

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

FORM 8-K

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

Date of Report (Date of earliest event reported): January 14, 2004

INTEGRAL TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Nevada	0-28353	98-0163519
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

805 W. Orchard Dr., Suite 3, Bellingham, WA	98225
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(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (360) 752-1982

(Former name or former address, if changed since last report.)

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE.

On January 14, 2003, the Registrant completed a private placement of its securities and raised \$5,711,500 in gross proceeds. The transaction was completed pursuant to a Securities Purchase Agreement dated December 26, 2003, between the Registrant and Wellington Management Company, LLP, for a private offering of 57,115 units ("Units") of equity securities, each Unit consisting of 100 shares of common stock (the "Common Stock"), and one warrant (the "Warrant") convertible into 30 shares of Common Stock, at a purchase price of \$100.00 per Unit. Wellington Management Company, LLP acted as an investment advisor on behalf of eleven institutional investors (identified on Schedule A of the Securities Purchase Agreement). By mutual agreement with the Investors, closing occurred on January 14, 2004.

Each Warrant may be exercised in whole or in part at any time, and from time to time, during the period commencing on April 30, 2004 and expiring on December 31, 2009, and entitles the holder to receive shares of common stock for no additional consideration.

Pursuant to the Securities Purchase Agreement, the Registrant agreed to file a registration statement to register the shares of common stock (including the share of common stock underlying the Warrants, for resale by the investors.

Wells Fargo Securities, LLC, served as placement agent for the Registrant

and is entitled to a fee of six percent of the gross proceeds raised from the offering.

The transaction did not involve any public offering, and a restrictive legend was placed on each certificate evidencing the securities. The Registrant believes that the transaction was exempt from registration pursuant to Section 4(2) of the Securities Act and/or Rule 506 of Regulation D.

The Securities Purchase Agreement and a form of the Common Stock Warrant are included as exhibits to this current report and are incorporated herein by reference.

On January 20, 2004, the Registrant issued a press release to announce the transaction. The information contained in the press release is incorporated herein by reference and filed as Exhibit 99.1.

ITEM 7. EXHIBITS

Exhibit No.	Description
- - - - -	- - - - -
10.16	Securities Purchase Agreement dated December 26, 2003, between the Registrant and Wellington Management Company, LLP. (Filed herewith.)
10.17	Form of Common Stock Purchase Warrant related to the offering of securities described in Exhibit 10.16. (Filed herewith.)
99.1	Press release dated January 20, 2004. (Filed herewith.)

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 hereunto duly authorized.

INTEGRAL TECHNOLOGIES, INC.

/s/ William S. Robinson

By: _____
William S. Robinson. CEO

Date: January 28, 2004

EXHIBIT INDEX

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SECURITIES PURCHASE AGREEMENT

Integral Technologies, Inc.
805 W. Orchard Drive, Suite 3
Bellingham, WA 98225

Ladies & Gentlemen:

Each undersigned investor, as set forth on the attached Schedule A (individually, the "Investor"; collectively, the "Investors"), hereby confirms its agreement with you as follows:

1. This Securities Purchase Agreement (the "Agreement") is made as of December 26, 2003, between Integral Technologies, Inc., a Nevada corporation (the "Company"), and each Investor.
2. The Company has authorized the sale and issuance, to the Investors in a private placement (the "Offering"), of up to 57,115 units (the "Units"). Each Unit consists of 100 shares of common stock of the Company, \$.001 par value per share (the "Common Stock"), and one warrant (the "Warrant") convertible into 30 shares of Common Stock. The Warrant is immediately detachable and is convertible upon presentment of the executed Form of Exercise, for no additional consideration, at any time beginning on April 30, 2004 and ending on December 31, 2009, provided that the Investors may not convert the Warrant if doing so will cause the Investors, in the aggregate, to own more than 15% of the total number of shares of Common Stock outstanding at that time.
3. The Company and each Investor agree that the Investors will purchase from the Company and the Company will issue and sell to the Investors, in the aggregate, 57,115 Units for a purchase price of \$100.00 per Unit, or an aggregate purchase price of \$5,711,500, pursuant to the Terms and Conditions for Purchase of Units attached hereto as Annex I and incorporated herein by reference as if fully set forth herein (the "Terms and Conditions"). This Securities Purchase Agreement, together with the Terms and Conditions which are incorporated herein by reference as if fully set forth herein, may hereinafter be referred to as the "Agreement."
4. Each Investor represents that, except as set forth below, (a) it has had no position, office or other material relationship within the past three years with the Company or persons known to it to be affiliates of the Company, (b) neither it, nor any group of which it is a member or to which it is related, beneficially owns (including the right to acquire or vote) any securities of the Company and (c) it has no direct or indirect affiliation or association with any NASD member as of the date hereof. Exceptions:

None

(If no exceptions, write "none." If left blank, response will be deemed to be "none.")

Please confirm that the foregoing correctly sets forth the agreement between us by signing in the space provided below for that purpose. By executing this Agreement, each Investor acknowledges that the Company may use the information in paragraph 4 above and the name and address information below in preparation of the Registration Statement (as defined in Annex I). This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

<TABLE>
<CAPTION>
<S>

AGREED AND ACCEPTED:

Integral Technologies, Inc.

<C>

Investor:

By: Wellington Management Company, llp as investment adviser
on behalf of the client accounts listed on the attached Schedule A

By: William S. Robinson
Title: Chief Executive Officer

By: _____
Name: Greg S. Konzal
Title: Vice President and Counsel
Tel: 617-951-5000
Fax: 617-204-7535

</TABLE>

ANNEX I

TERMS AND CONDITIONS FOR PURCHASE OF SHARES

1. Authorization and Sale of the Units. Subject to these Terms and

Conditions, the Company has authorized the sale of up to 57,115 Units. The Company reserves the right to increase or decrease this number.

2. Agreement to Sell and Purchase the Units; Subscription Date.

2.1 At the Closing (as defined in Section 3), the Company will sell to the Investors, and the Investors, in the aggregate, will purchase from the Company, upon the terms and conditions hereinafter set forth, the number of Units set forth in Section 3 of the Securities Purchase Agreement to which these Terms and Conditions are attached at the purchase price set forth thereon.

2.2 The Company may enter into the same form of Securities Purchase Agreement, including these Terms and Conditions, with other investors (the "Other Investors") and expects to complete sales of Units to them. (The Investors and the Other Investors are hereinafter sometimes collectively referred to as the "Total Investors," and the Securities Purchase Agreement to which these Terms and Conditions are attached and the Securities Purchase Agreements (including attached Terms and Conditions) executed by the Other Investors are hereinafter sometimes collectively referred to as the "Agreements.") The Company may accept executed Agreements from the Total Investors for the purchase of Units commencing upon the date on which the Company provides the Total Investors with the proposed purchase price per Unit and concluding upon the date (the "Subscription Date") on which the Company has (i) executed Agreements with Investors, in the aggregate, for the purchase of at least 57,115 Units, and (ii) notified Wells Fargo Securities, LLC, in its capacity as placement agent for this transaction, in writing that it is no longer accepting additional Agreements from the Total Investors for the purchase of Units.

2.3 The obligations of each Total Investor under any Agreement are several and not joint with the obligations of any Other Investor, and no Investor or Other Investor shall be responsible in any way for the performance of the obligations of any other Total Investor under any Agreement. Nothing contained herein, and no action taken by any Investor hereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby, provided that such obligations or the transactions contemplated hereby may be modified, amended or waived in accordance with Section 9 below. Each Investor shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement (provided, that such rights may be modified, amended or waived in accordance with Section 9 below), and it shall not be necessary for any Other Investor to be joined as an additional party in any proceeding for such purpose.

2.4 As used in this Agreement, the term "Shares" refers only to the shares of Common Stock that are included in the Units and the shares of Common Stock underlying the Warrants that are include in the Units.

2.5 The Company agrees that it will not offer to sell equity securities in an amount totaling more than \$5,000,000 in the 12 months following the date of this Agreement, without the prior written consent of the Investors. If the Company does offer to sell such equity securities, then the Investors shall have the right, but not the obligation, to participate in such offering, so that the Investors' percentage ownership of the Company, in the aggregate, shall remain the same as it will be after the Closing.

3. Delivery of the Units at Closing. The completion of the purchase

and sale of the Units (the "Closing") shall occur on December 30, 2003 (the "Closing Date"), at the offices of the Company's counsel, or at such other time as the Investors and the Company may mutually agree. On the Closing Date, the

Company shall deliver to each Investor (or its agent) one or more certificates representing the shares of Common Stock and the Warrants underlying the number of Units set forth pursuant to Section 3 of the Securities Purchase Agreement and the attached Schedule A, each such certificate to be registered in the name of the Investor or, if so indicated on the signature page of the Securities Purchase Agreement, in the name of a nominee designated by the Investor.

The Company's obligation to issue the Units to each Investor shall be subject to the following conditions, any one or more of which may be waived by the Company: (a) completion of the purchases and sales under the Agreements with the Other

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Investors; and (b) the accuracy of the representations and warranties made by the Investors and the fulfillment of those undertakings of the Investors to be fulfilled prior to the Closing. After each Investor (or its agent) receives the certificates representing the shares of Common Stock and the Warrants underlying the number of Units set forth pursuant to Section 3 of the Securities Purchase Agreement and the attached Schedule A on the Closing Date, each investor shall provide the Company (or its agent) with a certified or official bank check or wire transfer of funds in the full amount of the purchase price for the Units being purchased hereunder as set forth in Section 3 of the Securities Purchase Agreement.

Each Investor's obligation to purchase the Units shall be subject to the following conditions, any one or more of which may be waived by each Investor: (a) each Investor shall have executed Agreements, in the aggregate, for the purchase of at least 57,115 Units; (b) the representations and warranties of the Company set forth herein shall be true and correct as of the Closing Date in all material respects (except for representations and warranties that speak as of a specific date, which representations and warranties shall be true and correct as of such date); and (c) each Investor shall have received such documents as such Investor shall reasonably have requested, including, a standard opinion of the Company's counsel as to the matters set forth in Section 4.2 and as to exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), of the sale of the Units.

4. Representations, Warranties and Covenants of the Company. The

Company hereby represents and warrants to, and covenants with, each Investor, as follows:

4.1 Organization. The Company is duly organized and validly

existing in good standing under the laws of the jurisdiction of its organization. Each of the Company and its Subsidiaries (as defined in Rule 405 under the Securities Act) has full power and authority to own, operate and occupy its properties and to conduct its business as presently conducted and as described in the documents filed by the Company under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), since the end of its most recently completed fiscal year through the date hereof, including, without limitation, its most recent report on Form 10-KSB (the "Exchange Act Documents") and is registered or qualified to do business and in good standing in each jurisdiction in which the nature of the business conducted by it or the location of the properties owned or leased by it requires such qualification and where the failure to be so qualified would have a material adverse effect upon the condition (financial or otherwise), earnings, business, properties or operations of the Company and its Subsidiaries, considered as one enterprise (a "Material Adverse Effect"), and no proceeding has been instituted in any such jurisdiction, revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification.

4.2 Due Authorization and Valid Issuance. The Company has all

requisite power and authority to execute, deliver and perform its obligations under the Agreements, and the Agreements have been duly authorized and validly executed and delivered by the Company and constitute legal, valid and binding agreements of the Company enforceable against the Company in accordance with their terms, except as rights to indemnity and contribution may be limited by state or federal securities laws or the public policy underlying such laws, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The Units being purchased by the Investor

hereunder will, upon issuance and payment therefore pursuant to the terms hereof, be duly authorized, validly issued, fully-paid and nonassessable.

4.3 Non-Contravention. The execution and delivery of the

Agreements, the issuance and sale of the Units under the Agreements, the fulfillment of the terms of the Agreements and the consummation of the transactions contemplated thereby will not (A) conflict with or constitute a violation of, or default (with the passage of time or otherwise) under, (i) any material bond, debenture, note or other evidence of indebtedness, lease, contract, indenture, mortgage, deed of trust, loan agreement, joint venture or other agreement or instrument to which the Company or any Subsidiary is a party or by which it or any of its Subsidiaries or their respective properties are bound, (ii) the charter, by-laws or other organizational documents of the Company or any Subsidiary, or (iii) any law, administrative regulation, ordinance or order of any court or governmental agency, arbitration panel or authority applicable to the Company or any Subsidiary or their respective properties, except in the case of clauses (i) and (iii) for any such conflicts, violations or defaults which are not reasonably likely to have a Material Adverse Effect or (B) result in the creation or imposition of any lien, encumbrance, claim, security interest or restriction whatsoever upon any of the material properties or assets of the Company or any Subsidiary or an acceleration of indebtedness pursuant to any obligation, agreement or condition contained in any material bond, debenture, note or any other evidence of indebtedness or any material indenture, mortgage, deed of trust or any other agreement or instrument to which the Company or any Subsidiary is a party or by which any of them is bound or to which any of the material property or assets of the Company or any Subsidiary is subject. No consent, approval, authorization or other order of, or registration, qualification or filing with, any regulatory body, administrative

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agency, or other governmental body in the United States or any other person is required for the execution and delivery of the Agreements and the valid issuance and sale of the Units to be sold pursuant to the Agreements, other than such as have been made or obtained, and except for any post-closing securities filings or notifications required to be made under federal or state securities laws.

4.4 Capitalization. The capitalization of the Company as of the

Closing Date is as set forth in the most recent applicable Exchange Act Documents, increased as set forth in the next sentence. The Company has not issued any capital stock since that date other than pursuant to (i) employee benefit plans disclosed in the Exchange Act Documents, or (ii) outstanding warrants, options or other securities disclosed in the Exchange Act Documents. The Units to be sold pursuant to the Agreements have been duly authorized, and when issued and paid for in accordance with the terms of the Agreements will be duly and validly issued, fully paid and nonassessable. The outstanding shares of capital stock of the Company have been duly and validly issued and are fully paid and nonassessable, have been issued in compliance with all federal and state securities laws. Except as set forth in or contemplated by the Exchange Act Documents, there are no outstanding rights (including, without limitation, preemptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any unissued shares of capital stock or other equity interest in the Company or any Subsidiary, or any contract, commitment, agreement, understanding or arrangement of any kind to which the Company is a party or of which the Company has knowledge and relating to the issuance or sale of any capital stock of the Company or any Subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options. Without limiting the foregoing, no preemptive right, co-sale right, right of first refusal, or other similar right exists with respect to the Units or the issuance and sale thereof. No further approval or authorization of any stockholder, the Board of Directors of the Company or others is required for the issuance and sale of the Units. The Company owns the entire equity interest in each of its Subsidiaries, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest, other than as described in the Exchange Act Documents. Except as disclosed in the Exchange Act Documents, there are no stockholders agreements, voting agreements or other similar agreements with respect to the Common Stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

4.5 Legal Proceedings. There is no material legal or governmental

proceeding pending or, to the knowledge of the Company, threatened to which the Company or any Subsidiary is or may be a party or of which the business or property of the Company or any Subsidiary is subject that is not disclosed in the Exchange Act Documents.

4.6 No Violations. Neither the Company nor any Subsidiary is in

violation of its charter, bylaws, or other organizational document, or in violation of any law, administrative regulation, ordinance or order of any court or governmental agency, arbitration panel or authority applicable to the Company or any Subsidiary, which violation, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect, or is in default (and there exists no condition which, with the passage of time or otherwise, would constitute a default) in any material respect in the performance of any bond, debenture, note or any other evidence of indebtedness in any indenture, mortgage, deed of trust or any other material agreement or instrument to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary is bound or by which the properties of the Company or any Subsidiary are bound, which would be reasonably likely to have a Material Adverse Effect.

4.7 Governmental Permits, Etc. With the exception of the matters

which are dealt with separately in Sections 4.1, 4.12, 4.13 and 4.14, each of the Company and its Subsidiaries has all necessary franchises, licenses, certificates and other authorizations from any foreign, federal, state or local government or governmental agency, department, or body that are currently necessary for the operation of the business of the Company and its Subsidiaries as currently conducted and as described in the Exchange Act Documents except where the failure to currently possess could not reasonably be expected to have a Material Adverse Effect.

4.8 Intellectual Property. Except as specifically disclosed in

the Exchange Act Documents (i) each of the Company and its Subsidiaries owns or possesses sufficient rights to conduct its business in the ordinary course, including, without limitation, rights to use all material patents, patent rights, industry standards, trademarks, copyrights, licenses, inventions, trade secrets, trade names and know-how (collectively, "Intellectual Property") described or referred to in the Exchange Act Documents as owned or possessed by it or that are necessary for the conduct of its business as now conducted or as proposed to be conducted except where the failure to currently own or possess would not have a Material Adverse Effect ("Company Intellectual Property"), (ii) neither the Company nor any of its Subsidiaries is infringing, or has received any notice of, or has any knowledge of, any asserted infringement by the Company or any of its Subsidiaries of, any rights of a third party with respect to any Intellectual Property that, individually or in the aggregate, would have a Material Adverse Effect and (iii) neither the Company nor any of its Subsidiaries has received any notice of, or has any knowledge of, infringement by a third party with respect to any Intellectual Property rights of the Company or of any Subsidiary that, individually or in the aggregate, would have a Material Adverse Effect.

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Company Intellectual Property does not include any Publicly Available Software and the Company has not used Publicly Available Software in whole or in part in the development of any part of Company Intellectual Property in a manner that may subject the Company or Company Intellectual Property in whole or in part, to all or part of the license obligations of any Publicly Available Software. "Publicly Available Software" means each of (i) any software that contains, or is derived in any manner (in whole or in part) from, any software that is distributed as free software, open source software (e.g. Linux), or similar licensing and distribution models; and (ii) any software that requires as a condition of use, modification, and/or distribution of such software that such software or other software incorporated into, derived from, or distributed with such software (a) be disclosed or distributed in source code form; (b) be licensed for the purpose of making derivative works; or (c) be redistributable at no or minimal charge.

4.9 Financial Statements. The financial statements of the Company

and the related notes contained in the Exchange Act Documents present fairly, in accordance with generally accepted accounting principles, the financial position of the Company and its Subsidiaries as of the dates indicated, and the results of its operations and cash flows for the periods therein specified consistent with the books and records of the Company and its Subsidiaries except that the

unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which are not expected to be material in amount. Such financial statements (including the related notes) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods therein specified, except as may be disclosed in the notes to such financial statements, or in the case of unaudited statements, as may be permitted by the Securities and Exchange Commission (the "SEC") on Form 10-QSB under the Exchange Act and except as disclosed in the Exchange Act Documents. The other financial information contained in the Exchange Act Documents has been prepared on a basis consistent with the financial statements of the Company.

4.10 No Material Adverse Change. Except as disclosed in the

Exchange Act Documents, since September 30, 2003, there has not been (i) any material adverse change in the financial condition or earnings of the Company and its Subsidiaries considered as one enterprise, (ii) any material adverse event affecting the Company or its Subsidiaries, (iii) any obligation, direct or contingent, that is material to the Company and its Subsidiaries considered as one enterprise, incurred by the Company, except obligations incurred in the ordinary course of business, (iv) any dividend or distribution of any kind declared, paid or made on the capital stock of the Company or any of its Subsidiaries, or (v) any loss or damage (whether or not insured) to the physical property of the Company or any of its Subsidiaries which has been sustained which has a Material Adverse Effect.

4.11 Disclosure. The representations and warranties of the Company

contained in this Section 4 as of the date hereof and as of the Closing Date, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Except with respect to the material terms and conditions of the transaction contemplated by the Agreements, which shall be publicly disclosed by the Company pursuant to Section 16 hereof, the Company confirms that neither it nor any person acting on its behalf has provided Investor with any information that the Company believes constitutes material, non-public information. The Company understands and confirms that each Investor will rely on the foregoing representations in effecting transactions in securities of the Company.

4.12 Secondary Market. The Company's Common Stock is registered

pursuant to Section 12(g) of the Exchange Act and is traded on the OTC Bulletin Board, and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or disqualifying the Common Stock from eligibility on the OTC Bulletin Board, nor has the Company received any notification that the SEC or the National Association of Securities Dealers, Inc. ("NASD") is contemplating terminating such registration or listing.

4.13 Reporting Status. The Company has filed in a timely manner

all documents that the Company was required to file under the Exchange Act during the 12 months preceding the date of this Agreement. The Company is eligible to use Form SB-2 to register the Shares to be offered for the account of the Investors. The following documents complied in all material respects with the SEC's requirements as of their respective filing dates, and the information contained therein as of the date thereof did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading:

(a) Annual Report on Form 10-KSB for the year ended June 30, 2003, and Quarterly Report on Form 10-QSB for the quarter ended September 30, 2003; and

(b) all other documents, if any, filed by the Company with the SEC during the one-year period preceding the date of this Agreement pursuant to the reporting requirements of the Exchange Act.

4.14 Listing. The Company shall comply with all requirements of

the NASD with respect to the issuance of the Units and the listing of the Shares

on a Principal Market. "Principal Market" shall mean the OTC Bulletin Board, the American Stock Exchange, the New York Stock Exchange, the NASDAQ National Market, or the NASDAQ Small-Cap Market, whichever is at the time the principal trading exchange or market for the Common Stock.

4.15 No Manipulation of Stock. The Company has not taken and will

not, in violation of applicable law, take, any action designed to or that might reasonably be expected to cause or result in stabilization or manipulation of the price of the Common Stock.

4.16 Company not an "Investment Company". The Company has been

advised of the rules and requirements under the Investment Company Act of 1940, as amended (the "Investment Company Act"). To the best knowledge of the Company, the Company is not, and immediately after receipt of payment for the Units will not be, an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act and shall conduct its business in a manner so that it will not become subject to the Investment Company Act.

4.17 Foreign Corrupt Practices. Neither the Company, nor to the

best knowledge of the Company, any agent or other person acting on behalf of the Company, has (i) directly or indirectly, used any corrupt funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended.

4.18 Accountants. To the Company's knowledge, Pannell Kerr

Forster, who the Company expects will consent to the incorporation by reference of its report dated September 3, 2003 with respect to the consolidated financial statements of the Company included in the Company's Annual Report on Form 10-KSB for the year ended June 30, 2003, into the Registration Statement (as defined below) and the prospectus which forms a part thereof, are independent accountants as required by the Securities Act and the rules and regulations promulgated thereunder.

4.19 Contracts. The contracts described in the Exchange Act

Documents that are material to the Company are in full force and effect on the date hereof, and neither the Company nor, to the Company's knowledge, any other party to such contracts is in breach of or default under any of such contracts which would have a Material Adverse Effect.

4.20 Taxes. The Company has filed all necessary federal, state

and foreign income and franchise tax returns when due (or obtained appropriate extensions for filing) and has paid or accrued all taxes shown as due thereon, and the Company has no knowledge of a tax deficiency which has been or might be asserted or threatened against it which would have a Material Adverse Effect.

4.21 Transfer Taxes. On the Closing Date, all stock transfer or

other taxes (other than income taxes) which are required to be paid in connection with the sale and transfer of the Units to be sold to the Investor hereunder will be, or will have been, fully paid or provided for by the Company and all laws imposing such taxes will be or will have been fully complied with.

4.22 Private Offering. Assuming the correctness of the

representations and warranties of the Investors set forth in Section 5 hereof, the offer and sale of Units hereunder is exempt from registration under the Securities Act. The Company has not distributed and will not distribute prior to the Closing Date any offering material in connection with this Offering and sale of the Units other than the documents of which this Agreement is a part or the Exchange Act Documents. The Company has not in the past nor will it hereafter take any action independent of the placement agent to sell, offer for sale or solicit offers to buy any securities of the Company which would bring

the offer, issuance or sale of the Units as contemplated by this Agreement, within the provisions of Section 5 of the Securities Act, unless such offer, issuance or sale was or shall be within the exemptions of Section 4 of the Securities Act.

4.23 Disclosure Controls and Procedures; Internal Controls. At

all times since first required by all applicable Exchange Act rules, the Company has established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and designed such disclosure controls and procedures to ensure that material information relating to the Company, including its Subsidiaries, is made known to the certifying officers by others within those entities, particularly during the period in which the Form 10-KSB or Form 10-QSB, as the case may be, is being prepared. The

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Company's certifying officers have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by each Form 10-KSB or Form 10-QSB for which such evaluation was required by applicable Exchange Act rules, as the case may be (each such date, the "Evaluation Date"). The Company presented in each such Form 10-KSB or Form 10-QSB, as the case may be, the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the most recent Evaluation Date, there have been no significant changes in the Company's internal controls (as such term is used in Item 307(b) of Regulation S-K under the Exchange Act) or, to the Company's knowledge, in other factors that could significantly affect the Company's internal controls.

4.24 Transactions With Affiliates. Except as disclosed in the

Exchange Act Documents, none of the officers or directors of the Company is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer or director or, to the knowledge of the Company, any entity in which any officer or director has a substantial interest or is an officer, director, trustee or partner.

5. Representations, Warranties and Covenants of each Investor.

5.1 Each Investor represents and warrants to, and covenants with, the Company that: (i) either (A) such Investor is an "accredited investor" as defined in Regulation D under the Securities Act and such Investor is also knowledgeable, sophisticated and experienced in making, and is qualified to make decisions with respect to investments in shares presenting an investment decision like that involved in the purchase of the Units, including investments in securities issued by the Company and investments in comparable companies, and has requested, received, reviewed and considered all information it deemed relevant in making an informed decision to purchase the Units or (B) the Company has made available to each Investor, prior to the date hereof, the opportunity to ask questions of and receive complete and correct answers from representatives of the Company concerning the terms and conditions of the Units and to obtain any additional information relating to the financial condition and business of the Company and such Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of the investment in the Units; (ii) each Investor is acquiring the number of Units set forth in Section 3 of the Securities Purchase Agreement in the ordinary course of its business and for its own account for investment only and with no present intention of distributing any of such Units or any arrangement or understanding with any other persons regarding the distribution of such Units; (iii) each Investor will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the Units except in compliance with the Securities Act, applicable state securities laws and the respective rules and regulations promulgated thereunder; (iv) each Investor has answered all questions on the Investor Questionnaire for use in preparation of the Registration Statement and the answers thereto are true, correct and complete as of the date hereof and will be true, correct and complete as of the Closing Date; (v) each Investor will notify the Company immediately of any change in any of such information until such time as such Investor has sold all of its Units or until the Company is no longer required to keep the Registration Statement effective; and (vi) each Investor has, in connection with its decision

to purchase the number of Units set forth in Section 3 of the Securities Purchase Agreement, relied only upon the Exchange Act Documents and the representations and warranties of the Company contained herein. Such Investor understands that its acquisition of the Units has not been registered under the Securities Act or registered or qualified under any state securities law in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of such Investor's investment intent as expressed herein. Subject to compliance with the Securities Act, applicable securities laws and the respective rules and regulations promulgated thereunder, nothing contained herein shall be deemed a representation or warranty by such Investor to hold the Units for any period of time. Each Investor has completed or caused to be completed and delivered to the Company the Investor Questionnaire, which questionnaire is true, correct and complete in all material respects.

5.2 Each Investor acknowledges, represents and agrees that no action has been or will be taken in any jurisdiction outside the United States by the Company that would permit an offering of the Units, or possession or distribution of offering materials in connection with the issue of the Units, in any jurisdiction outside the United States where legal action by the Company for that purpose is required. Each Investor outside the United States will comply with all applicable laws and regulations in each foreign jurisdiction in which it purchases, offers, sells or delivers Units or has in its possession or distributes any offering material, in all cases at its own expense.

5.3 Each Investor hereby covenants with the Company not to make any sale of the Units, or the securities underlying the Units, without complying with the provisions of this Agreement and without causing the prospectus delivery requirement under the Securities Act to be satisfied (whether by delivery of the Prospectus or pursuant to and in compliance with

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an exemption from such requirement), and such Investor acknowledges that the certificates evidencing the securities underlying the Units will be imprinted with a legend that prohibits their transfer except in accordance therewith. Each Investor acknowledges that there may occasionally be times when the Company determines that it must suspend the use of the Prospectus forming a part of the Registration Statement, as set forth in Section 7.2(c).

5.4 Each Investor further represents and warrants to, and covenants with, the Company that (i) such Investor has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and (ii) this Agreement constitutes a valid and binding obligation of the Investor enforceable against the Investor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as the indemnification agreements of the Investors herein may be legally unenforceable.

5.5 Each Investor will not use any of the restricted Units acquired pursuant to this Agreement to cover any short position in the Common Stock of the Company if doing so would be in violation of applicable securities laws and otherwise will comply with federal securities laws in the holding and sale of the Units.

5.6 Each Investor understands that nothing in the Exchange Act Documents, this Agreement or any other materials presented to the Investor in connection with the purchase and sale of the Units constitutes legal, tax or investment advice. Each Investor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of Units.

5.7 The Company acknowledges and agrees that each Investor does not make or has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Sections 5 and 16(a) of this Agreement, or in the Investor Questionnaire.

6. Survival of Representations, Warranties and Agreements.

Notwithstanding any investigation made by any party to this Agreement, all covenants, agreements, representations and warranties made by the Company and

the Investors herein shall survive the execution of this Agreement, the delivery to each Investor of the Units being purchased and the payment therefor.

7. Registration of the Shares; Compliance with the Securities Act.

7.1 Registration Procedures and Other Matters. The Company shall:

(a) subject to receipt of necessary information from each Investor after prompt request from the Company to the Investors to provide such information, prepare and file with the SEC, within 30 days after the Closing Date, a registration statement on Form SB-2, or on such other appropriate form as may be determined by counsel for the Company (the "Registration Statement") to enable the resale of the Shares by each Investor from time to time on the Principal Market or in privately-negotiated transactions;

(b) subject to receipt of necessary information from the Investors after prompt request from the Company to the Investors to provide such information, use its reasonable commercial efforts to cause the Registration Statement to become effective on or prior to the 90th day after the Closing Date;

(c) use its reasonable commercial efforts to prepare and file with the SEC such amendments and supplements to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep the Registration Statement current, effective and free from any material misstatement or omission to state a material fact for a period not exceeding the earlier of (i) the second anniversary of the Closing Date, (ii) the date on which each Investor may sell all Shares then held by such Investor without restriction by the volume limitations of Rule 144(e) of the Securities Act, or (iii) such time as all Shares purchased by such Investor in this Offering have been sold pursuant to a registration statement;

(d) furnish to each Investor with respect to the Shares registered under the Registration Statement such number of copies of the Registration Statement, Prospectuses and Preliminary Prospectuses in conformity with the requirements of the Securities Act and such other documents as the Investors may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Shares by the Investors; provided, however, that the obligation of the Company

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to deliver copies of Prospectuses or Preliminary Prospectuses to the Investor shall be subject to the receipt by the Company of reasonable assurances from each Investor that the Investors will comply with the applicable provisions of the Securities Act and of such other securities or blue sky laws as may be applicable in connection with any use of such Prospectuses or Preliminary Prospectuses;

(e) file documents required of the Company for normal blue sky clearance in states specified in writing by each Investor and use its reasonable commercial efforts to maintain such blue sky qualifications during the period the Company is required to maintain the effectiveness of the Registration Statement pursuant to Section 7.1(c); provided, however, that the Company shall not be required to qualify to do business or consent to service of process in any jurisdiction in which it is not now so qualified or has not so consented;

(f) bear all expenses in connection with the procedures in paragraph (a) through (e) of this Section 7.1 (other than underwriting discounts or commissions, brokers' fees and similar selling expenses, and any other fees or expenses incurred by the Investors, including attorney fees of the Investor) and the registration of the Shares pursuant to the Registration Statement; and

(g) advise the Investors, promptly after it shall receive notice or obtain knowledge of the issuance of any stop order by the SEC delaying or suspending the effectiveness of the Registration Statement or of the initiation or threat of any proceeding for that purpose; and it will promptly use its reasonable commercial efforts to prevent the issuance of any stop order or to obtain its withdrawal at the earliest possible moment if such stop order should be issued.

The Registration Statement shall cover the resale of the Shares by each

Investor, but not the Units or the Warrants as separate securities. The Registration Statement shall also cover, for resale by other selling shareholders, (i) approximately 1,300,000 shares of Common Stock that may be issued pursuant to a concurrent private placement; (ii) 1,740,336 shares of Common Stock currently outstanding; and (iii) 1,816,956 shares of Common Stock underlying warrants, all for resale by other selling shareholders whom the Company had previously granted registration rights. In no event at any time before the Registration Statement becomes effective with respect to the Shares shall the Company publicly announce or file any other registration statement, other than registrations on Form S-8, without the prior written consent of a majority in interest of the Total Investors.

The Company understands that the Investors disclaim being an underwriter, but if the SEC deems any Investor to be an underwriter the Company shall not be relieved of any obligations it has hereunder; provided, however that if the

Company receives notification from the SEC that such Investor is deemed an underwriter, then the period by which the Company is obligated to submit an acceleration request to the SEC shall be extended to the earlier of (i) the 90th day after such SEC notification, or (ii) 120 days after the initial filing of the Registration Statement with the SEC.

7.2 Transfer of Shares After Registration; Suspension.

(a) Each Investor agrees that it will not effect any disposition of the Shares or its right to purchase the Shares that would constitute a sale within the meaning of the Securities Act except as contemplated in the Registration Statement referred to in Section 7.1 and as described below or as otherwise permitted by law, and that it will promptly notify the Company of any changes in the information set forth in the Registration Statement regarding the Investor or its plan of distribution.

(b) Except in the event that paragraph (c) below applies, the Company shall (i) if deemed necessary by the Company, prepare and file from time to time with the SEC a post-effective amendment to the Registration Statement or a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that such Registration Statement will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and so that, as thereafter delivered to purchasers of the Shares being sold thereunder, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) provide each Investor copies of any documents filed pursuant to Section 7.2(b)(i) as the Investor may reasonably request; and (iii) inform each Investor that the Company has complied with its obligations in Section 7.2(b)(i) (or that, if the Company has filed a post-effective amendment to the Registration Statement which has not yet been declared effective, the Company will notify each Investor to that effect, will use its reasonable commercial efforts to secure the effectiveness of such post-effective amendment as promptly as possible and will promptly notify each Investor pursuant to Section 7.2(b)(i) hereof when the amendment has become effective).

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(c) Subject to paragraph (d) below, in the event (i) of any request by the SEC or any other federal or state governmental authority during the period of effectiveness of the Registration Statement for amendments or supplements to a Registration Statement or related Prospectus or for additional information; (ii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose; (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; or (iv) of any event or circumstance which, upon the advice of its counsel, necessitates the making of any changes in the Registration Statement or Prospectus, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to

make the statements therein, in the light of the circumstances under which they were made, not misleading; then the Company shall deliver a certificate in writing to each Investor (the "Suspension Notice") to the effect of the foregoing and, upon receipt of such Suspension Notice, each Investor will refrain from selling any Shares pursuant to the Registration Statement (a "Suspension") until the Investor's receipt of copies of a supplemented or amended Prospectus prepared and filed by the Company, or until it is advised in writing by the Company that the current Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in any such Prospectus. In the event of any Suspension, the Company will use its reasonable commercial efforts to cause the use of the Prospectus so suspended to be resumed as soon as reasonably practicable within 20 business days after the delivery of a Suspension Notice to the Investors. In addition to and without limiting any other remedies (including, without limitation, at law or at equity) available to the Investors, the Investors shall be entitled to specific performance in the event that the Company fails to comply with the provisions of this Section 7.2(c).

(d) Notwithstanding the foregoing paragraphs of this Section 7.2, the Investors shall not be prohibited from selling Shares under the Registration Statement as a result of Suspensions on more than two occasions of not more than 30 days each in any twelve month period, unless, in the good faith judgment of the Company's Board of Directors, upon the written opinion of counsel of the Company, the sale of Shares under the Registration Statement in reliance on this paragraph 7.2(d) would be reasonably likely to cause a violation of the Securities Act or the Exchange Act and result in liability to the Company.

(e) Provided that a Suspension is not then in effect, the Investors may sell Shares under the Registration Statement, provided that it arranges for delivery of a current Prospectus to the transferee of such Shares. Upon receipt of a request therefor, the Company has agreed to provide an adequate number of current Prospectuses to each Investor and to supply copies to any other parties requiring such Prospectuses.

(f) In the event of a sale of Shares by any of the Investors pursuant to the Registration Statement, such Investor must also deliver to the Company's transfer agent, with a copy to the Company, a Certificate of Subsequent Sale substantially in the form attached hereto as Exhibit A, so that

the Shares may be properly transferred.

7.3 Indemnification. For the purpose of this Section 7.3:

(i) the term "Selling Stockholder" means the Investor and any affiliate of such Investor;

(ii) the term "Registration Statement" shall include the Prospectus in the form first filed with the SEC pursuant to Rule 424(b) of the Securities Act or filed as part of the Registration Statement at the time of effectiveness if no Rule 424(b) filing is required, and any exhibit, supplement or amendment included in or relating to the Registration Statement referred to in Section 7.1; and

(iii) the term "Untrue Statement" means any untrue statement or alleged untrue statement, or any omission or alleged omission to state in the Registration Statement a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(a) The Company agrees to indemnify and hold harmless each Selling Stockholder from and against any losses, claims, damages or liabilities to which such Selling Stockholder may become subject (under the Securities Act or otherwise) insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon (i) any breach of the representations or warranties of the Company contained herein or failure to comply with the covenants and agreements of the Company contained herein, (ii) any Untrue Statement, or (iii) any failure by the Company to

fulfill any undertaking included in the Registration Statement as amended or supplemented from time to time, and the Company will reimburse such Selling Stockholder for any reasonable legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or

claim, or preparing to defend any such action, proceeding or claim, provided,

however, that the Company shall not be liable in any such case to the extent

that such loss, claim, damage or liability arises out of, or is based upon, an Untrue Statement made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Selling Stockholder specifically for use in preparation of the Registration Statement, as amended or supplemented from time to time (including, without limitation, information set forth in the Investor Questionnaire), or the failure of such Selling Stockholder to comply with its covenants and agreements contained in Section 7.2 hereof respecting sale of the Shares or any statement or omission in any Prospectus that is corrected in any subsequent Prospectus that was delivered to the Selling Stockholder prior to the pertinent sale or sales by the Selling Stockholder. The Company shall reimburse each Selling Stockholder for the indemnifiable amounts provided for herein on demand as such expenses are incurred.

(b) Each Investor agrees to indemnify and hold harmless the Company (and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, each officer of the Company who signs the Registration Statement and each director of the Company) from and against any losses, claims, damages or liabilities to which the Company (or any such officer, director or controlling person) may become subject (under the Securities Act or otherwise), insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon, (i) any failure to comply with the covenants and agreements contained in Section 7.2 hereof respecting sale of the Shares, or (ii) any Untrue Statement if such Untrue Statement was made in reliance upon and in conformity with written information furnished by or on behalf of the Investor specifically for use in preparation of the Registration Statement, as amended or supplemented from time to time (including, without limitation, information set forth in the Investor Questionnaire), and such Investor will reimburse the Company (or such officer, director or controlling person), as the case may be, for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim. Such Investor shall reimburse the Company or such officer, director or controlling person, as the case may be, for the indemnifiable amounts provided for herein on demand as such expenses are incurred. Notwithstanding the foregoing, the Investor's aggregate obligation to indemnify the Company and such officers, directors and controlling persons shall be limited to the net amount received by the Investor from the sale of the Shares.

(c) Promptly after receipt by any indemnified person of a notice of a claim or the beginning of any action in respect of which indemnity is to be sought against an indemnifying person pursuant to this Section 7.3, such indemnified person shall notify the indemnifying person in writing of such claim or of the commencement of such action, but the omission to so notify the indemnifying person will not relieve it from any liability which it may have to any indemnified person under this Section 7.3 (except to the extent that such omission materially and adversely affects the indemnifying person's ability to defend such action) or from any liability otherwise than under this Section 7.3. Subject to the provisions hereinafter stated, in case any such action shall be brought against an indemnified person, the indemnifying person shall be entitled to participate therein, and, to the extent that it shall elect by written notice delivered to the indemnified person promptly after receiving the aforesaid notice from such indemnified person, shall be entitled to assume the defense thereof, with counsel reasonably satisfactory to such indemnified person. After notice from the indemnifying person to such indemnified person of its election to assume the defense thereof, such indemnifying person shall not be liable to such indemnified person for any legal expenses subsequently incurred by such indemnified person in connection with the defense thereof, provided, however,

that if there exists or shall exist a conflict of interest that would make it inappropriate, in the opinion of counsel to the indemnified person, for the same counsel to represent both the indemnified person and such indemnifying person or any affiliate or associate thereof, the indemnified person shall be entitled to retain its own counsel at the expense of such indemnifying person; provided, however, that no indemnifying person shall be responsible for the fees and expenses of more than one separate counsel (together with appropriate local counsel) for all indemnified parties. In no event shall any indemnifying person be liable in respect of any amounts paid in settlement of any action unless the indemnifying person shall have approved the terms of such settlement; provided

that such consent shall not be unreasonably withheld or delayed. No indemnifying person shall, without the prior written consent of the indemnified

person, effect any settlement of any pending or threatened proceeding in respect of which any indemnified person is or could have been a party and indemnification could have been sought hereunder by such indemnified person, unless such settlement includes an unconditional release of such indemnified person from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in this Section 7.3 is unavailable to or insufficient to hold harmless an indemnified person under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to therein, then each indemnifying person shall contribute to the amount paid or payable by such indemnified person as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Investor,

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as well as any other Selling Shareholders under such Registration Statement on the other in connection with the statements or omissions or other matters which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, in the case of an Untrue Statement, whether the Untrue Statement relates to information supplied by the Company on the one hand or an Investor or other Selling Shareholder on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such Untrue Statement. The Company and such Investor agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Investor and other Selling Shareholders were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified person as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), the Investor shall not be required to contribute any amount in excess of the amount by which the net amount received by the Investor from the sale of the Shares to which such loss relates exceeds the amount of any damages which such Investor has otherwise been required to pay by reason of such Untrue Statement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Investor's obligations in this subsection to contribute shall be in proportion to its Investor sale of Shares to which such loss relates and shall not be joint with any other Selling Shareholders.

(e) The parties to this Agreement hereby acknowledge that they are sophisticated business persons who were represented by counsel during the negotiations regarding the provisions hereof including, without limitation, the provisions of this Section 7.3, and are fully informed regarding said provisions. They further acknowledge that the provisions of this Section 7.3 fairly allocate the risks in light of the ability of the parties to investigate the Company and its business in order to assure that adequate disclosure is made in the Registration Statement as required by the Securities Act and the Exchange Act. The parties are advised that federal or state public policy as interpreted by the courts in certain jurisdictions may be contrary to certain of the provisions of this Section 7.3, and the parties hereto hereby expressly waive and relinquish any right or ability to assert such public policy as a defense to a claim under this Section 7.3 and further agree not to attempt to assert any such defense.

7.4 Termination of Conditions and Obligations. The conditions

precedent imposed by Section 5 or this Section 7 upon the transferability of the Shares shall cease and terminate as to any particular number of the Shares when such Shares shall have been effectively registered under the Securities Act and sold or otherwise disposed of in accordance with the intended method of disposition set forth in the Registration Statement covering such Shares or at such time as an opinion of counsel reasonably satisfactory to the Company shall have been rendered to the effect that such conditions are not necessary in order to comply with the Securities Act.

7.5 Information Available. So long as the Registration Statement

is effective covering the resale of Shares owned by the Investors, the Company will furnish to each Investor:

(a) as soon as practicable after it is available, one copy of (i) its Annual Report to Stockholders (which Annual Report shall contain financial statements audited in accordance with generally accepted accounting principles), (ii) its Annual Report on Form 10-KSB and (iii) its Quarterly Reports on Form 10-QSB (the foregoing, in each case, excluding exhibits);

(b) upon the request of the Investors, all exhibits excluded by the parenthetical to subparagraph (a) of this Section 7.5 as filed with the SEC and all other information that is made available to shareholders; and

(c) upon the reasonable request of the Investors, the President or the Chief Financial Officer of the Company (or an appropriate designee thereof) will meet with the Investor or a representative thereof at the Company's headquarters to discuss all information relevant for disclosure in the Registration Statement covering the Shares and will otherwise cooperate with any Investor conducting an investigation for the purpose of reducing or eliminating such Investor's exposure to liability under the Securities Act, including the reasonable production of information at the Company's headquarters; provided, that the Company shall not be required to disclose any confidential information to or meet at its headquarters with any Investor until and unless the Investor shall have entered into a confidentiality agreement in form and substance reasonably satisfactory to the Company with the Company with respect thereto.

7.6 Legend; Restrictions on Transfer. The certificate or

certificates for the Shares and the Warrants shall be

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subject to a legend or legends restricting transfer under the Securities Act and referring to restrictions on transfer herein, such legend to be substantially as follows:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL, IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

The Company and each Investor acknowledge and agree that each Investor may, as permitted by law, from time to time pledge pursuant to a bona fide margin agreement or grant a security interest in some or all of the Shares and, if required under the terms of such arrangement, Investor may, as permitted by law, transfer pledged or secured Shares to the pledgees or secured parties. So long as the Investor is not an affiliate of the Company, such a pledge or transfer would not be subject to approval or consent of the Company, provided that, upon the request of the Company, a legal opinion of legal counsel to the pledgee, secured party or pledgor shall be obtained. At the Investor's expense, so long as the Shares are subject to the legend required by this Section 7.6, the Company will use its reasonable commercial efforts to execute and deliver such reasonable documentation as a pledgee or secured party of Shares may reasonably request in connection with a pledge or transfer of the Shares including such amendments or supplements to the Registration Statement and Prospectus as may be reasonably required. The foregoing does not affect Investor's obligations pursuant to Section 7.2(a).

7.7 Liquidated Damages. The Company and each Investor agree that

each Investor will suffer damages if the Company fails to fulfill its obligations pursuant to Section 7.1 and 7.2 hereof and that it would not be possible to ascertain the extent of such damages with precision. Accordingly, the Company hereby agrees to pay liquidated damages ("Liquidated Damages") to each Investor under the following circumstances: (a) if the Registration Statement is not filed by the Company on or prior to 30 days after the Closing Date (such an event, a "Filing Default"); (b) if the Registration Statement is not declared effective by the SEC on or prior to 90 days after the Closing Date (such an event, an "Effectiveness Default"); or (c) if the Registration Statement (after its effectiveness date) ceases to be effective and available to Investors for any continuous period that exceeds 30 days or for one or more period that exceeds in the aggregate 60 days in any 12-month period (such an event, a "Suspension Default" and together with a Filing Default and an Effectiveness Default, a "Registration Default"). In the event of a

Registration Default, the Company shall as Liquidated Damages pay to each Investor, for each 45-day period of a Registration Default, an amount in cash equal to 5% of the aggregate purchase price paid by each Investor pursuant to this Agreement up to a maximum of 30% of the aggregate purchase price paid by each Investor, provided that Liquidation Damages in respect of a Suspension Default shall not be payable in relation to any Units not owned by the Investor at the time of the Suspension Default. The Company shall pay the Liquidated Damages as follows: (i) in connection with a Filing Default, on the 46th day after the Closing Date, and each 30th day thereafter until the Registration Statement is filed with the SEC; (ii) in connection with an Effectiveness Default, on the 91st day after the Closing Date and each 30th day thereafter until the Registration Statement is declared effective by the SEC; or (iii) in connection with a Suspension Default, on either (x) the 31st consecutive day of any Suspension or (y) the 61st day (in the aggregate) of any Suspensions in any 12-month period, and each 30th day thereafter until the Suspension is terminated in accordance with Section 7.2. Notwithstanding the foregoing, all periods shall be tolled during delays directly caused by the action or inaction of any Investor, and the Company shall have no liability to any Investor in respect of any such delay. The Liquidated Damages payable herein shall apply on a pro rata basis for any portion of a 30-day period of a Registration Default.

8. Notices. All notices, requests, consents and other communications

hereunder shall be in writing, shall be mailed (A) if within the United States by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, or by facsimile, or (B) if delivered from outside the United States, by International Federal Express (or other recognized international express courier) or facsimile, and shall be deemed given (i) if delivered by first-class registered or certified mail, three business days after so mailed, (ii) if delivered by nationally recognized overnight carrier, one business day after so mailed, (iii) if delivered by International Federal Express (or other recognized international express courier), two business days after so mailed, (iv) if delivered by facsimile, upon electronic confirmation of receipt and shall be delivered as addressed as follows:

(a) if to the Company, to:

Integral Technologies, Inc.

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805 W. Orchard Drive, Suite 3
Bellingham, WA 98225
Attn: William A. Ince, President
Facsimile: 360-752-1983

(b) with a copy to (does not constitute notice):

Futro & Associates, P.C.
Troy A. Young, Esq.
1401 - 17th Street, Suite 1150
Denver, CO 80202
Facsimile: 303-295-1563

(c) if to the Investors, to:

c/o Wellington Management Company, llp
75 State Street
Boston, MA 02109
Attention: Gina Di Mento
Facsimile: 617-790-7760

9. Changes. This Agreement may be modified, amended or waived only

pursuant to a written instrument signed by the Company and (a) Investors holding a majority of the Units issued and sold in the Offering, provided that such modification, amendment or waiver is made with respect to all Agreements and does not adversely affect the Investor without adversely affecting all Investors in a similar manner; or (b) the Investor.

10. Headings. The headings of the various sections of this Agreement

have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.

11. Severability. In case any provision contained in this Agreement

should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12. Governing Law. This Agreement shall be governed by, and construed

in accordance with, the internal laws of the State of Nevada, without giving effect to the principles of conflicts of law.

13. Counterparts. This Agreement may be executed in two or more

counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties.

14. Entire Agreement. This Agreement constitute the entire agreement

between the parties hereto and supersedes any prior understandings or agreements concerning the purchase and sale of the Units and the resale registration of the Shares.

15. Rule 144. The Company covenants that it will timely file the

reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Investor holding Shares made after the first anniversary of the Closing Date, make publicly available such information as necessary to permit sales pursuant to Rule 144 under the Securities Act), and it will take such further action as any such Investor may reasonably request, all to the extent required from time to time to enable such Investor to sell Shares purchased hereunder without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of the Investor, the Company will deliver to such holder a written statement as to whether it has complied with such information and requirements.

16. Confidential Information.

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(a) Each Investor represents to the Company that, at all times during the Company's offering of the Units, the Investors have maintained in confidence all non-public information regarding the Company received by the Investors from the Company or its agents, and covenants that it will continue to maintain in confidence such information until such information (a) becomes generally publicly available other than through a violation of this provision by the Investors or its agents or (b) is required to be disclosed in legal proceedings (such as by deposition, interrogatory, request for documents, subpoena, civil investigation demand, filing with any governmental authority or similar process), provided, however, that before making any use or disclosure in reliance on this subparagraph (b) the Investors shall give the Company at least fifteen (15) days prior written notice (or such shorter period as required by law) specifying the circumstances giving rise thereto and will furnish only that portion of the non-public information which is legally required and will exercise its reasonable commercial efforts to obtain reliable assurance that confidential treatment will be accorded any non-public information so furnished.

(b) The Company shall on the Closing Date issue a press release disclosing the material terms of the transactions contemplated hereby (including at least the number of Units sold and proceeds therefrom). The Company shall not publicly disclose the name of any Investor, or include the name of any Investor in any filing with the SEC or any state and federal regulatory agency (other than the filing of the Agreements with the SEC pursuant to the Exchange Act or the filing of the Registration Statement), without the prior written consent of any Investor, except to the extent such disclosure is required by law or regulation.

17. No Third-Party Beneficiaries. This Agreement is intended for the
benefit of the parties hereto and their respective successors and permitted
assigns and is not for the benefit of, nor may any provision hereof be enforced
by, any other person.
18. Knowledge. The term "knowledge" in this Agreement shall mean the
knowledge of the directors and officers of the Company after due inquiry.

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SCHEDULE A

ACCOUNT LEGAL NAME	COMMON	WARRANTS
	SHARES	TO PURCHASE
		CS
British Columbia Investment Management Corporation	230,000	69,000
The Dow Chemical Employees' Retirement Plan	454,000	136,200
The Retirement Program Plan for Employees of Union Carbide Corporation	378,000	113,400
Government of Singapore Investment Corporation Pte Ltd	1,757,000	527,100
Howard Hughes Medical Institute	460,000	138,000
New York State Nurses Association Pension Plan	275,000	82,500
Ohio Carpenters' Pension Fund	150,000	45,000
Laborers' District Council and Contractors' of Ohio Pension Fund	125,000	37,500
The Robert Wood Johnson Foundation	507,000	152,100
WTC-CIF Emerging Companies Portfolio	630,000	189,000

WTC-CTF Emerging
Companies Portfolio

745,000

223,500

FORM OF

INTEGRAL TECHNOLOGIES, INC.

STOCK PURCHASE WARRANT

THE WARRANTS EVIDENCED HEREBY AND THE SHARES OF STOCK ISSUABLE
UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE
OFFERED OR SOLD WITHOUT REGISTRATION UNLESS AN EXEMPTION FROM
REGISTRATION IS AVAILABLE UNDER SUCH ACT OR THE RULES OR
REGULATIONS PROMULGATED THEREUNDER

Expiration Date: December 31, 2009

No. ____

WARRANT TO PURCHASE
SHARES OF COMMON STOCK
AS DESCRIBED HEREIN

This certifies that, for value received, _____,
or its successors and assigns ("Holder"), is entitled to receive from Integral

Technologies, Inc., a Nevada corporation (the "Company"), up to and including

_____ fully paid and non-assessable shares (the "Number of Shares") of

the common stock, par value \$0.001 per share, of the Company (the "Common

Stock") on the terms set forth herein, at no additional consideration by the

Holder.

1. Exercise.

1.1 Time for Exercise. This Warrant may be exercised in whole or

in part at any time, and from time to time, during the period commencing on
April 30, 2004 and expiring on December 31, 2009.

1.2 Manner of Exercise. This Warrant shall be deemed exercised

upon receipt by the Company by means of facsimile, the Notice of Exercise
attached hereto duly completed and signed by the Holder (or its agent),
specifying the number of shares as to which the Warrant is being exercised at
that time.

1.3 Effect of Exercise. Promptly (but in any case within five

business days) after any exercise, the Company shall deliver to the Holder (i)
duly executed certificates in the name or names specified in the exercise notice
representing the aggregate number of shares issuable upon such exercise, and
(ii) if this Warrant is exercised only in part, a new Warrant of like tenor
representing the balance of the Number of Shares. Such certificates shall be
deemed to have been issued, and the person receiving them shall be deemed to be
a holder of record of such shares, as of the close of business on the date the
actions required in Section 1.2 shall have been completed or, if on that date
the stock transfer books of the Company are closed, as of the next business day
on which the stock transfer books of the Company are open.

FORM OF

2. Transfer of Warrants and Stock.

2.1 Transfer Restrictions. Except as provided in the Securities

Purchase Agreement dated the date hereof, the sale or re-sale of the Warrant and the Common Stock issuable upon exercise of the Warrant has not been and is not being registered under the Securities Act of 1933, as amended ("Securities

Act"), or any applicable state securities laws. Neither this Warrant nor the

securities issuable upon its exercise may be sold, transferred or pledged unless the Company shall have been supplied with reasonably satisfactory evidence that such transfer is not in violation of the Securities Act and any applicable state securities laws. The Company may place a legend to that effect on this Warrant, any replacement Warrant and each certificate representing shares issuable upon exercise of this Warrant.

2.2 Manner of Transfer. Upon delivery of this Warrant to the

Company with the attached assignment form duly completed and signed, the Company will promptly (but in any case within five business days) execute and deliver to each transferee and, if applicable, the Holder, Warrants of like tenor evidencing the rights (i) of the transferee(s) to purchase the Number of Shares specified for each in the assignment forms, and (ii) of the Holder to purchase any untransferred portion, which in the aggregate shall equal the Number of Shares of the original Warrant. If this Warrant is properly assigned in compliance with this Section 2, it may be exercised by an assignee without having a new Warrant issued.

2.3 Loss, Destruction of Warrant Certificates. Upon receipt of

(i) evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any Warrant and (ii) except in the case of mutilation, an indemnity or security reasonably satisfactory to the Company (the original Holder's or any other institutional Holder's indemnity agreed to be satisfactory), the Company will promptly (but in any case within five business days) execute and deliver a replacement Warrant of like tenor representing the right to purchase the same Number of Shares.

2.4 Cost of Issuances. The Company shall pay all expenses,

transfer taxes and other charges payable in connection with the preparation, issuance and delivery of stock certificates or replacement Warrants, except for any transfer tax or other charge imposed as a result of (i) any issuance of stock certificates in any name other than the name of the Holder upon exercise of the Warrant or (ii) any transfer of the Warrant. The Company shall not be required to issue or deliver any stock certificate or Warrant until it receives reasonably satisfactory evidence that any such tax or other charge has been paid by the Holder.

3. Covenants. The Company agrees that:

3.1 Reservation of Stock. During the period in which this Warrant

may be exercised, the Company will reserve sufficient authorized but unissued securities (and, if applicable, property) to enable it to satisfy its obligations on exercise of this Warrant. If at any time the Company's authorized securities shall not be sufficient to allow the exercise of this Warrant, the Company shall take such corporate action as may be necessary to increase its authorized but unissued securities to be sufficient for such purpose;

3.2 No Liens, etc. All securities that may be issued upon

exercise of this Warrant will, upon issuance, be validly issued, fully paid, non-assessable and free from all taxes, liens and charges with respect to the issue thereof, and shall be listed on any exchanges or authorized for trading on any automated systems on which that class of securities is listed or authorized for trading;

3.3 No Diminution of Value. The Company will not take any action

to terminate this Warrant or to diminish it in value;

3.4 Furnish Information. The Company will promptly deliver to the

Holder copies of all financial statements, reports, proxy statements and other information which the Company shall have sent to its shareholders generally; and

3.5 Stock and Warrant Transfer Books. Except upon dissolution,

liquidation or winding up or for ordinary holidays and weekends, the Company will not at any time close its stock or warrant transfer books so as to result in preventing or delaying the exercise or transfer of this Warrant.

4. General Provisions.

4.1 Complete Agreement; Modifications. This Warrant and any

documents referred to herein or executed contemporaneously herewith constitute the parties' entire agreement with respect to the subject matter hereof and supersede all agreements, representations, warranties, statements, promises and understandings, whether oral or written, with respect to the subject matter hereof. This Warrant may not be amended, altered or modified except by a writing signed by the parties.

4.2 Additional Documents. Each party hereto agrees to execute any

and all further documents and writings and to perform such other actions which may be or become necessary or expedient to effectuate and carry out this Warrant.

4.3 Notices. Any notices required or permitted to be given under

the terms of this Agreement shall be sent by certified or registered mail (return receipt requested) or delivered personally or by courier (including a recognized overnight delivery service) or by facsimile and shall be effective five days after being placed in the mail, if mailed by regular United States mail, or upon receipt, if delivered personally or by courier (including a recognized overnight delivery service) or by facsimile, in each case addressed to a party. The addresses for such communications shall be:

If to the Company:

Integral Technologies Inc.
805 W. Orchard Drive, Suite 3
Bellingham, WA 98225
Attention: William A. Ince, President
Facsimile: (360) 752-1983
Telephone: (360) 752-1982

With copy to:

Futro & Associates, P.C.
1401 - 17th Street, Suite 1150
Denver, CO 80202
Attention: Troy A. Young, Esq.
Facsimile: (303) 295-1563
Telephone: (303) 2295-3360

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FORM OF

If to a Holder:

C/o Wellington Management Company, LLP
75 State Street
Boston, MA 02109
Attention: Gina Di Mento
Facsimile: (617) 204-7535
Telephone: (617) 790-7535

Each party shall provide notice to the other party of any change in address.

4.4 No Third-Party Benefits; Successors and Assigns. None of the

provisions of this Warrant shall be for the benefit of, or enforceable by, any third-party beneficiary. Except as provided herein to the contrary, this Warrant shall be binding upon and inure to the benefit of the parties, their respective successors and permitted assigns. The Holder may assign its rights and obligations under this Warrant to any third party if done so in compliance with the requirements of Section 2.

4.5 Governing Law. This Warrant shall be governed by and

construed in accordance with the laws of the State of Nevada applicable to agreements made and to be performed in the State of Nevada (without regard to principles of conflict of laws). Both parties irrevocably consent to the exclusive jurisdiction of the United States federal courts and the state courts located in Nevada with respect to any suit or proceeding based on or arising under this Warrant, the agreements entered into in connection herewith or the transactions contemplated hereby or thereby and irrevocably agree that all claims in respect of such suit or proceeding may be determined in such courts. The Company and the Holder irrevocably waives the defense of an inconvenient forum to the maintenance of such suit or proceeding. The Company and the Holder further agrees that service of process upon a party mailed by first class mail shall be deemed in every respect effective service of process upon the party in any such suit or proceeding. Nothing herein shall affect either party's right to serve process in any other manner permitted by law. Each of the parties agrees that a final non-appealable judgment in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on such judgment or in any other lawful manner.

4.6 Waivers Strictly Construed. With regard to any power, remedy

or right provided herein or otherwise available to any party hereunder (i) no waiver or extension of time shall be effective unless expressly contained in a writing signed by the waiving party, and (ii) no alteration, modification or impairment shall be implied by reason of any previous waiver, extension of time, delay or omission in exercise, or other indulgence.

4.7 Severability. The validity, legality or enforceability of the

remainder of this Warrant shall not be affected even if one or more of its provisions shall be held to be invalid, illegal or unenforceable in any respect.

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FORM OF

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed effective as of _____, 2003.

INTEGRAL TECHNOLOGIES, INC.

By:_____

Name:_____

Title:_____

Attest:

By:_____

Name:_____

Title:_____

5
FORM OF

ASSIGNMENT FORM

(To Be Executed Upon Transfer of Warrant)

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers to the transferee named below the rights to purchase ____ of the Number of Shares under this Warrant, together with all rights, title and interest therein. The rights to purchase the remaining Number of Shares shall remain the property of the undersigned. This includes a transfer of the registration rights.

[NAME OF HOLDER]

Dated: _____

By: _____
Signature

Name: _____
(Please Print)

Title: _____

Address: _____

Employer Identification Number,
Social Security Number or other
identifying number: _____

TRANSFEE:

Name: _____
(Please Print)

Address: _____

Employer Identification Number,
Social Security Number or other
identifying number: _____

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FORM OF

EXERCISE FORM

(To Be Executed Upon Exercise of Warrant)

The undersigned hereby exercises the Warrant with regard to _____ shares of Common Stock at no additional consideration by the Holder. The undersigned requests that the certificate(s) for such shares and the Warrant for the unexercised portion of this Warrant be issued to the Holder.

[NAME OF HOLDER]

Dated: _____

By: _____
Signature

Name: _____
(Please Print)

Title: _____

Address: _____

Employer Identification Number,
Social Security Number or other
identifying number: _____

TRANSFeree:

Name: _____
(Please Print)

Address: _____

Employer Identification Number,
Social Security Number or other
identifying number: _____

INTEGRAL RAISES \$5.7 MILLION IN PRIVATE PLACEMENT OF COMMON STOCK AND WARRANTS
Wednesday, January 21, 2004 09:30 AM ET

BELLINGHAM, Wash.--(BUSINESS WIRE)--Jan. 21, 2004--Integral Technologies, Inc.
(OTCBB: ITKG, news) ("Integral"), announced today that it has closed a private

placement of common stock and warrants, raising approximately \$5.7 million in gross proceeds, pursuant to an agreement dated Dec. 26, 2003. The transaction involved the sale of 57,115 units at \$100.00 a unit. Each unit is comprised of 100 shares of newly issued shares of Integral common stock and a warrant for 30 shares. The units were placed with a large Boston based investment manager.

"The success of this financing reflects the confidence that investors maintain in Integral's business plan and Electriplast technology," said Bill Robinson, Integral's chairman and chief executive officer. Robinson went on to say, "The proceeds of this financing will primarily be used to fund commercialization, patents costs, and continued research and development."

Integral Technologies Inc. (<http://www.itkg.net>) has developed a new innovative

electrically conductive resin based material deemed "Electriplast." The company holds US provisional patents on 31 different electronic applications around its Electriplast Technology. Various examples of industries that Electriplast can be used in are, antennas, shielding, lighting circuitry, switch actuators, resistors, medical devices, thermal management and cable connector bodies, to name just a few. The company plans to introduce these new products and the Electriplast Technology on a global scale.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any security. The shares issued in the private placement have not been registered under the Securities Act of 1933 or applicable state securities laws and may not be offered or sold in the United States absent registration under the Securities Act and applicable state securities laws or an applicable exemption from registration requirements. Integral has agreed to file a registration statement covering the resale of these shares.

This press release contains "forward-looking statements" within the meaning of Section 27A of the 1933 Securities Act and Section 21E of the 1934 Securities Exchange Act. Actual results could differ materially, as the result of such factors as (1) competition in the markets for the products and services sold by the company, (2) the ability of the company to execute its plans, and (3) other factors detailed in the company's public filings with the SEC. By making these forward-looking statements, the Company can give no assurances that the transaction described in this press release will be successfully completed, and undertakes no obligation to update these statements for revisions or changes after the date of this release.

For more detailed information on the company and the technologies described above please visit our web site at <http://www.itkg.net> or contact Shareholder

Relations at 888-666-8833 or Vic Allgeier at TTC, at 212-227-0997.

CONTACT: Integral Technologies, Inc.
Shareholder Relations, 888-666-8833
<http://www.itkg.net>

or
TTC
Vic Allgeier, 212-227-0997