board's annual planning process. Through this process, the Board adopts the operating plan for the coming year, and monitors management's progress relative to that plan through a regular reporting and review process.

The Board has delegated to the President/Chief Executive Officer and the Executive Officers responsibility for the day-to-day management of the business of the Company. Matters of policy and issues outside the normal course of business are brought before the Board for its review and approval, along with all matters dictated by statute and legislation requiring Board review and approval. The President/CEO and the Executive Officers review the Company's progress in relation to the current operating plan at in-person Board meetings. The Board meets on a regular basis with and without management present. Financial, operational and strategic issues facing the Company are reviewed, monitored and approved at the Board meetings.

Compliance with Section 16(a) of the Exchange Act

The Board of Directors, all Officers, and major shareholders of 10% or more of International Barrier Technology Inc. are in compliance with all reporting requirements of the Exchange Act.

Code of Ethics

The Company has not adopted a written "code of ethics" that meets the new United States' Sarbanes-Oxley standards; the Board of Directors believes that existing Canadian standards and procedures is adequate for its purposes. The Company has not seen any need to adopt a written code of ethics on the basis that its corporate culture effectively deters wrongdoing and promotes honest and ethical conduct, full, fair and accurate, timely, and understandable disclosure in reports and documents, the compliance with applicable governmental laws, rules and regulations; the prompt internal reporting of violations of the code; and accountability for adherence to the code.

Corporate Governance

Director Independence

Pursuant to Item 407(a)(1)(ii) of Regulation S-K of the Securities Act, our Board of Directors has adopted standards for determining whether a director is independent from management. The Board reviews, consistent with the Company's corporate governance guidelines, whether a director has any material relationship with the Company that would impair the director's independent judgment. In summary, an independent director means a person other than an executive officer or employee or any other individual having a relationship which, in the opinion of our directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and includes any director who accepts compensation from us exceeding $200,000 during any period of twelve consecutive months within the three past fiscal years. Owning shares of our common stock does not preclude a director from being independent. In applying this definition, our board determined that David Corcoran and Victor Yates are independent.

Our board adopted and applied the same definition of independent director to the members of our audit committee. In applying this definition, our board determined that David Corcoran and Victor Yates qualify as an independent director for purposes of Section 10A(m)(3) of the Securities Exchange Act.

Board Meetings and Committees; Annual Meeting Attendance

During Fiscal 2017, the Board of Directors held three regularly scheduled meetings, and nine special and telephone meetings. For various reasons, Board members may not be able to attend a Board meeting; all Board members are provided information related to each of the agenda items before each meeting, and, therefore, can provide counsel outside the confines of regularly scheduled meetings. No director attended fewer than 75% of the aggregate of: (1) the total number of meetings of the Board of Directors, while he was a Director; and (2) the total number of meetings of committees of the Board of Directors on which the director served. Directors are encouraged to attend annual meetings of our stockholder; all three directors physically attended the December 2016 annual shareholders meeting.

The attendance records of our Board members during Fiscal 2017 were:

Name	Board of Director Meetings	Audit Committee Meetings
David Corcoran	3 of 3	12 of 12
Michael Huddy	3 of 3	12 of 12
Victor Yates	3 of 3	12 of 12

Nominating Committee and Compensation Advisory Board

The Company does not have a Nominating Committee. The entire Board of Directors is responsible for screening potential director candidates and recommending qualified candidates for nomination as members of the Board of Directors. In evaluating potential director candidates, the Board of Directors considers recommendations of potential candidates from incumbent directors, management and stockholders. Any recommendation submitted by a stockholder to the Board of Directors must include the same information concerning the potential candidate and the stockholder, and must be received in the time frame described herein for the Calendar 2017 Annual meeting, should the potential acquisition arrangement with Louisiana Pacific not occur.

The Company has a Compensation Advisory Board ("Advisory Board"). The Advisory Board consists of David Corcoran, Victor Yates and Martin Lizt. The Advisory Board is responsible for the compensation of the Company's executive officers and to administer all incentive compensation plans and equity-based plans of the Company, including the plans under which Company securities may be acquired by directors, executive officers, employees and consultants.

Audit Committee

The Company has an Audit Committee, which recommends to the Board of Directors the engagement of the independent auditors of the Company and reviews with the independent auditors the scope and results of the Company's audits, the Company's internal accounting controls, and the professional services furnished by the independent auditors to the Company. The current members of the Audit Committee are: David Corcoran, Mike Huddy and Victor Yates (independent). The Audit Committee met monthly in Fiscal 2017 and has met three times during Fiscal 2018-to-date.

The Company does not have an "audit committee financial expert" serving on its Audit Committee. The Company's Audit Committee consists of two independent directors and the Company's Chief Executive Officer, all of whom are financially literate and very knowledgeable about the Company's affairs. Because the Company's structure and operations are straightforward, the Company does not find it necessary to augment its Board with a financial expert.

The audit committee has:

a. reviewed and discussed the audited financial statements with management;

b. discussed with the independent auditors the matters required to be discussed by PCAOB Auditing Standard No. 16 (Communications with Audit Committees)

c. received the written disclosures and the letter from the independent accountants required by as adopted by the Public Company Accounting Oversight Board in Rule 3526, and has discussed with the independent accountant the independent accountant's independence; and

d. recommended to the board of directors that the audited financial statements be included in the Company's annual report on Form 10–K for the last fiscal year for filing with the SEC.

The Audit Committee recommends to the Board of Directors the engagement of the independent auditors of the Company and reviews with the independent auditors the scope and results of the Company's audits, the Company's internal accounting controls, and the professional services furnished by the independent auditors to the Company.

The Audit Committee is directly responsible for the appointment, compensation and oversight of auditors; the audit committee has in place procedures for receiving complaints and concerns about accounting and auditing matters; and has the authority and the funding to engage independent counsel and other outside advisors.

The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to grant pre-approvals required by this policy and procedure. The decisions of any Audit Committee member to whom authority is delegated to pre-approve a service shall be presented to the full Audit Committee at its next scheduled meeting.

In accordance with the requirements of the US Sarbanes-Oxley Act of 2002 and rules issued by the Securities and Exchange Commission, we introduced a procedure for the review and pre-approval of any services performed by BDO including audit services, audit related services, tax services and other services. The procedure requires that all proposed engagements of BDO LLP for audit and permitted non-audit services are submitted to the audit committee for approval prior to the beginning of any such services.

Shareholder Communications With the Board

Historically, the Company has adopted an informal process for stockholder communications with the Board by providing an email address and toll-free phone number available on the website: www.intlbarrier.com. Every effort has been made to ensure that the views of stockholders are heard by the Board, or individual directors as applicable, and that appropriate responses are provided to the stockholder in a timely manner. Stockholders wishing to communicate at any time with the Board of Directors, or a specific member of the Board, may do so by writing the Board or a specific member of the Board by delivering correspondence in person or by mail to: The Board of Directors, c/o Lindsey Nauen, Corporate Secretary, 510 4th Street North, Watkins, Minnesota 55389. Communication(s) directed to the Board or a specific Board member will be relayed unopened to the intended Board member(s).

Further, Directors' attendance at Annual Meetings can provide shareholders with an opportunity to communicate with Directors about issues affecting the Company. The Company does not have a policy regarding director attendance, but all Directors are encouraged to attend the Annual Meeting of Shareholders. All of our directors physically attended our Annual Meeting in December 2016.

ITEM 11. EXECUTIVE COMPENSATION

Director Compensation

The Company compensated Directors for their service in their capacity as Directors, $750 per physical meeting up until the decision was made at the November 30, 2012 Annual General Meeting. It was decided to discontinue this payment until further notice. During the 2014 Annual Meeting, it was decided to reinstate this compensation. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board of Directors. During the 2015 Annual General Meeting and after research on comparable compensation, it was decided to compensate the Board of Directors a $15,000 annual fee. The Board of Directors may award special remuneration to any Director undertaking any special services on behalf of the Company other than services ordinarily required of a Director. During Fiscal 2017/2016/2015, Directors were paid $2,250, $3,000, and $1,500 for attending meetings, respectively. During the year ended June 30, 2016, each member of the Board of Directors was granted a $30,000 bonus for the execution of the LP Building Products License agreement.

Executive Officer Compensation

The following table sets forth the summary of compensation earned during Fiscal 2017 and Fiscal 2016 by the Company's Chief Executive Officer and its other named Executive Officers. The following table excludes Directors' Fees paid to Executive Officers who are also Directors; refer to Table No. 6.

Table No. 5
Summary Compensation Table
Executive Officers

Name and Principal Positions	Fiscal Year	Salary	Bonus	Stock Awards	Option Awards (1)	Non-Equity Incentive Plan Compensation	Change In Pension Value and Nonqualified Deferred Compensation Earnings	All Other Comp.	TOTAL
Michael Huddy President/CEO	2017 2016	$126,125 $126,100	Nil Nil	Nil Nil	$Nil $Nil	Nil Nil	Nil Nil	Nil Nil	$126,125 $126,100
Melissa McElwee Chief Financial Officer	2017 2016	$88,945 $84,860	$0 $30,000	Nil Nil	Nil $Nil	Nil Nil	Nil Nil	Nil Nil	$88,945 $114,860
Lindsey Nauen Corporate Secretary	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$Nil $Nil

The determination of non-cash value of option awards is based upon the grant date fair value determined using either the binomial or Black-Scholes Option pricing model, details and assumptions of which are set out in Notes 2 and 7 to the consolidated financial statements included in this Annual Report.

Director Compensation

The following table sets forth the summary of compensation earned during Fiscal 2017 and Fiscal 2016 by the Company's Directors. For Executive Officers who are also Directors, this table includes only Directors Fees; refer to Table No. 5 for all other compensation for them.

Table No. 6
Summary Compensation Table
Directors

Director Name	Fiscal Year	Fees Earned or Paid In Cash	Stock Awards	Option Awards(2)	Non-Equity Incentive Plan Compensation	Change In Pension Value and Nonqualified Deferred Compensation Earnings	All Other Comp.	TOTAL
David Corcoran	2017 2016	$17,250 $33,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$0 $30,000	$17,250 $63,000
Michael Huddy	2017 2016	$17,250 $33,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$0 $30,000	$17,250 $63,000
Victor Yates	2016 2016	$17,250 $33,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$0 $30,000	$17,250 $63,000

(1) The determination of value of option awards is based upon the grant date fair value determined by either binomial or Black-Scholes Option pricing model, details and assumptions of which are set out in Notes 2 and 7 to the consolidated financial statements included in this Annual Report.

Stock Options

The Company grants stock options to Directors, Executive Officers and employees/consultants; refer to ITEM #11, "Stock Options" and Tables 5/6/7/8/9.

Stock Options Granted/Expired During The Most Recently Completed Fiscal Year

During the most recently completed fiscal year, there were no options granted to Executive Officers, Directors, employees/consultants. The Company has no equity or non-equity incentive plans.

Outstanding Equity Awards at Fiscal Year-End

The following table gives certain information concerning unexercised stock options; common stock that has not vested; and equity incentive plan awards for Executive Officers, Directors, Employees/Consultants outstanding as of the end of Fiscal 2017 Ended 6/30/2017.

Table No. 8
Outstanding Equity Awards at Fiscal Year-End

Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: number of securities underlying unexercised unearned options (#)	Option exercise price ($)	Option expiration date
Michael Huddy	Nil	Nil	Nil	$Nil	N/A
David Corcoran	Nil	Nil	Nil	$Nil	N/A
Victor Yates	Nil	Nil	Nil	$Nil	N/A
Melissa McElwee	Nil	Nil	Nil	$Nil	N/A
Employee/Consultants	Nil	Nil	Nil	$Nil	N/A

Option Exercises and Stock Vested

During Fiscal 2017 ended 6/30/2017, there were exercises of 1,077,500 stock options, no grants of stock options, and the Company made no stock awards.

Michael Huddy, President/CEO; Written Management Agreement

Michael Huddy provides his services pursuant to a management agreement dated 2/13/1993; the terms of the agreement have been revised although no new formal agreement has been signed. The current terms require that Mr. Huddy provide full-time service to Barrier in an executive capacity (CEO) and to be fully responsible for Barrier's activities in the USA. The original agreement was for a term of four years but was to renew automatically ever two years unless written notice of the intent to terminate was given by either party to the other. Terms of compensation are to be given prior to any renewal period.

The employment agreement specifies employer termination provisions including: material breach of any provision of the contract; inability to perform the duties under the agreement; fraud or serious neglect or misconduct; personal bankruptcy.

The duties are complete as to those of a Chief Executive Officer (President) and include: Administration of the day to day affairs of the Employer Development of Financial, manufacturing, and marketing plans; Communication with Employer and Shareholders on a timely basis; and, Formulation and execution of a proposed budget approved by the Employer. The Employment Agreement contains a Confidentiality Provision that precludes the sharing of confidential information to third parties not requiring the information to conduct business with Barrier. The confidentiality provision extends beyond the time limit of the agreement until the information or knowledge becomes part of the public domain.

Change of Control Remuneration

The Company has no plans or arrangements in respect of remuneration received or that may be received by Executive Officers of the Company in Fiscal 2017 to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control, where the value of such compensation exceeds $100,000 per Executive Officer.

Bonus/Profit Sharing/Non-Cash Compensation

Except for the compensation outlined in Item 7, the Company has no material bonus or profit sharing plans pursuant to which cash or non-cash compensation is paid to the Company's Directors or Executive Officers.

Pension/Retirement Benefits

No funds were set aside or accrued by the Company during Fiscal 2017 to provide pension, retirement or similar benefits for Directors or Executive Officers.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities authorized for issuance under equity compensation plans
We have no long-term incentive plans.

The following table summarizes certain information regarding our equity compensation plan as at June 30, 2017:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A)
Equity compensation plans approved by security holders	Nil	$Nil	5,368,492

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column)
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	Nil	$Nil	

The Company has adopted a rolling stock option plan (“the 2005 Rolling Plan”). The 2005 Rolling Plan provides for the granting of stock options to selected directors, officers, employees or consultants in an aggregate amount of up to 10% of the issued and outstanding common shares of the Company. Under the 2005 Rolling Plan, the granting of stock options, exercise prices and terms are determined by the Company's Board of Directors. Options granted to non-executive employees and consultants typically vest in stages over various periods of time while options granted to Directors and executive employees vest immediately upon their grant. The exercise price shall not be less than the Discounted Market Price, which is defined as the last closing price of the common shares before the date of the grant less an applicable discount, as allowed by the regulatory authorities. Options granted under the 2005 Rolling Plan may not exceed a term of 5 years unless the Company achieves classification as a “Tier 1” issuer in accordance with the policies of the TSX, in which case, the options may be granted for a maximum term of 10 years.

The following table lists all persons/companies the Company is aware of as being the beneficial owner of 5% or more of the common shares of the Company. It also lists all Directors and Executive Officers who beneficially own the Company's voting securities and the amount of the Company's voting securities owned by the Directors and Executive Officers as a group.

Table No. 9
Shareholdings of 5% Shareholders
Shareholdings of Directors and Executive Officers
August 31, 2017

Title of Class	Name/Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class #
Common	Carl Marks Group (1)	6,545,695	12.2%
Common	Michael Huddy	5,290,050	9.8%
Common	David Corcoran (2)	4,485,685	8.4%
Common	Victor Yates (3)	1,429,772	2.7%
Common	Melissa McElwee	557,150	1.0%
Common	Lindsay Nauen	0	0.0%
	Total Directors/Officers	11,762,657	21.9%
	TOTAL 5% and Directors/Officers	**18,308,352**	**34.1%**

(1) Carl Marks IB LLC, Carl Marks & Co. Inc., and Martin Lizt are collectively deemed to be a "Group" within the meaning of Section 13(g)(3) of the Securities Exchange Act of 1934, as amended. Carl Marks IB LLC is a partnership of Carl Marks & Co. LP and Martin Lizt. Andrew M. Boas and Robert Speer of New York, Limited Partners in Carl Marks & Co. LP, exercise direction/control over Carl Marks IB LLC. Carl Marks & Co. LP is a limited partnership of 18 partners. Carolyn Marks Blackwood and Linda Marks Katz are the two greater than 10% holders of the partnership.

(2) 4,154,287 shares held indirectly through Corcoran Enterprises Ltd., a private company controlled by Mr. Corcoran. Excludes 1,986,434 shares owned by family members, where he disavows beneficial interest and does not have voting or disposition control.

(3) 1,429,772 shares held indirectly through Continental Appraisal Ltd., a private company controlled by Mr. Yates. Excludes 1,751,551 shares owned by family members, where he disavows beneficial interest and does not have voting or disposition control.

Based on 53,684,926 shares outstanding as of 8/31/2017.

Escrowed Common Shares

On 5/15/1987, the Company issued 296,500 shares of "Principal Escrow" common stock at CDN$0.01 per share. Effective 11/24/2004, 124,530 of these shares were cancelled and returned to the treasury. 48,922 of these shares were still escrowed and outstanding, however as of July 31, 2017 those shares were released. On 8/31/2017, there are no outstanding escrow shares.

Pursuant to a performance escrow agreement dated 2/24/1992 between the Company and certain escrow Shareholders (the "Escrow Agreement"), 48,922 common shares of the Company (the "Escrow Shares") were held in escrow with Pacific Corporate Trust Company of Vancouver, British Columbia. The Escrow Shares were held by Corcoran Enterprises Ltd. ("Corcoran"), a private company owned by David Corcoran, a director of the Company and Continental Appraisals Ltd. ("Continental"), a private company owned by Victor Yates, a director of the Company.

Pursuant to the terms of the Escrow Agreement, the Escrow Shares were to have been surrendered for cancellation on 2/24/2002; however, the Escrow Shares have not been cancelled. The Company has received acceptance in principle from the TSX Venture Exchange ("TSX") to cancel the Escrow Shares not held by Officers/Director, and have the shares held by Officers/Directors reinstated and made subject to a TSX Tier 2 Surplus Escrow Agreement (the "New Escrow Agreement") with a six-year time release formula (described below). Conversion of performance escrow shares to time release escrow shares, as contemplated, is permitted under TSX and British Columbia Securities Commission ("BCSC") policies relating to escrow shares held under previous escrow regimes such as the BCSC's Local Policy Statement 3-07.

Final approval of the conversion to a time-release formula is, in the Company's case, subject to the Company obtaining shareholder approval for the reinstatement and conversion to time-release escrow and complying with all other applicable TSXV and BCSC policies related to the reinstatement and conversion.

Following approval by the Company's shareholders, the TSXV (12/9/2004), and the BCSC, the Company and the escrow shareholders entered into the New Escrow Agreement. Under the terms of the New Escrow Agreement, the Escrow Shares and will be released as follows:

5% (1/20 of total Escrow Shares) six months from date of TSXV Acceptance
5% (1/19 of remaining Escrow Shares) 12 months from TSXV Acceptance
5% (1/18 of remaining Escrow Shares) 18 months from TSXV Acceptance
5% (1/17 of remaining Escrow Shares) 24 months from TSXV Acceptance
10% (1/8 of remaining Escrow Shares) 30 months from TSXV Acceptance
10% (1/7 of remaining Escrow Shares) 36 months from TSXV Acceptance
10% (1/6 of remaining Escrow Shares) 42 months from TSXV Acceptance
10% (1/5 of remaining Escrow Shares) 48 months from TSXV Acceptance
10% (1/4 of remaining Escrow Shares) 54 months from TSXV Acceptance
10% (1/3 of remaining Escrow Shares) 60 months from TSXV Acceptance
10% (1/2 of remaining Escrow Shares) 66 months from TSXV Acceptance
10% (all remaining Escrow Shares) 72 months from TSXV Acceptance

If the Company becomes a Tier 1 issuer under the policies of the TSXV prior to the expiration of the 72-month release period set out above, the release schedule set out above will be amended to comply with the applicable Tier 1 release schedule, resulting in an accelerated release of any securities remaining in escrow, with such securities being released as if the Company had originally been classified as Tier 1 issuer. The securities of Tier 1 issuers held under surplus security escrow agreements are released over a three-year period, with 10% of the securities being released on TSX acceptance and 15% being released every six months thereafter.

Unless otherwise expressly permitted in the New Escrow Agreement, the Escrow Shares may not be sold, transferred, assigned, mortgaged or otherwise dealt with in any way. Pursuant to the terms of the New Escrow Agreement, the Escrow Shares may be transferred within escrow to an individual who is a director or senior officer of the Company or of a material operating subsidiary of the Company, subject to the approval of the Company's board of directors, or to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities, or to a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or of any of its material operating subsidiaries. The Escrow Shares may also be pledged, mortgaged or charged to a financial institution as collateral for a loan. No Escrow Shares may be transferred or delivered to the financial institution for this purpose and the loan agreement must provide that the Escrow Securities will remain in escrow if the lender realizes on the security to satisfy the loan.

Pursuant to the terms of the New Escrow Agreement, upon the bankruptcy of an escrow shareholder, the Escrow Shares of that shareholder held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of an escrow shareholder, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

Subject to certain limited exceptions, escrow shareholders retain all voting rights attached to their Escrow Shares. The New Escrow Agreement provides that the Escrow Shares will be cancelled if the asset, property or business in consideration of which the Escrow Shares were issued is lost or abandoned, or the operations or development of such asset, property or business is discontinued.

At the Annual Shareholders' Meeting, 12/9/2004, disinterested shareholders approved an ordinary resolution authorizing the reinstatement of the Escrow Shares and the adoption of the New Escrow Agreement by the Company and the escrow shareholders. Disinterested shareholders for the purpose of voting on the resolution include all shareholders of the Company other than David Corcoran and Victor Yates, and their affiliates and associates. A total of 3,449,253 shares held by David Corcoran, Victor Yates, and their affiliates and associates, were therefore not be counted for the purpose of determining whether the required level of shareholder approval has been obtained.

Securities authorized for issuance under equity compensation plans.
--- No Disclosure Necessary ---

Stock Options
The terms of incentive options granted by the Company are done in accordance with the rules and policies of the TSX Venture Exchange, including the number of common shares under option, the exercise price and expiry date of such options, and any amendments thereto. The Company adopted a formal written stock option plan (the "Plan") on 12/12/2003.

Such "terms and conditions", including the pricing of the options, expiry and the eligibility of personnel for such stock options; and are described below.

Number of Shares Reserved. The number of common shares that may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options (including all options granted by the Company under the Plan).

Maximum Term of Options. The term of any options granted under the Plan is fixed by the Board of Directors and may not exceed five years from the date of grant, or ten years if the Company is classified as a "Tier 1" issuer under the policies of the TSX Venture Exchange. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the Plan is determined by the Board of Directors, provided that it is not less than the discounted market price, as that term is defined in the TSX Venture Exchange policy manual or such other minimum price as is permitted by the TSX Venture Exchange in accordance with the policies from time to time, or, if the shares are no longer listed on the TSX Venture Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.

Reduction of Exercise Price. The exercise price of stock options granted to insiders may not be decreased without disinterested shareholder approval, as described below.

Termination. Any options granted pursuant to the Plan will terminate generally within 90 days of the option holder ceasing to act as a director, officer, or employee of the Company or any of its affiliates, and within generally 30 days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been cancelled or that have expired without having been exercised shall continue to be issuable under the Plan. The Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of Company's shares.

Administration. The Plan is administered by the Board of Directors of the Company or senior officer or employee to which such authority is delegated by the Board from time to time.

Board Discretion. The Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the Board of Directors of the Company or senior officer or employee to which such authority is delegated by the Board from time to time and in accordance with TSX Venture Exchange policies. The number of option grants, in any twelve-month period, may not result in the issuance to any one optionee which exceed 5% of the outstanding common shares of the Company (unless the Company is a Tier 1 issuer and has obtained the requisite disinterested shareholder approval), or the issuance to a consultant or an employee engaged in investor relations activities which exceed 2% of the outstanding common shares of the Company. Disinterested shareholder approval will be sought in respect of any material amendment to the Plan.

The names of the Directors/Senior Management/employees/consultants of the Company to whom outstanding stock options have been granted and the number of common shares subject to such options is set forth in the following table, as well as the total number of options outstanding.

Table No. 10
Stock Options Outstanding
August 31, 2017

There are no outstanding stock options.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

David Corcoran, Administrator/Director

During the twelve months ended June 30, 2012, the Company issued a convertible debenture to a company controlled by Mr. Corcoran in the amount of $150,000. The Company was drawing on this debenture in tranches of between $10,000-50,000 and as of January 20th, 2017, the company had received $110,000 in respect of this debenture. The debenture bore interest at 12% per annum and was secured by a third charge over the Company's plant and equipment as well as charge against the Company's patents. At any time, the notes were convertible into units of the Company at a price of $0.10 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder thereof to purchase an additional share for $0.10 for a period of two years from the conversion date. The convertible debenture and corresponding warrants were converted to shares on January 20, 2017.

Michael Huddy, President/CEO

During the twelve months ended June 30, 2012, the Company issued a convertible debenture to Mr. Huddy, director, in the amount of $150,000. The Company was drawing on this debenture in tranches of between $10,000-50,000 and as of January 20, 2017, the company had received $130,000 in respect of this debenture. The debenture bore interest at 12% per annum and was secured by a third charge over the Company's plant and equipment as well as charge against the Company's patents. At any time, the notes were convertible into units of the Company at a price of $0.10 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder thereof to purchase an additional share for $0.10 for a period of two years from the conversion date. The convertible debenture and corresponding warrants were converted to shares on January 20, 2017.

Other than described above, there have been no transactions since 6/30/2012, or proposed transactions, which have materially affected or will materially affect the Company in which any Director, Executive Officer, or beneficial holder of more than 10% of the outstanding common stock, or any of their respective relatives, spouses, associates or affiliates has had or will have any direct or material indirect interest.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Professional accounting services were rendered by Dale Matheson Carr-Hilton Labonte LLP for Fiscal 2017 and BDO Canada LLP for Fiscal 2016.

Audit Fees

The aggregate fees billed for professional services rendered by the Company's principal accountant for the audit of the Company's annual financial statements incurred in the fiscal years ended 6/30/2017 and 6/30/2016 were $65,900 and $86,050 respectively.

Audit Related Fees

The Company incurred no audit related fees during fiscal years ended 6/30/2017 and 6/30/2016.

Tax Fees

The Company incurred no tax fees for the fiscal years ended 6/30/2017 and 6/30/2016 in respect of professional services rendered by the Company's principal accountant for tax compliance, tax advice and tax planning.

All Other Fees

The Company incurred no other fees during the last two fiscal years for services rendered by the Company's principal accountant.

PART IV

ITEM 15. EXHIBITS

a) Financial statements filed with this report:

1) CONSOLIDATED BALANCE SHEETS June 30, 2017 and June 30, 2016 (Stated in US Dollars)
INTERNATIONAL BARRIER TECHNOLOGY, INC. CONSOLIDATED STATEMENT OF OPERATIONS June 30, 2017 and 2016 (Stated in US Dollars)
INTERNATIONAL BARRIER TECHNOLOGY, INC. CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY June 30, 2017 and 2016 (Stated in US Dollars)
INTERNATIONAL BARRIER TECHNOLOGY INC. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS June 30, 2017 and 2016 (Stated in US Dollars)

2) Financial statement schedules filed with this report: None.

3) Management contracts or compensatory plans or arrangements: None

b)

Exhibit	Description
3.	Articles of Incorporation/By-Laws: Incorporated by reference to Form 20-FR Registration Statement, as amended and Form 6-K's.
4.	Instruments defining the rights of holders, incl. indentures --- Refer to Exhibit #3 ---
10.1	Material Contracts: Incorporated by reference to Form 20-FR Registration Statement, as amended and Form 6-K's
10.2	Technology License Agreement dated August 19, 2015, incorporated by reference to Form 8-K on September 11, 2015
10.3	Technology License Agreement dated September 16, 2013, incorporated by reference to Form 10-K on September 28, 2015
10.4	Change of auditor announcement; incorporated by reference to Form 8-K on June 26, 2017
10.5	Agreement to combine with Louisiana-Pacific Corporation dated July 31, 2017, incorporated by reference to Form 8-K on August 3, 2017
10.6	Management circular and proxy information package; incorporated by reference to Form DEF 14A on August 31, 2017
10.7	Management circular and proxy information announced; incorporated by reference to Form 8-K on September 1, 2017
21.	Subsidiaries of the Registrant
23.1	Consent of Experts and Counsel: Consent of Auditor
23.2	Consent of Experts and Counsel: Consent of Auditor
31.	Rule 13a/15d-14(a) Certifications – Huddy
31.	Rule 13a/15d-14(a) Certifications – McElwee
32.	Section 1350 Certification – Huddy
32.	Section 1350 Certification – McElwee
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

c) Financial statement schedules excluded from the annual report to shareholders: None.

SIGNATURE PAGE

Pursuant to the requirements of Section 12g of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 10-K and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

International Barrier Technology Inc. -–– SEC File #000-20412
Registrant

Dated: September 28, 2017 By /s/ Michael Huddy
Michael Huddy, President/CEO/Director

Dated: September 28, 2017 By /s/ Melissa McElwee
Melissa McElwee, CFO