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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED March 31, 2011.

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION FROM _____ TO _____.

COMMISSION FILE NUMBER 0-28353

INTEGRAL TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Nevada	98-0163519
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

805 W. Orchard Drive, Suite 7, Bellingham, Washington 98225
(Address of principal executive offices) (Zip Code)

Issuer's telephone number: (360) 752-1982

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. 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ 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” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of December 31, 2010, there were 56,590,712 outstanding shares of the Registrant's Common Stock, $0.001 par value.

INTEGRAL TECHNNOLOGIES, INC.
March 31, 2011 QUARTERLY REPORT ON FORM 10-Q

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Consolidated Balance Sheet
(US Dollars)

	March 31, 2011	June 30, 2010
	(Unaudited)	
Assets		
Current		
Cash	$ 418,608	$ 350,235
Prepaid expenses	0	7,544
Total Assets	$ 418,608	$ 357,779
Liabilities		
Current		
Accounts payable and accruals	$ 723,833	$ 707,148
Total Current Liabilities	723,833	707,148
Stockholders' Deficit		
Preferred Stock and Paid-in Capital in Excess of $0.001 Par Value		
20,000,000 Shares authorized 308,538 (June 30, 2010 - 308,538) issued and outstanding	308,538	308,538
Common Stock and Paid-in Capital in Excess of $0.001 Par Value		
150,000,000 Shares authorized 58,271,760 (June 30, 2010 – 54,838,921) issued and outstanding	35,591,238	33,224,263
Promissory Notes Receivable	(29,737)	(29,737)
Subscriptions Received	0	11,250
Other Comprehensive Income	46,267	46,267
Deficit Accumulated During the Development Stage	(36,221,531)	(33,909,950)
Total Stockholders' Deficit	(305,225)	(349,369)
Total Liabilities and Stockholders' Deficit	$ 418,608	$ 357,779

See notes to consolidated financial statements.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Consolidated Statement of Operations
(Unaudited)
(US Dollars)

	Three Months Ended March 31,		Nine Months Ended March 31,		Period from February 12, 1996 (Inception) to March 31,
	2011	2010	2011	2010	2011
Revenue	$ 0	$ 0	$ 0	$ 0	$ 249,308
Cost of Sales	0	0	0	0	216,016
Gross Profit	0	0	0	0	33,292
Other Income	7	8	792	141	865,298
Total Income	7	8	792	141	902,590
Expenses					
Legal and accounting	33,643	30,400	150,073	129,560	4,753,095
Salaries and benefits	110,000	110,000	330,000	598,527	10,889,316
Consulting	505,526	258,892	1,403,487	940,505	9,329,153
General and administrative	25,066	25,221	75,359	78,398	1,353,737
Travel and entertainment	29,817	12,181	84,124	46,376	1,503,438
Bank charges and interest, net	330	499	566	1,218	207,847
Rent	12,917	11,997	37,842	35,272	572,143
Telephone	7,184	7,815	20,376	17,627	504,053
Advertising	1,150	1,781	1,915	3,301	340,642
Research and Development	50,489	76,886	197,036	174,475	1,918,825
Settlement of lawsuit	0	0	0	0	45,250
Remuneration pursuant to proprietary, non-competition agreement	0	0	0	0	711,000
Financing fees	0	10,880	0	43,120	129,043
Write-off of investments	0	0	0	0	1,250,000
Interest on beneficial conversion feature	0	0	0	0	566,455
Write-down of license and operating assets	0	0	0	0	1,855,619
Bad debts	0	0	0	0	46,604
Amortization	0	0	0	0	324,386
Total Expenses	776,122	546,552	2,300,778	2,068,379	36,300,606
Net Loss for Period	$ (776,115)	$ (546,544)	$ (2,299,986)	$ (2,068,238)	$ (35,398,016)
Loss Per Share	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.04)	
Weighted Average Number of Common Shares Outstanding	57,039,087	51,779,029	55,880,918	50,881,329	

See notes to consolidated financial statements.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
(US Dollars)

	Shares of Common Stock Issued	Common Stock and Paid-in Capital in Excess of Par	Shares of Preferred Stock Issued	Preferred Stock and Paid-in Capital in Excess of Par	Promissory Notes Receivable	Share Subscriptions	Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balance, June 30, 2009	50,305,769 $	30,524,475	308,538 $	308,538 $	(29,737)$	0 $	46,267 $	(30,964,751)$	(115,208)
Shares Issued for									
Services	270,000	81,000	0	0	0	0	0	0	81,000
Cash, net	4,263,152	1,393,637	0	0	0	0	0	0	1,393,637
Subscriptions received	0	0	0	0	0	11,250	0	0	11,250
Dividends on preferred shares	0	0	0	0	0	0	0	(15,462)	(15,462)
Stock-based compensation	0	1,225,151	0	0	0	0	0	0	1,225,151
Net loss for year	0	0	0	0	0	0	0	(2,929,737)	(2,929,737)
Balance, June 30, 2010	54,838,921	33,224,263	308,538	308,538	(29,737)	11,250	46,267	(33,909,950)	(349,369)
Shares Issued for									
Services	751,997	575,102	0	0	0	0	0	0	575,102
Cash	1,820,042	1,101,720	0	0	0	(11,250)	0	0	1,090,470
Share issue costs	0	(122,497)	0	0	0	0	0	0	(122,497)
Warrants exercised	860,800	430,400	0	0	0	0	0	0	430,400
Dividends on preferred shares	0	0	0	0	0	0	0	(11,595)	(11,595)
Warrant extension									
Deemed dividend (note 3(e))	0	131,577	0	0	0	0	0	0	131,577
Deemed dividend (note 3(e))	0	(131,577)	0	0	0	0	0	0	(131,577)
Stock-based compensation	0	382,250	0	0	0	0	0	0	382,250
Net loss for period	0	0	0	0	0	0	0	(2,299,986)	(2,299,986)
Balance, March 31, 2011 (unaudited)	58,271,760 $	35,591,238	308,538 $	308,538 $	(29,737)$	0 $	46,267 $	(36,221,531)$	(305,225)

See notes to consolidated financial statements.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Consolidated Statement of Cash Flows
(Unaudited)
(US Dollars)

	Nine Months Ended March, 31		Period from February 12, 1996 (Inception) to March 31,
	2011	2010	2011
Operating Activities			
Net loss	$ (2,299,986)	$ (2,068,238)	$ (35,398,016)
Items not involving cash			
Write-down of investment	0	0	1,250,000
Proprietary, non-competition agreement	0	0	711,000
Amortization	0	0	349,941
Other income	0	0	(658,305)
Consulting services	437,621	81,000	2,056,404
Stock-based compensation	382,250	734,679	7,440,759
Interest on beneficial conversion feature	0	0	566,456
Settlement of lawsuit	0	0	60,250
Write-down of license and operating assets	0	0	1,853,542
Bad debts	0	0	77,712
Changes in Non-Cash Working Capital			
Due from affiliated company	0	0	(116,000)
Notes and account receivable	0	0	(109,213)
Inventory	0	0	(46,842)
Prepaid expenses	7,544	7,261	0
Other	0	0	(2,609)
Accounts payable and accruals	57,809	(54,508)	1,007,068
Cash Used in Operating Activities	(1,414,762)	(1,299,806)	(20,957,853)
Investing Activities			
Purchase of property, equipment and intangible assets	0	0	(200,935)
Assets acquired and liabilities assumed on purchase of subsidiary	0	0	(129,474)
Investment purchase	0	0	(2,000,000)
License agreement	0	0	(124,835)
Cash Used in Investing Activities	0	0	(2,455,244)
Financing Activities			
Redemption of preferred shares	0	0	(50,000)
Repayment of loan	0	0	(11,000)
Repayments to stockholders	0	0	(91,283)
Proceeds from issuance of common stock	1,520,870	743,190	22,159,428
Advances from stockholders	0	0	1,078,284
Share issue costs	(37,735)	0	(414,406)
Subscriptions received	0	744,649	514,415
Proceeds from convertible debentures	0	0	600,000
Cash Provided by Financing Activities	1,483,135	1,487,839	23,785,438
Effect of Foreign Currency Translation on Cash	0	0	46,267
Inflow (Outflow) of Cash	68,373	(188,033)	418,608
Cash, Beginning of Period	350,235	535,231	0
Cash, End of Period	$ 418,608	$ 723,264	$ 418,608

Note 5 - Supplemental Disclosure of Cash Flow Information

See notes to consolidated financial statements.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2011
(Unaudited)
(US Dollars)

1. BASIS OF PRESENTATION

These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States for interim financial information. These financial statements are condensed and do not include all disclosures required for annual financial statements. The organization and business of the Company, accounting policies followed by the Company and other information are contained in the notes to the Company's audited consolidated financial statements filed as part of the Company's June 30, 2010 Form 10-K.

In the opinion of the Company's management, these consolidated financial statements reflect all adjustments necessary to present fairly the Company's consolidated financial position at March 31, 2011 and June 30, 2010, the consolidated results of operations for the three and nine months ended March 31, 2011 and 2010 and the consolidated cash flows for the nine months ended March 31, 2011 and 2010. The results of operations for the three and nine months ended March 31, 2011 and 2010 are not necessarily indicative of the results to be expected for the entire fiscal year.

2. GOING CONCERN

These consolidated financial statements have been prepared on the going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The Company's operations have resulted in a net loss of $776,115 for the three months ended March 31, 2011 (2010 - $546,544), a net loss of $2,299,986 for the nine months ended March 31, 2011 (2010 - $2,068,238) and an accumulated deficit of $36,221,531 (June 30, 2010 - $33,909,950) and a working capital deficiency of $305,225 as at March 31, 2011 (June 30, 2010 - $349,369). The Company has not yet commenced revenue-producing operations and has significant expenditure requirements to continue to advance its research, developing and commercializing new antenna technologies. The Company estimates that, without further funding, it will deplete its cash resources in approximately three months. These factors raise substantial doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate because management believes that the actions already taken or planned will mitigate the adverse conditions and events that raise doubts about the validity of the going concern assumption used in preparing these consolidated financial statements. Management intends to raise additional capital through stock issuances to finance operations. If none of these events occur, there is a risk that the business will fail.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2011
(Unaudited)
(US Dollars)

3. STOCKHOLDERS' EQUITY

(a) Preferred stock

Cumulative dividends on preferred stock are accrued at a rate of 5% annually, payable at the option of the Company. Each holder has the right to convert preferred shares into common stock at the average trading price ten days prior to conversion. The Company has the right to redeem the preferred shares from date of issue as follows:

Within one year	$	1.50
2nd year	$	2.00
3rd year	$	2.50
4th year	$	3.00
5th year	$	3.50
6th year	$	4.00

increasing $0.50 per year thereafter.

(b) Common stock

(i) During the period ended March 31, 2011, the Company completed a private placement of 1,006,979 units consisting of common stock at $0.65 per share and warrants at $0.001 per share of common stock underlying the warrant to purchase 503,490 shares of common stock on or before December 31, 2012 at an exercise price of $1.00 per share (exercise of the investment warrant may be required in the event that the market price exceeds $1.50 per share).

Gross proceeds received during the period totalled $643,285, and gross proceeds received during the year ended June 30, 2010, previously shown as subscriptions received, totalled $11,250.

The Company determined that the warrants did not contain any provisions that would preclude equity treatment.

(ii) During the period ended March 31, 2011, the Company completed a private placement of 813,063 units consisting of common stock at $0.55 per share and warrants at $0.001 per share of common stock underlying the warrant to purchase 813,063 shares of common stock on or before February 28, 2013, at an exercise price of $1.00 per share (exercise of the investment warrant may be required in the event that the market price exceeds $1.50 per share).

The Company determined that the warrants did not contain any provisions that would preclude equity treatment.

3. STOCKHOLDERS' EQUITY (continued)

(b) Common stock (continued)

(iii) During the period ended March 31, 2011, the Company issued 330,879 shares of restricted common stock, and paid cash of $ 37,735, as consideration for private placement commission costs payable. The shares have been recorded at an aggregate fair value of $137,481.

Of the amounts above, $52,719 was accrued as share issue costs as at June 30, 2010.The net of these amounts total $122,497 and such amount is included as stock issue costs in the accompanying statement of stockholders' deficit.

(iv) During the period ended March 31, 2011, the Company issued 860,800 shares of common stock upon exercise of 860,800 share purchase warrants at $0.50 per warrant, recording gross proceeds of $430,400.

(v) During the period ended March 31, 2011, the Company issued 21,118 shares of common stock as consideration for consulting services which were recorded at $17,000 representing the fair value of the consideration received.

(vi) During the period ended March 31, 2011, the Company entered into two contracts for consulting services which call for stock and option (note 3(c)) awards over the term of the contracts.

It was determined that these were non-employee awards which did not contain a performance commitment but all terms were known up-front. In accordance with ASC 505-50, "Equity-Based Payments to Non-Employees", the fair value of these awards is measured at the grant date and as of each subsequent reporting period until the counterparty's performance is complete, and the total fair value expense is recognized over the service period.

In accordance with the first contract, during the period ended March 31, 2011, the Company issued 50,000 shares of restricted common stock on execution of the agreement, 75,000 shares of restricted common stock thirty days from the execution date and 125,000 shares of restricted common stock ninety days from the execution date. On the six-month and nine-month anniversaries, 125,000 shares of restricted common stock are to be issued for a total of 500,000 shares of restricted common stock. Restrictions will be removed upon contract completion.

During the period ended March 31, 2011, a total fair value of $274,742 has been recorded and included within consulting fees.

In accordance with the second contract, during the period ended March 31, 2011, the Company issued 150,000 shares of common stock on execution of the agreement. On the six-month anniversary, 100,000 shares of common stock are to be issued.

During the period ended March 31, 2011, a total fair value of $145,879 has been recorded and included within consulting fees.

3. STOCKHOLDERS' EQUITY (continued)

(c) Stock-based compensation

During the period ended March 31, 2011, the Company recorded stock-based compensation expense with respect to employee stock options previously granted and vested and options modified during the current period of $252,587 (nine months ended March 31, 2010 - $734,679). Of this amount, $252,587 (nine months ended March 31, 2010 - $464,509) is included in consulting fees and $nil (nine months ended March 31, 2010 - $270,170) is included in salaries.

Stock-based compensation not yet recognized at December 31, 2010 relating to non-vested employee stock options was $31,945, which will be recognized over a weighted average period of 0.32 years.

The fair value of the Company's modified employee stock options was calculated as the difference in the fair value of the options immediately before and after the modifications and was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	Before	After
Expected life (years)	0.05	2.22
Interest rate	0.14%	0.58%
Volatility	19.09%	121.89%
Dividend yield	0.00%	0.00%
Estimated forfeitures	0.00%	0.00%

During the period ended March 31, 2011, the Company recorded stock-based compensation expense with respect to fully vested non-employee stock options granted during the current period of $58,660 (nine months ended March 31, 2010 - $nil) which has been included in consulting fees.

The fair value of the Company's fully vested non-employee stock options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected life (years)	3.82
Interest rate	1.69%
Volatility	115.05%
Dividend yield	0.00%
Estimated forfeitures	0.00%

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
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Nine Months Ended March 31, 2011
(Unaudited)
(US Dollars)

3. STOCKHOLDERS' EQUITY (continued)

(c) Stock-based compensation (continued)

In accordance with a contract for consulting services which calls for option awards over the term of the contract (note 3(b)(vi)), during the period ended March 31, 2011, the Company recorded stock-based compensation expense with respect to un-vested non-employee stock options granted of $71,003 (nine months ended March 31, 2010 - $nil) which has been included in consulting fees.

The fair value of the Company's un-vested non-employee stock options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions at March 31, 2011:

Expected life (years)	4.42
Interest rate	1.77%
Volatility	113.34%
Dividend yield	0.00%
Estimated forfeitures	0.00%

When each tranche of options granted vests, costs previously recognized, based on the fair value at the end of each reporting period, will be adjusted so that the cost ultimately recognized is equivalent to the fair value on the date the vesting period is complete.

The weighted average fair value of employee options granted during the period ended March 31, 2011 was $nil (nine months ended March 31, 2010 - $0.35) and modified during the period ended March 31, 2011 was $0.44 (nine months ended March 31, 2010 - $nil).

The weighted average fair value of non-employee options granted and vested during the period ended March 31, 2011 was $0.47 (nine months ended March 31, 2010 - $nil).

The weighted average fair value of non-employee options granted and un-vested during the period ended March 31, 2011 was $0.46 (nine months ended March 31, 2010 - $nil).

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
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Nine Months Ended March 31, 2011
(Unaudited)
(US Dollars)

3. STOCKHOLDERS' EQUITY (continued)

(d) Stock options

The following summarizes information about the Company's options outstanding:

	Number of Options	Price per Option	Weighted Average Exercise Price
Outstanding, June 30, 2009	3,370,000	$ 0.50 to $ 2.25	$ 1.21
Granted	3,500,000	$ 0.25	$ 0.25
Expired	(300,000)	$ 1.00 to $ 1.16	$ 1.08
Forfeited	(2,445,000)	$ 0.65 to $ 2.25	$ 1.28
Outstanding, June 30, 2010	4,125,000	$ 0.25 to $ 1.00	$ 0.36
Granted	725,000	$ 0.25 to $ 0.85	$ 0.75
Outstanding, March 31, 2011	4,850,000	$ 0.25 to $1.00	$ 0.42
Exercisable, March 31, 2011	3,650,000	$ 0.25 to $ 1.00	$ 0.38

Expiry Date	Exercise Price	Number of Options **March 31, 2011**	**June 30, 2010**
December 31, 2011(*)	$ 1.00	110,000	110,000
December 31, 2012	$ 0.25	2,500,000	2,500,000
November 15, 2013(**)	$ 1.00	100,000	100,000
June 1, 2014	$ 0.85	100,000	0
July 31, 2014	$ 0.25	415,000	415,000
December 1, 2014	$ 0.85	100,000	0
December 31, 2014	$ 0.25	1,125,000	1,000,000
June 1, 2015	$ 0.85	100,000	0
December 1, 2015	$ 0.85	100,000	0
June 1, 2016	$ 0.85	100,000	0
December 1, 2016	$ 0.85	100,000	0
Total outstanding		4,850,000	4,125,000
Total exercisable		3,650,000	2,925,000

* During the period ended March 31, 2011, the expiry date of these options was extended from August 31, 2010 to December 31, 2011.

** During the period ended March 31, 2011 the expiry date of these options was extended from November 15, 2010 to November 15, 2013.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2011
(Unaudited)
(US Dollars)

3. STOCKHOLDERS' EQUITY (continued)

(d) Stock options (continued)

The number of options granted during the year ended June 30, 2010, which did not vest immediately upon grant, was 2,000,000, of which 1,400,000 have vested and 600,000 remain unvested as at March 31, 2011.

The number of options granted during the period ended March 31, 2011, which did not vest immediately upon grant, was 600,000, all of which remain unvested as at March 31, 2011.

The weighted average remaining contractual lives for options outstanding and exercisable at March 31, 2011 were 2.68 and 2.55 years, respectively.

The total intrinsic value of options exercised during the period ended March 31, 2011 was $nil (nine months ended March 31, 2010 - $nil).

The aggregate intrinsic value of options outstanding as at March 31, 2011 was $1,341,250 of which $1,119,250 related to options that were exercisable. The intrinsic value is the difference between the period end market value of the shares and the exercise price of the award as of the measurement date. The aggregate intrinsic values exclude options having a negative aggregate intrinsic value due to awards with exercise prices greater than period end market value.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2011
(Unaudited)
(US Dollars)

3. STOCKHOLDERS' EQUITY (continued)

(e) Stock purchase warrants

The following summarizes information about the Company's stock purchase warrants outstanding:

	Number of Warrants	Price Per Share	Weighted Average Exercise Price
Balance, June 30, 2009	4,500,800	$ 0.50	$ 0.50
Issued	4,263,152	$ 0.70	$ 0.70
Balance, June 30, 2010	8,763,952		$ 0.60
Issued	1,316,553	$ 1.00	$ 1.00
Exercised	(860,800)	$ 0.50	$ 0.50
Expired	(2,970,000)	$ 0.50	$ 0.50
Balance, March 31, 2011	6,249,705		$ 0.74

Expiry Date	Exercise Price	Number of Warrants **March 31, 2011**	**June 30, 2010**
December 31, 2011	$ 0.50	670,000	4,500,800
February 8, 2012	$ 0.70	2,123,400	2,123,400
May 14, 2012	$ 0.70	507,853	507,853
June 3, 2012	$ 0.70	1,631,899	1,631,899
December 31, 2012	$ 1.00	503,490	0
February 28, 2013	$ 1.00	813,063	0
Total outstanding and exercisable		6,249,705	8,763,952

During August 2010, the Company extended the term of 670,000 warrants which were originally issued in conjunction with equity issues during 2008. The modification resulted in a deemed dividend of $131,577 which was calculated as the difference in the fair value of the warrants immediately before and after the modification using the Black-Scholes option pricing model with the following significant assumptions:

	Before	**After**
Risk-free interest rate	0.16%	0.25%
Dividend yield	0%	0%
Volatility factor	55.58%	119.04%
Remaining term (years)	0.35	1.35

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
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(Unaudited)
(US Dollars)

4. INCOME TAXES

The Company has losses carried forward for income tax purposes to March 31, 2011. There are no current or deferred tax expenses for the three months ended March 31, 2011 due to the Company's loss position. The Company has fully reserved for any benefits of these losses. The deferred tax consequences of temporary differences in reporting items for financial statement and income tax purposes are recognized, as appropriate. Realization of the future tax benefits related to the deferred tax assets is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carry-forward period. Management has considered these factors in reaching its conclusion as to the valuation allowance for financial reporting purposes.

5. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Nine Months Ended March 31,		Period from February 12, 1996 (Inception) to December 31,
	2011	2010	2010
Shares Issued for			
Redemption of preferred shares	$ 0	$ 0	$ 415,000
Property and equipment	$ 0	$ 0	$ 23,000
Proprietary agreement	$ 0	$ 0	$ 711,000
Settlement of accounts payable	$ 0	$ 0	$ 228,742
Services (provided by officers and directors)	$ 0	$ 0	$ 120,000
Settlement of lawsuit	$ 0	$ 0	$ 15,000
Services and financing fees	$ 440,231	$ 81,000	$ 1,337,015
Subscriptions received	$ 0	$ 0	$ 46,500
Acquisition of subsidiary	$ 0	$ 0	$ 894,200
Interest paid	$ 0	$ 0	$ 81,111
Income tax paid	$ 0	$ 0	$ 0

6. LOSS PER SHARE

	Income (Numerator)	Weighted Average Number of Shares (Denominator)	Loss Per Share
Three months ended March 31, 2011			
Net loss for period	$ (776,115)		
Preferred stock dividends (note 3(a))	(3,865)		
Loss attributable to common shareholders	$ (779,980)	57,039,087	$ (0.01)
Nine months ended March 31, 2011			
Net loss for period	$ (2,299,986)		
Preferred stock dividends (note 3(a))	(11,595)		
Loss attributable to common shareholders	$ (2,311,581)	55,880,918	$ (0.04)

Common share equivalents consisting of convertible preferred stock, stock options and warrants are not considered in the computation of diluted loss per share because their effect would be anti-dilutive.

7. RESEARCH & DEVELOPMENT

As the Company is considered to be in the development stage, all research and development costs are expensed as incurred.

During the nine months ended March 31, 2011, the Company sold sample products totalling $3,630 (nine months ended March 31, 2010 - $nil). This amount has been credited against research and development expenses.

8. SUBSEQUENT EVENT

The Company has evaluated subsequent events for the period after March 31, 2011 and determined that, other than what is disclosed below, there were no material subsequent events to be disclosed in these financial statements.

Subsequent to March 31, 2011 the Company entered into a consultancy agreement, the significant terms of which are as follows:

- a monthly fee of $14,000.
- issue of 250,000 common shares - 150,000 common shares on the execution of the agreement (un-issued) and 100,000 common shares on the six-month anniversary of the execution of the agreement (un-issued).
- grant of 600,000 options on execution of the agreement at an exercise price of $0.50 with vesting dates between October 15, 2011 and April 15, 2014 and expiry dates between October 15, 2014 and April 15, 2017.
- grant of 1,250,000 options on the one-year anniversary of the agreement at an exercise price of $0.001 with vesting dates between April 15, 2012 and April 15, 2014 and expiry dates between April 15, 2015 and April 15, 2017.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

Forward Looking Statements

Statements contained herein that are not historical facts are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, the forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected. We caution investors that any forward-looking statements made by us are not guarantees of future performance and that actual results may differ materially from those in the forward-looking statements. Such risks and uncertainties include, without limitation: well-established competitors who have substantially greater financial resources and longer operating histories, regulatory delays or denials, our ability to compete as a start-up company in a highly competitive market, our access to sources of capital, and other risks and uncertainties described in our annual report on Form 10-K for the fiscal year ended June 30, 2010 as filed with the Securities and Exchange Commission and available at www.sec.gov.

This discussion and analysis should be read in conjunction with our financial statements and notes thereto included elsewhere in this Form 10-Q. Except for the historical information contained herein, the discussion in this Form 10-Q contains certain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. The cautionary statements made in this Form 10-Q should be read as being applicable to all related forward-looking statements wherever they appear in this Form 10-Q. Our actual results could differ materially from those discussed here. We undertake no obligation to update these forward-looking statements to reflect events or circumstances occurring after the date of this Form 10-Q.

Overview

Integral Technologies, Inc. (the “Company” or “we”) focuses the majority of our resources on researching, developing and commercializing our ElectriPlast™ technologies. Our business strategy focuses on leveraging our intellectual property rights and our strengths in product design and material innovation. We are focusing our marketing efforts on securing licensing agreements for applications of our ElectriPlast™ technologies with manufacturers of products which would benefit from the incorporation of any of the ElectriPlast™ applications.

ElectriPlast™ is an innovative, electrically-conductive resin-based material. The ElectriPlast™ polymer is a compounded formulation of resin-based materials, which are conductively loaded, or doped, with a proprietary-controlled, balanced concentration of micron conductive materials, then pelletized. The conductive loading or doping within this pellet is then homogenized using conventional molding techniques and conventional molding equipment. The end result is a product that can be molded into any of the infinite shapes and sizes associated with plastics and rubbers, and is non-corrosive, but which is as electrically conductive as if it were metal.

Various examples of applications for ElectriPlast™ are shielding, lighting circuitry, switch actuators, resistors, medical devices, thermal management and cable connector bodies, to name just a few. We have been working to introduce these new applications and the ElectriPlast™ technology to the marketplace.

Patents/Trademarks on Technologies

Our intellectual property portfolio consists of over eleven years of accumulated research and development, design knowledge, and trade secrets.

We have aggressively pursued U.S. patent protection for developments related to our ElectriPlast™ technologies. To date, we have 51 issued U.S. patents. For these patents issued and maintained, we retain exclusive rights in the U.S. to manufacture, use, sell, and license articles and processes covered under the patent claims.

We continue to develop our portfolio by pursuing intellectual property protection for new technological developments through new patent filings. We continue to exploit existing patent filings through aggressive continuation practice. We presently have 12 U.S. patent applications pending. No assurances can be given that any these patent applications will be issued.

To date, we have elected to discontinue patent prosecution for 57 U.S. patent applications where the USPTO refused allowance and where, in our view, continued prosecution was no longer productive. However, where we have elected to discontinue patent prosecution for certain technologies, we continue to pursue commercialization activities as we see excellent market opportunities to exploit our expertise.

Developments in U.S. patent law since *KSR v. Teleflex* (2007) have made obtaining allowance of patent applications more difficult by easing of the standard applied for obviousness-type rejections. These developments have resulted in reduced rates of patent issuance for all applicants and assignees, including Integral Technologies, Inc. Nevertheless, we continue to pursue intellectual property protection through our patent and trademark portfolio while constantly evaluating new and existing filings to judiciously apply resources to the most critical technologies.

Patent License Agreement

Summary descriptions of our manufacturing agreement with Jasper Rubber Products, Inc. and our various patent license agreements are included in our annual report on Form 10-K for the year ended June 30, 2010.

We are not in the manufacturing business. Our manufacturing agreement with Jasper Rubber Products, Inc. provides for Jasper to manufacture ElectriPlast™ for us.

After thirty-three months of refining the manufacturing and molding process of ElectriPlast™, the Jasper facility is now capable of producing over 50,000 pounds of ElectriPlast™ pellets per month. We have entered into patent license agreements with several companies and we are in the process of producing prototypes of requested applications of ElectriPlast™ for these companies as well as other prospective customers.

In addition to its manufacturing capabilities, Jasper has a distribution network throughout the U.S. and Canada, allowing for ElectriPlast™ to be introduced to prospective customers and delivered to customers.

We anticipate that our technologies will not be sold directly to the general public, but rather to businesses and manufacturers who will incorporate our technologies as components in the design of their products.

Financial Position

To date we have recorded nominal revenues. We are still considered a development stage company for accounting purposes. From incorporation on February 12, 1996 through March 31, 2011, we have accrued an accumulated deficit of approximately $36.2 million.

At March 31, 2011, all of our assets of $418,608 were current and consist of cash of $418,608. All of our property and equipment has been fully depreciated.

At March 31, 2011 all of our liabilities of $723,833 were current, consisting of accounts payable and accruals. Of this amount, payables for legal fees (including associated filing fees) related to patent filings accounted for approximately $535,000 of the total.

At March 31, 2011, total stockholder's deficit was $305,225.

Results of Operations for the Three Months Ended March 31, 2011 compared to the Three Months Ended March 31, 2010

Our net loss for the quarter ended March 31 2011, was $776,115 compared to a net loss of $546,544 for the corresponding period of the prior fiscal year, an increase of $229,571 which was primarily a result of approximate increases in stock based compensation of $16,096, increases in non cash issuance of shares in consideration for services of $50,032, increases in consulting fees of $180,506 and decreases in R&D of $26,397.

Total expenses for the quarter ended March 31, 2011, were $776,122 compared to total expenses of $546,552 for the corresponding period of the prior fiscal year, an increase of $229,570 which was primarily a result of increases in stock based compensation of $16,096, increases in non cash issuance of shares in consideration for services of $50,032, increases in consulting fees of $180,506 and decrease in R&D of $26,394.

Total income for the quarter ended March 31, 2011, was comprised of "other income" of $7 compared to "other income" of $8 for the corresponding period of the prior fiscal year. The category of "other income" consists of interest income.

Consulting expenses during the quarter ended March 31, 2011, were $505,526 which included non-cash, issuance of shares in consideration for consulting services in the amount of $131,032 and $144,878 for non-cash stock based compensation charges. In the corresponding period of the prior fiscal year, consulting expenses were $258,892 which included $128,782 of non-cash stock based compensation charges. The remaining increase relates to additional fees incurred with respect to the new consultancy agreements entered into.

Salaries and benefits expenses during the quarter ended March 31, 2011, were $110,000. In the corresponding period of the prior fiscal year, salaries and benefits expenses were $110,000.

Research and development costs of $50,489 during the quarter ended March 31, 2011, are attributable to refining the manufacturing process of our ElectriPlast™ material. In the corresponding period of the prior fiscal year, the amount expensed under this category was $76,886.

During the next twelve months, we do not anticipate increasing our staff.

Results of Operations for the Nine Months Ended March 31, 2011 compared to the Nine Months Ended March 31, 2010

Our net loss for the nine months ended March 31 2011, was $2,299,986, compared to a net loss of $2,068,238 for the corresponding period of the prior fiscal year, a increase of $231,748 which was primarily a result of decreases in stock based compensation of $352,429 increases in salaries and consulting fees of $188,620, increases in R&D of $22,561 and increases in fair value of shares issued for services of $356,621.

Total expenses for the nine months ended March 31, 2011, were $2,300,778 compared to total expenses of $2,068,379 for the corresponding period of the prior fiscal year, an increase of $232,399 which was primarily a result of decreases in stock based compensation of $352,429 offset by increases in salaries and consulting fees of $188,620, increases in R&D of $22,561 and increases in fair value of shares issued for services of $356,621.

Total income for the nine months ended March 31, 2011, was comprised of "other income" of $792 compared to "other income" of $141 for the corresponding period of the prior fiscal year, an increase of $651. The category of "other income" consists of interest income.

Consulting expenses during the nine months ended March 31, 2011, were $1,403,487 which included non-cash, issuance of shares in consideration for consulting services in the amount of $437,621 and $382,250 for non-cash stock based compensation charges. In the corresponding period of the prior fiscal year, consulting expenses were $940,505 which included non-cash, issuance of shares in consideration for consulting services in the amount of $81,000 and $464,509 for non-cash stock based compensation charges. The remaining increase relates to additional fees incurred with respect to the new consultancy agreements entered into.

Salaries and benefits expenses during the nine months ended March 31, 2011, were $330,000 which included non-cash, stock based compensation charges of $0. In the corresponding period of the prior fiscal year, salaries and benefits expenses were $598,527 which included non-cash, stock based compensation charges of $270,170.

Research and development costs of $197,036 during the nine months ended March 31, 2011, are attributable to refining the manufacturing process of our ElectriPlast™ material. In the corresponding period of the prior fiscal year, the amount expensed under this category was $174,475.

For the nine months ended March 31, 2011, our cash used in operating activities was $1,414,762 compared to $1,299,806 used in the corresponding period of the prior fiscal year for an increase of $114,956.

For the nine months ended March 31, 2011, our cash provided by financing activities was $1,483,135 compared to $1,487,839 provided in the corresponding period of the prior fiscal year a decrease of $4,704.

Critical Accounting Policies and Estimates

The details of the critical accounting policies relevant to the Company are set out in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended June 30, 2010.There have been no material changes to our critical accounting policies as described in Item 7 of our annual report on Form 10-K for the year ended June 30, 2010.

Management does not believe that any new accounting pronouncement not yet effective will have any material effect on the Company's financial statements as adopted.

Liquidity and Capital Resources

Since inception we have funded our operations through capital fundraising and loans from management. .As of March 31, 2011, we had $418,608 in cash on hand.

Management believes that there is adequate cash on hand to fund operations over the next three months and additional equity funding will be required thereafter. There can be no assurance that additional equity financing will be available on terms satisfactory to us or at all, and if funds are raised in the future through issuance of preferred stock, these securities could have rights, privileges or preference senior to those of our common stock. Further, any sale of newly issued equity securities could result in additional dilution to our current shareholders.

We are not in the manufacturing business and do not expect to make any capital purchases of a manufacturing plant or significant equipment in the next twelve months.

Off-Balance Sheet Arrangements

We have never entered into any off-balance sheet financing arrangements and have never established any special purpose entities. We have not guaranteed any debt or commitments of other entities or entered into any options or non-financed assets.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

N/A.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, our management, including our principal executive officer and principal financial officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2011.

Changes in Internal Control over Financial Reporting

During our most recent fiscal quarter, no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION COMPANY CONFIRM OR UPDATE AS NEEDED

ITEM 1 - LEGAL PROCEEDINGS

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the period ended March 31, 2011, we issued 128,337 shares of common stock as consideration for satisfaction of $79,942 in unpaid private placement commission costs. We relied upon the exemption from registration as set forth in Section 4(2) of the Securities Act and/or Rule 506 of Regulation D for the issuance of these securities. The recipient took its securities for investment purposes without a view to distribution and had access to information concerning us and our business prospects, as required by the Securities Act. In addition, there was no general solicitation or advertising for the acquisition of these securities.

During the period ended March 31, 2011, we issued 125,000 shares of common stock as consideration for consulting services. We relied upon the exemption from registration as set forth in Section 4(2) of the Securities Act and/or Rule 506 of Regulation D for the issuance of these securities. The recipient took its securities for investment purposes without a view to distribution and had access to information concerning us and our business prospects, as required by the Securities Act. In addition, there was no general solicitation or advertising for the acquisition of these securities.

During the period ended March 31, 2011, we issued 560,800 shares of common stock upon exercise of 560,800 share purchase warrants at $0.50 per share, and received gross proceeds of $280,400. We relied upon the exemption from registration as set forth in Section 4(2) of the Securities Act and/or Rule 506 of Regulation D for the issuance of these securities. The recipient took its securities for investment purposes without a view to distribution and had access to information concerning us and our business prospects, as required by the Securities Act. In addition, there was no general solicitation or advertising for the acquisition of these securities.

During the period ended March 31, 2011, we issued 866,911 shares of common stock for which we received gross proceeds of $482,998. We relied upon the exemption from registration as set forth in Section 4(2) of the Securities Act and/or Rule 506 of Regulation D for the issuance of these securities. The recipient took its securities for investment purposes without a view to distribution and had access to information concerning us and our business prospects, as required by the Securities Act. In addition, there was no general solicitation or advertising for the acquisition of these securities.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 - REMOVED AND RESERVED

None.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6. Exhibits

10.01	Consulting Agreement between Integral Technologies, Inc. and Herbert C. Reedman Jr. dated April 15, 2011.(1)
31.1	Certification by Chief Executive Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act(2)
31.2	Certification by Chief Financial Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act(2)
32.1	Certification by Chief Executive Officer and Chief Financial Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code(2)

(1) Filed herewith.
(2) Filed herewith.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: May 16, 2011

Integral Technologies, Inc.

By: /s/ William S. Robinson
William S. Robinson, Chief Executive Officer
and Principal Executive Officer

By: /s/ William A. Ince
William A. Ince, Chief Financial Officer and
Principal Accounting Officer

Date: May 16, 2011

EXHIBIT INDEX

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32.1	Certification by Chief Executive Officer and Chief Financial Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code(2)

(1) Filed herewith.
(2) Filed herewith.

EXHIBIT 10.01

CONSULTING AND CONFIDENTIALITY AGREEMENT

THIS CONSULTING AND CONFIDENTIALITY AGREEMENT (the "Agreement"), dated as of April 15, 2011, is made and entered into by and between Integral Technologies, Inc., a Nevada corporation, (the "Company" or "Integral") and Herbert C. Reedman, Jr., individually, (the "Consultant").

WHEREAS, the Company desires to engage Consultant to provide certain consulting services as the Company may direct; and

WHEREAS, the Consultant is willing to be engaged by the Company as a consultant and to provide such services in assisting in the commercialization of Integral's ElectriPlast™ and other technologies.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Consulting. The Company hereby retains Consultant, and Consultant hereby agrees to be available as a consultant to the Company, upon the terms and subject to the conditions contained herein. During the Consultant Term (as hereinafter defined), Consultant shall provide certain consulting services to the Company as requested by management.

2. Term. Subject to the provisions for termination hereinafter provided, the term of this Agreement shall commence on the date set forth above (the "Effective Date") and shall continue until March 14, 2014 (the "Consultant Term").

3. Compensation. In consideration of the Services (as hereafter defined) to be rendered by Consultant hereunder, during the Consultant Term the Company shall pay and grant to Consultant, and Consultant agrees to accept the following:

(a) As a consulting fee, $14,000 per month (the "Consulting Fee") payable at the beginning of each month. The decision on whether the Consulting Fee will be increased will be at the sole discretion of the Company. The Company shall pay the Consulting Fee to the Consultant without offset, deduction or withholding of any kind or for any purpose. The Consultant shall pay any and all taxes, including, federal, state and local taxes, incurred by him with respect to the Consulting Fee. The consultant agrees to delay payment until such time as the Company secures financing satisfactory to the Board of Directors.

(b) On the execution of this Agreement, the amount of 150,000 common shares of the Company and, on the six-month anniversary of the execution of this Agreement, an additional 100,000 common shares of the Company, all duly issued.

(c) On the execution of this Agreement, the Company shall grant to Consultant 600,000 options for the right to purchase common stock of the Company. The Grant of Option forms part of this Agreement and is attached as Exhibit A. These options shall be priced and vested pursuant to the Grant of Option and as indicated below.

Number of Options	Vesting Date	Expiry Date	Option Price
100,000	October 15, 2011	October 15, 2014	$0.50
100,000	April 15, 2012	April 15, 2015	$0.50
100,000	October 15, 2012	October 15, 2015	$0.50
100,000	April 15, 2013	April 15, 2016	$0.50
100,000	October 15, 2013	October 15, 2016	$0.50
100,000	April 15, 2014	April 15, 2017	$0.50

(d) On the first year anniversary of the execution of this Agreement the Company shall grant to Consultant 1,250,000 options for the right to purchase common stock of the Company. The Grant of Option forms part of this Agreement and is attached as Exhibit A. These options shall be priced and vested pursuant to the Grant of Option and as indicated below.

Number of Options	Vesting Date	Expiry Date	Option Price
250,000	April 15, 2012	April 15, 2015	$0.001
250,000	October 15, 2012	October 15, 2015	$0.001
250,000	April 15, 2013	April 15, 2016	$0.001
250,000	October 15, 2013	October 15, 2016	$0.001
250,000	April 15, 2014	April 15 2017	$0.001

(e) The consideration to be given by Consultant for the Consulting Fee, the issue of common stock and the Grant of Options shall include the following services (the "Services") over the Consultant Term: Consultant's Services shall consist of those duties and responsibilities as may be established and directed by the management of the Company. The Company and the Consultant intend that the Services shall be rendered primarily from the Consultant's office in Pennsylvania and may be provided in person at meetings or via telephone or e-mail or other written communications.

4. Termination.

(a) The Consultant Term will end on April 15, 2014 (the "Expiration Date"), unless sooner terminated (i) by the death of Herbert C. Reedman, Jr. or upon Notice of Termination (as defined below) delivered to Consultant as a result of his Disability (as defined in Section 4(f) below), (ii) by the Company at any time prior to the Expiration Date for Cause (as defined in Section 4(d) below), or (iii) by the Consultant for material breach of this Agreement by the Company, which is not cured after 30 days' written notice of such breach by Consultant to Company. Any termination of the Consultant Term by the Company or by Consultant (other than termination upon Herbert C. Reedman, Jr.'s death or for breach by the Company) must be communicated by written "Notice of Termination" to the other party hereto. "Termination Date" means (i) if the Consultant Term has not already been terminated by such date, the Expiration Date, (ii) if the Consultant Term is terminated by Herbert C. Reedman, Jr.'s death, the date of Herbert C. Reedman, Jr.'s death, (iii) if the Consultant Term is terminated upon Herbert C. Reedman, Jr.'s Disability, by the Company, the date specified in the Notice of Termination, (iv) if the Consultant Term is terminated by the Company for Cause, upon receipt of Notice of Termination by Herbert C. Reedman, Jr.; (v) if the Consultant Term is terminated by Herbert C. Reedman, Jr., upon the expiration of 30 days following receipt by the Company of written notice of a breach that has not been cured by the Company within such period.

(b) If the Consultant Term is terminated by the Company for Cause, the Company will pay Consultant only those amounts due as identified in paragraph 3(a), prorated, to the Termination Date and any unpaid expenses as of the Termination Date. Upon delivery of the payment described in this Section 4(b), the Company will have no further obligation to Consultant under this Agreement. Consultant shall retain all vested stock options granted him as of the Date of Termination.

(c) If Consultant Term is terminated by the Consultant under paragraph 4(a) for material breach of this Agreement by the Company, the Company will pay Consultant the full amount of the remaining compensation for the entire Consultant Term as identified in Section 3(a) as compensation payments become due monthly, plus all unpaid expenses as of the Termination Date. Consultant shall retain all vested stock options granted him as of the Date of Termination.

(d) "Cause" means any one of the following: (i) a material breach by Consultant of this Agreement, (ii) Consultant's conviction of, guilty plea to, or confession of guilt of, a felony, but expressly excluding misdemeanor traffic violations, (iii) fraudulent, dishonest or illegal conduct, gross negligence or willful misconduct by Consultant in the performance of Services for or on behalf of the Company or any of its subsidiaries or any other conduct detrimental to the business, operations or reputation of the Company or any of its subsidiaries as determined by the Company's board of directors (the "Board") in good faith, regardless of whether such conduct is within the scope of Consultant's duties, (iv) Consultant's misappropriation of funds, (v) Consultant engaging in conduct involving an act of moral turpitude, (vi) failure to comply with the directions of the Board, provided that such directions are reasonable, lawful, and consistent with Consultant's duties and responsibilities hereunder, (vii) Consultant's failure to perform in any material respect all of Consultant's obligations and duties pursuant to this Agreement, (viii) Consultant's failure to achieve performance and other goals established by the Board in good faith from time to time (except where such failure results from extraordinary circumstances outside of Consultant's control (i.e. *force majeure*).

(e) "Disability" means any accident, sickness, incapacity or other physical or mental disability which prevents Herbert C. Reedman, Jr. from performing substantially all of the duties Consultant has been assigned by the management of the Company or any of its subsidiaries for either (i) 30 consecutive days or (ii) 30 days during any period of 365 consecutive days, in each case as determined in good faith by the Board.

5. Reimbursement. The Company will reimburse Consultant for all reasonable out-of-pocket expenses incurred in connection with this Agreement..

6. Confidential Information. Forming part of this Agreement as Exhibit B, and to be executed by the Company and Herbert C. Reedman, Jr., is the Company's standard Non-Disclosure Agreement.

7. Independent Contractor. It is understood and agreed that this Agreement does not create any relationship of association, partnership or joint venture between the parties, nor constitute either party as the agent or legal representative of the other for any purpose whatsoever; and the relationship of Consultant to the Company for all purposes shall be one of independent contractor. Neither party shall have any right or authority to create any obligation or responsibility, express or implied, on behalf or in the name of the other, or to bind the other in any manner whatsoever.

8. Ownership. Consultant agrees that all patentable material, notes, records, drawing, designs, improvements, developments, discoveries and trade secrets (collectively, "Material") conceived, made or discovered by Consultant, solely or in collaboration with others, while providing services to the Company and the period of this Agreement which relate in any manner to the business of the Company that Consultant may be directed to undertake or which Consultant may become associated with the Company in performing the Services hereunder, are the sole property of the Company. Consultant further agrees to assign (or cause to be assigned) and does hereby assign fully to the Company all Material and any patents or other intellectual property rights relating thereto.

9. Further Assurances. Consultant agrees to assist the Company, or its designee, at the Company's expense, in every reasonable and proper way to secure the Company's rights in ElectriPlast™ and applications related thereto, and any patents or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Company shall deem necessary in order to apply for and obtain such rights in order to assign and convey to the Company, its successors, assigns and nominees the sole and exclusive right, title and interest in and to such Material, and any patents or other intellectual property rights relating thereto, Consultant further agrees that Consultant's obligation to execute or cause to be executed, when it is in Consultant's power to do so, any instrument or papers pursuant to this Agreement shall continue after the termination of the Agreement.

10. Work Made for Hire. The Company is engaging the services of Consultant to provide Services as described herein for or on behalf of the Company and/or for a customer or customers of the Company. Consultant recognizes and agrees that all work and products that Consultant creates or develops within the scope of this engagement will be Work Made for Hire that belongs to the Company and will remain the property of the Company. The Company will exclusively own, solely and completely, any work, process, product, idea or concept – whether such may be protected by patent or not – that Consultant creates, conceives or develops, in whole or in part, within the scope of Consultant's engagement by the Company. To the extent that Consultant's work for the Company may not be deemed a Work Made For Hire, Consultant hereby assigns all of his right, ownership, interest and patents in such works completely and exclusively to the Company.

11. Representations and Warranties

(a) Representations and Warranties of the Company. The Company represents and warrants to and covenants with the Consultant that:

(i) Incorporation, Good Standing, and Due Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada; has the corporate power and authority to own its assets and to transact the business in which it is now engaged and in which it proposes to be engaged; and in good standing under the laws of the State of Washington and of each other jurisdiction in which qualification is required.

(ii) Corporate Power and Authority. The execution, delivery and performance by the Company of this Agreement have been duly authorized by all necessary action of the Company and do not and will not (A) require any consent or approval of the Company's interest holders or any other body, entity or person; (B) contravene the Company's articles of incorporation, by-laws, shareholders' agreement or similar organizational documents of the Company; (C) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree determination or award presently in effect having applicability to the Company; (D) result in a breach of or constitute a default under any agreement or other instrument to which the Company is a party.

(iii) Legally Enforceable Agreement. This Agreement is the legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

(b) Representations and Warranties of the Consultant. The Consultant represents and warrants to and covenants with the Company that:

(i) Power and Authority. The execution, delivery and performance by the Consultant of this Agreement, does not and will not (A) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Consultant; (ii) result in a breach of or constitute a default under any agreement or other instrument to which the Consultant is a party.

(ii) No Third Party Approval, etc. The execution, delivery and performance by the Consultant of this Agreement do not and will not require any consent or approval of any third party individual or entity.

(iii) Legally Enforceable Agreement. This Agreement is the legal, valid and binding obligation of the Consultant, enforceable against him in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

12. Indemnity by the Company. The Company shall protect, defend, indemnify and hold Consultant and his assigns and attorneys, accountants, agents, consultants and employees harmless from and against all losses, liabilities, damages, judgments, claims, counterclaims, demands, actions, proceedings, cost and expenses (including reasonable attorneys fees) of every kind and character resulting from, relating to or arising out of (i) the inaccuracy, non-fulfillment or breach of any representation warranty, covenant or agreement made by the Company; (ii) any legal action, including any counterclaim, representation, warranty, covenant or agreement made by the Company; or (iii) negligent or willful misconduct, occurring during the term hereof, or thereafter, with respect to any decisions made by the Company; or (iv) any action by third parties.

13. Indemnity by the Consultant. Consultant shall protect, defend, indemnify and hold the Company and its assigns and attorneys, accountants, agents, consultants, officers, directors, affiliates, and employees harmless from and against all losses, liabilities, damages, judgments, claims, counterclaims, demands, actions, proceedings, cost and expenses (including reasonable attor*n*eys fees) of every kind and character resulting from, relating to or arising out of (i) the inaccuracy, non-fulfillment or breach of any representation warranty, covenant or agreement made by the Consultant; (ii) any legal action, including any counterclaim, representation, warranty, covenant or agreement made by the Consultant or any third party; (iii) negligent or willful misconduct, occurring during the Term hereof, or thereafter, with respect to any decisions made by the Consultant; or (iv) any action by third parties.

14. Conflict of Interest. Consultant and the Company hereby agree that there is no conflict of interest in connection with the retention by the Company of the Consultant pursuant to this Agreement or the acceptance of this Agreement by the Consultant.

15. Waiver of Breach. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach.

16. Notices. All notices and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given (i) when delivered in person, (ii) one (1) business day after being mailed with a nationally recognized overnight courier service, or (iii) three (3) business days after being mailed by registered or certified first class mail, postage prepaid, return receipt requested, to the parties hereto at:

If to the Company, to:	Integral Technologies, Inc. 805 W. Orchard Drive, Suite 7 Bellingham, WA 98225 Fax: 360-752-1983
If to the Consultant, to:	Mr. Herbert C. Reedman, Jr. 220 Commerce Drive, Suite 205 Fort Washington, PA 19034

17. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other communications, whether written or oral. This Agreement may be modified or amended only by a writing signed by the party against whom enforcement is sought.

18. Severability. The invalidity of all or any part of any provision of this Agreement shall not render invalid the remainder of this Agreement or the remainder of such provision. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

19. Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the law of the State of Washington without giving effect to the principles of conflicts of law thereof. The parties each hereby submit themselves for the sole purpose of this Agreement and any controversy arising hereunder to the exclusive jurisdiction of the state and/or federal courts in the State of Washington.

20. Headings/Gender. The headings herein are inserted only as a matter of convenience and reference, and in no way define, limit or describe the scope of this Agreement or the intent of the provisions thereof. Whenever the context shall so require, all words herein in the male gender shall include the female or neutral gender, and vice versa, and all singular words shall include the plural, and vice versa.

21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Signatures evidenced by facsimile transmission will be accepted as original signatures.

22. Other Instruments. The parties shall execute such other and further instruments as are or may become necessary or convenient to effectuate and carry out this Agreement.

23. Assignment. This Agreement and the rights, duties and obligations hereunder may not be assigned or delegated by Consultant without the prior written consent of the Company. Any assignment or delegation of rights, duties or obligations hereunder made without the prior written consent of the Company shall be void and of no effect.

24. Successors, Assigns et al. This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the parties and their respective successors, assigns, heirs, executors, administrators or personal representatives, as appropriate.

25. Dispute Resolution and Governing Law. Company and Consultant agree to initiate and maintain any legal action in jurisdictions designated in Section 21 and below, and irrevocably consent to exclusive personal jurisdiction and venue therein. Should Consultant bring legal action against the Company, the Consultant shall irrevocably agree that it will be brought and maintained on an individual basis (and not consolidated with similar cases, such as class actions, aggregated actions, or mass actions). Any action brought by Company or Consultant shall be filed within one (1) year after the claim arises or be barred. Furthermore, except for injunctive relief, all disputes arising out of or relating to this Agreement or the subject matter thereof involving less than one million dollars ($1,000,000.00) shall be submitted to arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules and heard before a single arbiter. The parties agree that if an issue arises as to whether any matter related to this Agreement is subject to arbitration, the arbiter shall decide said issue. The arbiter shall be selected according to the procedures set by AAA. If a party to the arbitration fails or refuses to pay the fees of AAA, then any other party to the arbitration may pay said fees and proceed with the arbitration. The location of the arbitration shall be in Seattle, Washington. The arbiter's award may be entered as a judgment in any court of competent jurisdiction. The Federal Arbitration Act shall govern the interpretation, enforcement and all proceedings in the arbitration. Disputes involving amounts exceeding the above dollar limit are not subject to arbitration and may be taken directly to court by either party. The parties agree that U.S. District Courts can hear cases involving copyright issues between them.

26. Injunctive Relief. The parties acknowledge that a violation or attempted violation of this Agreement may cause damage to the Company or Consultant as will be irreparable, the exact amount of which would be difficult to ascertain and for which there may be no adequate remedy at law. Accordingly, the parties agree that the Company or Consultant, as appropriate, shall be entitled to an injunction issued by any court of competent jurisdiction, restraining such violation or attempted violation of this Agreement by the party complained of or its affiliates, partners, or agents. The parties agree that no bond or other security shall be required in connection with such injunction.

27. Survival of Representations, Warranties and Covenants. Unless otherwise specifically indicated otherwise, all representations, warranties and covenants contained herein or made pursuant to this Agreement, including those in Section 12 hereof, shall survive and shall continue in full force and effect to the extent necessary to effectuate the purposes of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

INTEGRAL TECHNOLOGIES, INC.

By: /s/ William S. Robinson
William S. Robinson Chairman and CEO

HERBERT C. REEDMAN, JR.

By: /s/ Herbert C. Reedman, Jr.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, William S. Robinson, Chief Executive Officer of Integral Technologies, Inc. certify that:

1. I have reviewed this quarterly report on Form 10-Q of Integral Technologies, Inc. for the period ended March 31, 2011;

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

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

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

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 16 , 2011

By: /s/ William S. Robinson
William S. Robinson
Chief Executive Officer (principal executive officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, William A. Ince, Chief Financial Officer of Integral Technologies, Inc. certify that:

1. I have reviewed this quarterly report on Form 10-Q of Integral Technologies, Inc. for the period ended March 31, 2011;

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

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

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

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 16 , 2011

By: /s/ William A. Ince
William A. Ince
Chief Financial Officer (principal financial officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

We, William S. Robinson, the chief executive officer of Integral Technologies, Inc. (the "Company"), and William A. Ince, , the chief financial officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report of the Company on Form 10-Q, for the fiscal period ended March 31, 2011 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ William S. Robinson
William S. Robinson
Chief Executive Officer

/s/William A. Ince
William A. Ince
Chief Financial Officer

May 16, 2011

A signed original of this written statement required by Section 906 has been provided to Integral Technologies, Inc. and will be retained by Integral Technologies, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.