



**British Columbia
Securities Commission**

**QUARTERLY AND YEAR END REPORT
BC FORM 51-901F (previously Form 61)**

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INCORPORATED AS PART OF:

Schedule A

Schedule B
(place X in appropriate category)

ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT YY/MM/DD
International Barrier Technology Inc.	March 31, 2004	04/05/20

ISSUER'S ADDRESS **c/o 750 West Pender Street, Suite 604**

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Vancouver	BC	V6C 2T7	604-689-9773	1-800-638-4570

CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Michael Huddy	Director	1-800-638-4570

CONTACT E-MAIL ADDRESS	WEB SITE ADDRESS
info@intlbarrier.com	N/A

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

"Victor Yates"	VICTOR YATES	04/05/20
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD

"David J. Corcoran"	DAVID J. CORCORAN	04/05/20
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD

(Electronic signatures should be entered in "quotations")

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2004

(Unaudited)

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED BALANCE SHEET
March 31, 2004 and June 30, 2003
(Stated in Canadian Dollars)
(Unaudited)

	(Unaudited) March 31, <u>2004</u>	(Audited) June 30 <u>2003</u>
<u>ASSETS</u>		
Current		
Cash and cash equivalents	\$ 587,456	\$ 98,952
Accounts receivable	396,890	132,133
Inventory	148,538	75,816
Prepaid expenses and deposits	13,948	13,110
	1,146,832	320,011
Capital assets	886,881	912,392
Deferred stock compensation charge – Note 2	49,500	-
License and technology rights– Note 4	73,391	73,391
	\$ 2,156,604	\$ 1,305,794
<u>LIABILITIES</u>		
Current		
Bank indebtedness	\$ 131,822	\$ 101,899
Accounts payable and accrued liabilities – Note 3	398,771	355,778
Due to related parties – Note 3	47,284	18,225
Current portion of long-term debts	24,802	25,052
Current portion of obligation under capital leases	65,081	64,360
	667,840	565,314
Long-term debts	66,736	78,793
Obligation under capital leases	803,697	869,654
	1,538,273	1,513,761
<u>SHAREHOLDERS' EQUITY (DEFICIENCY)</u>		
Share capital – Note 2	12,714,805	11,649,276
Contributed surplus – Note 2	138,178	-
Deficit	(12,234,652)	(11,857,243)
	618,331	(207,967)
	\$ 2,156,604	\$ 1,305,794

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENT OF LOSS
for the three and nine-months ended March 31, 2004 and 2003
(Stated in Canadian Dollars)
(Unaudited)

	Three-months ended March 31,		Nine-months ended March 31,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Sales	\$ 1,327,664	\$ 462,461	\$ 2,454,018	\$ 1,634,135
Cost of goods sold	1,131,875	380,426	2,107,412	1,291,531
Gross profit	<u>195,789</u>	<u>82,035</u>	<u>346,606</u>	<u>342,604</u>
Operating Expenses				
Research and development (recovery)	(6,764)	2,402	34,653	19,337
License fee expense (recovery)	18,241	(10,516)	33,338	(8,952)
	<u>11,477</u>	<u>(8,114)</u>	<u>67,992</u>	<u>10,385</u>
General and Administrative Expenses				
Accounting and audit fees	7,542	1,322	23,842	22,857
Advertising	-	-	8,272	-
Filing fees and listing fees	23,756	9,842	36,018	15,612
Insurance	10,873	9,684	20,094	19,762
Interest and bank charges – Note 3	1,027	11,048	19,782	30,477
Interest on long-term debt	18,163	14,472	34,635	45,480
Investor relations	74,298	-	116,582	-
Legal fees	26,591	1,500	51,279	6,086
Office and miscellaneous	19,960	18,596	50,354	42,197
Telephone	3,056	1,943	7,918	6,511
Travel, promotion, trade shows	10,543	3,880	32,006	20,356
Wages and management fees – Note 3	47,278	42,468	142,771	141,474
	<u>243,087</u>	<u>114,755</u>	<u>543,555</u>	<u>350,812</u>
Loss from operations before other items:	(58,775)	(24,606)	(264,941)	(18,593)
Other items:				
Foreign exchange recovery (expense)	(11,046)	140,591	28,149	73,555
Amortization	(17,695)	(17,855)	(53,089)	(82,381)
Stock-based compensation – Note 2	(31,585)	-	(88,678)	-
Interest income	-	-	1,150	-
Net income (loss) for the period	<u>\$ (119,101)</u>	<u>\$ 98,130</u>	<u>\$ (377,409)</u>	<u>\$ (27,419)</u>
Basic and diluted earnings (loss) per share	<u>\$ (0.01)</u>	<u>\$ 0.01</u>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding	<u>20,359,646</u>	<u>13,138,355</u>	<u>19,662,298</u>	<u>13,138,355</u>

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENT OF DEFICIT
for the nine-months ended March 31, 2004 and 2003
(Stated in Canadian Dollars)
(Unaudited)

	<u>2004</u>	<u>2003</u>
Deficit, beginning of period	\$ (11,857,243)	\$ (11,904,018)
Net loss for the period	(377,409)	(7,419)
Deficit, end of period	<u>\$ (12,234,652)</u>	<u>\$ (11,931,437)</u>

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
for the three and nine-months ended March 31, 2004 and 2003
(Stated in Canadian Dollars)
(Unaudited)

	Three-months ended March 31,		Nine-months ended March 31,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Operating Activities				
Net income (loss) for the period	\$ (119,101)	\$ 98,130	\$ (377,409)	\$ (27,419)
Items not involving cash:				
Amortization	17,695	17,855	53,089	82,381
Foreign exchange loss (recovery)	11,781	(91,801)	(26,695)	(38,609)
Stock-based compensation	31,585	-	88,678	-
	<u>(58,040)</u>	<u>24,184</u>	<u>(262,337)</u>	<u>16,353</u>
Changes in non-cash working capital items related to operations:				
Accounts receivable	(342,429)	117,688	(264,757)	74,617
Prepaid expenses and deposits	2,244	(70,270)	(383)	(72,505)
Inventory	16,525	(26,781)	(72,722)	(9,589)
Accounts payable and accrued expenses	99,540	(121,011)	42,993	(110,756)
Due to related parties	9,934	13,556	29,059	46,669
Cash used in operating activities	<u>(272,226)</u>	<u>(62,634)</u>	<u>(528,602)</u>	<u>(55,211)</u>
Investing Activity				
Purchase of capital assets	(19,117)	-	(27,578)	(20,713)
Cash used in investing activity	<u>(19,117)</u>	<u>-</u>	<u>(27,578)</u>	<u>(20,713)</u>
Financing Activities				
Increase (decrease) in bank indebtedness	34,098	(22,490)	29,923	55,273
Decrease in unearned income	-	(1,474)	-	(3,409)
Decrease in long-term debt	(3,357)	(11,337)	(9,663)	(27,193)
Decrease in obligation under capital lease	(13,389)	(12,407)	(41,105)	(42,294)
Shares subscribed	-	150,000	-	150,000
Common shares issued for cash net of share issue costs	768,000	-	1,065,529	-
Cash provided by financing activities	<u>785,352</u>	<u>102,292</u>	<u>1,044,684</u>	<u>132,377</u>
Net increase in cash during the period	494,009	39,658	488,504	56,453
Cash and cash equivalents, at beginning of the period	<u>93,447</u>	<u>16,795</u>	<u>98,952</u>	<u>-</u>
Cash and cash equivalents, at end of the period	<u>\$ 587,456</u>	<u>\$ 56,453</u>	<u>\$ 587,456</u>	<u>\$ 56,453</u>

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
for the three and nine-months ended March 31, 2004 and 2003
(Stated in Canadian Dollars)
(Unaudited)

Continued

	Three-months ended March 31,		Nine-months ended March 31,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Supplemental disclosure of cash flow information:				
Cash paid for:				
Interest	\$ 19,190	\$ 25,520	\$ 54,417	\$ 75,957
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Income taxes	\$ -	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SEE ACCOMPANYING NOTES

INTERNATIONAL BARRIER TECHNOLOGY INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2004
 (Stated in Canadian Dollars)
(Unaudited)

Note 1 Interim Reporting

The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and follow the same accounting policies and methods of their application as the Company's most recent annual financial statements. These interim financial statements do not include all of the disclosure included in the annual financial statements, and accordingly, they should be read in conjunction with the annual financial statements for the year ended June 30, 2003. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements.

Note 2 Share Capital

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

Issued:	<u>Number</u>	<u>\$</u>
Balance, June 30, 2003	18,638,355	11,649,276
For cash		
Pursuant to private placements	– at \$0.30 1,000,000	300,000
	– at \$0.64 1,200,000	768,000
Pursuant to exercise of stock options	– at \$0.10 21,500	2,150
Finder's fee	100,000	-
Less: share issue costs	-	(4,621)
	<hr/>	<hr/>
Balance, March 31, 2004	<u>20,959,855</u>	<u>12,714,805</u>

Escrow:

At March 31, 2004, 173,452 shares are held in escrow by the Company's transfer agent. The release of these shares is subject to the direction or determination of the relevant regulatory bodies.

Commitments:

Stock-based Compensation Plan

At March 31, 2004, the Company has granted directors, officers and consultants the option to purchase 1,528,500 common shares of the Company.

International Barrier Technology Inc.
Notes to the Interim Consolidated Financial Statements
March 31, 2004
(Stated in Canadian Dollars)
(Unaudited) – Page 2

Note 2 Share Capital – (cont'd)

Commitments: – (cont'd)

Stock-based Compensation Plan – (cont'd)

A summary of the status of company's stock option plan for the nine months ended March 31, 2004 is presented below:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding, beginning of the period	1,110,000	\$0.10
Granted	440,000	\$0.41
Exercised	(21,500)	\$0.10
	<hr/>	<hr/>
Outstanding, end of the period	1,528,500	\$0.18
	<hr/> <hr/>	<hr/> <hr/>
Exercisable, end of the period	1,288,500	\$0.15
	<hr/> <hr/>	<hr/> <hr/>

The following summarizes information about the stock options outstanding at March 31, 2004:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
320,000	\$0.26	July 10, 2005
120,000	\$0.80	January 13, 2006
510,000	\$0.10	June 5, 2007
578,500	\$0.10	March 5, 2008
<hr/>		
1,528,500		
<hr/> <hr/>		

The compensation charge associated with the consultant's options in the amount of \$138,178 has been recorded in the financial statements. The options to consultants vest at 25% every three months. As at March 31, 2004, \$49,500 related to amount net yet vested has been deferred. The fair value of the stock compensation of \$32,340 associated with directors' options has not been recognized in the financial statements, but disclosed in the pro forma amounts below. The fair value of these compensation charges have been determined using the Black-Scholes option pricing model with the following assumptions:

Expected dividend yield	0.0%
Expected volatility	139%
Risk-free interest rate	2.13%
Expected term in years	2

International Barrier Technology Inc.
Notes to the Interim Consolidated Financial Statements
March 31, 2004
(Stated in Canadian Dollars)
(Unaudited) – Page 3

Note 2 Share Capital – (cont'd)

Commitments: – (cont'd)

Stock-based Compensation Plan – (cont'd)

The Company's pro forma net loss and loss per share is as follows:

		Nine months ended <u>March 31, 2004</u>
Net loss	As reported	\$ (377,409)
	Pro forma	\$ (409,749)
Basic and diluted loss per share	As reported	\$ (0.01)
	Pro forma	\$ (0.02)

Note 3 Related Party Transactions

The Company was charged the following by directors of the Company or private companies with common directors during the three and nine months ended March 31, 2004 and 2003:

	Three months ended March 31,		Nine months ended March 31,	
	<u>2004</u>	<u>2003</u>	<u>2003</u>	<u>2002</u>
Interest and bank charges	\$ 934	\$ 675	\$ 2,059	\$ 9,113
Wages and management fees	38,178	39,013	137,311	93,006
	<u>\$ 39,112</u>	<u>\$ 39,688</u>	<u>\$ 139,370</u>	<u>\$ 102,119</u>

These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

Included in accounts payable and accrued liabilities at March 31, 2004 is \$8,989 (June 30, 2003: \$3,166) owing to directors of the Company.

The amount due to a related party at March 31, 2004 of \$47,284 (June 30, 2003: \$18,225) consists of amounts due to a private company with a common director. These amounts are unsecured, have no specific terms of repayment and bear interest at 10% per annum.

Note 4 License and Technology Rights

Pursuant to a revised License Agreement dated January 1, 1996 with Pyrotite Corporation (“Licensor”), the Company was granted the rights to use certain Licensor patents, trademarks and know-how to manufacture and sell certain Pyrotite products and substances in the territory of the USA. This agreement expires January 1, 2015.

During the year ended June 30, 2003, the Company paid \$73,390 (US\$50,000) as a non-refundable deposit with respect to the proposed acquisition of all of the Licensor’s right, title and interest worldwide in and to the Fire Retardant Technology and Trademark for a total purchase price of US\$1,000,000.

On March 31, 2004, the Company formalized the agreement to exclude certain specific applications that are not part of the Company’s current business or intended business plan for which the licensor will pay the Company a royalty. The balance due on the purchase price (US\$950,000) will be due by June 15, 2004.

Note 5 Subsequent Events

Subsequent to March 31, 2004:

- a) the Company had negotiated a private placement in the amount of 750,000 units at \$1.05 per unit for proceeds of \$787,500. Each unit consists of one common share of the Company and one non-transferable common share purchase warrant entitling the holders thereof the right to purchase one common share for each warrant held at \$0.31 per share for a period of two years.
- a) the Company granted 50,000 share purchase options to an employee of the Company entitling the holders thereof the right to purchase one common share for each option held at \$1.05 per share until April 29, 2006.
- b) the Company issued 20,000 common shares at \$0.26 per share pursuant to the exercise of share purchase options.

Note 6 Canadian and United States of America Accounting Principles

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada, which do not differ with those principles and practices that the Company would have followed had its financial statements been prepared in accordance with accounting principles generally accepted in the United States of America.