

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

FORM 10-K

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

For the fiscal year ended June 30, 2010

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

For the transition period from: _____ to _____

Commission file number: 0-28353

INTEGRAL TECHNOLOGIES, INC.

(Name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

98-0163519

(IRS Employer Identification No.)

805 W. Orchard Drive, Suite 7, Bellingham, Washington

(Address of principal executive offices)

98225

(Zip Code)

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

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock

Indicate by check mark if the issuer is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Indicate by check mark if the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

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

Indicate by check mark whether the issuer has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

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

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

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

State issuer's revenues for its most recent fiscal year. \$-0-

As of December 31, 2009, the aggregate market value of the voting stock held by non-affiliates, approximately 45,145,403 shares of Common Stock, was approximately \$31.7 million based on an average of the bid and ask prices of approximately \$0.68 per share of Common Stock on such date.

The number of shares outstanding of the issuer's Common Stock, \$.001 par value, as of August 6, 2010 was 54,838,921 shares.

DOCUMENTS INCORPORATED BY REFERENCE: None.

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SIGNATURES

PART I

CAUTIONARY STATEMENT IDENTIFYING IMPORTANT FACTORS THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER FROM THOSE PROJECTED IN FORWARD LOOKING STATEMENTS

Readers of this document, and any document incorporated by reference herein, are advised that this document and documents incorporated by reference into this document contain both statements of historical facts and forward looking statements. Forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially for those indicated by the forward looking statements. Examples of forward looking statements include, but are not limited to, (i) projections of revenues, income or loss, earning or loss per share, capital expenditures, dividends, capital structure and other financial items, (ii) statements of the plans and objectives of Integral Technologies, Inc. or our management or Board of Directors, including the introduction of new products, or estimates or predictions of actions by customers, suppliers, competitors or regulatory authorities, (iii) statements of future economic performance, and (iv) statements of assumptions underlying other statements and statements about our company or our business.

This document, and any documents incorporated by reference herein, also identify important factors that could cause actual results to differ materially from those indicated by forward looking statements. These risks and uncertainties include price competition, the decisions of customers, the actions of competitors, the effects of government regulation, possible delays in the introduction of new products and services, customer acceptance of products and services, our ability to secure debt and/or equity financing on reasonable terms, and other factors that are described herein and/or in documents incorporated by reference herein.

The cautionary statements made above and elsewhere should not be construed as exhaustive or as any admission regarding the adequacy of disclosures made by Integral Technologies, Inc. Forward looking statements are beyond the ability of our company to control and in many cases we cannot predict what factors would cause results to differ materially from those indicated by the forward looking statements.

ITEM 1. BUSINESS.

BUSINESS DEVELOPMENT

Integral Technologies, Inc. ("Integral," the "Company" or "we") is a development stage company, incorporated under the laws of the State of Nevada on February 12, 1996. To date, we have expended resources on the research and development of several different types of technologies.

Presently, we are focusing substantially all of our resources on researching, developing, engineering and commercializing our ElectriPlast™ technology, which possesses a multitude of applications. In addition, we apply a significant portion of our resources to the protection of our intellectual property through patent filings. To date, we have not realized any revenue from our efforts. We expect to derive future revenues from the sale of ElectriPlast™ materials and/or fees from licensing ElectriPlast™ technologies to third-party manufacturers.

Our business model calls for the Company to secure sales of ElectriPlast™ material from over 2000 Global manufacturers and to generate revenue through sale of ElectriPlast™ material and licensing ElectriPlast™ due to our expertise in the know how and the ideas related to the use of the product.

Our business strategy focuses on leveraging our intellectual property rights and our strengths in product design and material innovation. We are focusing our marketing efforts on securing licensing agreements for applications of our ElectriPlast™ technologies with manufacturers of products which would benefit from the incorporation of many of the ElectriPlast™ applications.

TECHNOLOGIES

ElectriPlast™

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

ElectriPlast™ is a patented non-corrosive, durable, conductive plastic pellet that replaces the metallic component currently used in electroactive shielding and conductive devices, thus creating applications never before possible and with a 20-70% weight reduction. ElectriPlast's™ intellectual property (IP) and 49 patents cover both the material and its applications.

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

ElectriPlast™ can be tailored to meet each customer's specifications in ways not possible with other conductive plastics. While other conductive plastics are an indistinguishable commodity, ElectriPlast™ creates *revolutionary applications* that fundamentally change the way electricity is harnessed and managed.

The ElectriPlast™ portfolio of applications is the centerpiece of Integral's strategy to aggressively develop, protect, and market its innovations. Integral's patent holdings encompass a broad range of ElectriPlast™ developments including the core technology, key applications and related micron conductive fiber technology.

ElectriPlast™ can be fabricated into virtually any shape or dimension using low-cost capital investment: injection molding and extrusion (locally done with existing tools) versus stamping (often done overseas). Its design flexibility, shorter development cycle and speed of manufacturing create a valuable market edge for customers.

Working with Integral to bring ElectriPlast™ to market is its manufacturer, Jasper Rubber Products, Inc. (“Jasper”) (www.jasperrubber.com).

Jasper, founded in 1949, is a leader in innovative rubber and plastics development. It manufactures a full range of products for major appliance, oil filter, and automotive industries. Jasper's client base includes Fortune 500 companies.

Patents/Trademarks on Technologies

Our intellectual property portfolio consists of over eleven years of accumulated research and design knowledge and trade secrets. We have sought U.S. patent protection for many of our ideas related to our ElectriPlast™ technologies. Currently, we have filed 118 U.S. patent applications, 49 of which have been issued and allowed and awaiting issuance. No assurances can be given that all patent applications will be approved; however, to the extent that patents are not granted, we will continue to attempt to commercialize these technologies without the protection of patents. As patents are issued, we will have the exclusive right to use in the U.S. the design(s) described in each issued patent for the 18-year life of the patent.

Of the 69 U.S. patent applications that have not been approved, 52 have been rejected and 11 have received a non final rejection. Certain patent office applications have been rejected by the patent office due to more stringent requirements implemented by the patent office over 18 months ago. The company has elected not to appeal those patent application rejected as the contents of those rejected applications have been incorporated into subsequent applications.

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Recent developments in the law increase the challenge of obtaining US patent protection. In particular, the Supreme Court's decision in *KSR v. Teleflex* (2007) makes it easier for the USPTO to sustain obviousness rejections. As a result, the USPTO is now more likely to reject applications by combining elements from the prior art – even where no motivation to combine can be shown in the art references. This new approach affects all applicants, including Integral, and has reduced the rate of patent issues. Nevertheless, Integral continues to pursue intellectual property protection through its patent and trademark portfolio while constantly evaluating its filings to judiciously apply resources to the most critical technologies.

While the number of rejections has been significant for reasons mentioned in the previous paragraph, we maintain patents on the core technology and over 48 applications thereon.

We have also filed trademark applications with the U.S. Trademark Office for “ElectriPlast™” and related names such as “ElectriPonix™” and “ElectriOnix™.”

Product Manufacturing and Distribution

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

After 28 months of refining the manufacturing and molding process of ElectriPlast™, the Jasper facility is now capable of producing over 50,000 pounds of ElectriPlast™ pellets per month. We have entered into patent license agreements with several companies, as summarized below, and we are in the process of producing prototypes of requested applications of ElectriPlast™ for these companies as well as other prospective customers. In addition to its manufacturing capabilities, Jasper has a distribution network throughout the US and Canada, allowing for ElectriPlast™ to be introduced to prospective customers and delivered to customers.

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

Barriers to Entry into Market Segment

We have been working to introduce the ElectriPlast™ technology as an alternative to metal for use as an electrically conductive material. The process of educating potential customers about ElectriPlast™ may prove time consuming and difficult.

SUMMARY OF AGREEMENTS

We are focusing our marketing efforts on securing licensing agreements for applications of our ElectriPlast™ technology. Our technologies will be marketed to manufactures of products which would benefit from the incorporation of any of the ElectriPlast™ applications into their products. Below is a summary of each of our commercial agreements concerning our ElectriPlast™ technology:

Patent License Agreement with Heatron, Inc.

In March 2006, we entered into a Patent License Agreement with Heatron, Inc. (“Heatron”), pursuant to which we granted to Heatron the rights to use our ElectriPlast™ technology for specific applications in the heating and LED lighting markets. Heatron, founded in 1977 and based in Leavenworth, Kansas, is an industry leader in heating element and thermal management designs and solutions.

We granted to Heatron a non-exclusive, non-sublicensable, non-assignable, worldwide license; however, Heatron's rights are exclusive for the initial two years. The agreement will terminate upon the expiration of the last patent licensed under the agreement, or earlier under certain circumstances.

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Heatron paid to us a nominal up-front license fee of \$1.00. Any revenue to be generated by us under the agreement will be from raw materials fees. We have not yet derived revenues from this agreement.

Patent License Agreement with Jasper Rubber Products, Inc.

In August 2006, we entered into a Patent License Agreement with Jasper, pursuant to which we granted to Jasper the rights to use our ElectriPlast™ technology for specific applications within its customer base. Jasper, founded in 1949, and based in Jasper, Indiana, is an industry leader in innovative rubber and plastics development. Jasper manufactures a full range of molded, extruded, lathe-cut rubber and thermoplastic products for major appliance, oil filter, and automotive industries.

We granted to Jasper a non-exclusive, non-sublicensable, non-assignable, worldwide license. The agreement will terminate upon the expiration of the last patent licensed under the agreement, or earlier under certain circumstances.

Jasper paid to us a nominal up-front license fee of \$1.00. Any revenue to be generated by us under the agreement will be from raw materials fees. We have not yet derived revenues from this agreement.

Manufacturing Agreement with Jasper Rubber Products, Inc.

In November 2006, we entered into a Manufacturing Agreement with Jasper, pursuant to which Jasper manufactures resin-based conductive, moldable capsules incorporating our ElectriPlast™ technology. The primary term of the agreement is five years, subject to automatic renewal or termination under certain conditions. Jasper agreed that during the term of the agreement and for a period of 12 months after its expiration or termination for any reason, Jasper will not directly or indirectly compete with us or our ElectriPlast™ technology.

In July 2007, we entered into an Amendment One to Manufacturing Agreement (“Amendment One”) with Jasper. The primary purposes of the Amendment One were 1) to replace in its entirety Section 4 of the Manufacturing Agreement, concerning “Pricing, Invoicing and Payment” and 2) to authorize Jasper to sell, on our behalf, products incorporating our ElectriPlast™ technology. As revised by the Amendment One, Section 4 of the Manufacturing Agreement now reflects more definitive information concerning definitions and calculations of “hourly payment”, “sales royalties”, “gross margin”, “manufacturing costs” and “payment terms”. These revisions were mutually agreed upon following several months of production test-runs and cost evaluations.

Patent License Agreement with ADAC Plastics, Inc. d/b/a ADAC Automotive.

In November 2006, we entered into a Patent License Agreement with ADAC Plastics, Inc. d/b/a ADAC Automotive (“ADAC”), pursuant to which we granted to ADAC the rights to use our ElectriPlast™ technology for use in car antennas, cup holder heating elements, driver’s seat heating elements and light-emitting diode (LED) packs manufactured and sold by specified customers of ADAC. ADAC is a full-service automotive supplier dedicated to the production of door handles and components, cowl vent grilles, exterior trim, and marker lighting. Founded in 1975 as ADAC Plastics, Inc., the Grand Rapids, Mich.-based company operates facilities in North America and the United Kingdom.

We granted to ADAC a non-exclusive, non-sublicensable, non-assignable, worldwide license. The agreement will terminate upon the expiration of the last patent licensed under the agreement, or earlier under certain circumstances.

ADAC paid to us a nominal up-front license fee of \$1.00. Any revenue to be generated by us under the agreement will be from raw materials fees. We have not yet derived revenues from this agreement.

Patent License Agreement with Esprit Solutions Limited

In December 2006, we entered into a Patent License Agreement with Esprit Solutions Limited (“Esprit”), pursuant to which we granted to Esprit the rights to use our ElectriPlast™ technology for the manufacture and sale of products to Esprit’s customer base in the Aero/Defense Interconnection and Protective Components Industry. Esprit, based in the United Kingdom, specializes in high performance protective systems within the Aerospace and Defense markets.

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We granted to Esprit a non-exclusive, non-sublicensable, non-assignable, worldwide license. The agreement will terminate upon the expiration of the last patent licensed under the agreement, or earlier under certain circumstances.

Esprit paid to us a nominal up-front license fee of \$1.00. Any revenue to be generated by us under the agreement will be from raw materials fees. We have not yet derived revenues from this agreement.

Patent License Agreement with Knowles Electronics, LLC

In January 2007, we entered into a Patent License Agreement with Knowles Electronics, LLC ("Knowles"), pursuant to which we granted to Knowles the rights to use our proprietary ElectriPlast™ technology for the manufacture and sale of EMF protected molded components. Knowles is the world's leading provider of microphones and receivers to the hearing health industry. They are credited with the miniaturization of the acoustic transducer, which has enabled the design and manufacture of smaller hearing aids.

We granted to Knowles a non-exclusive, non-sub-licensable, non-assignable, worldwide license. The agreement will terminate upon the expiration of the last patent licensed under the agreement, or earlier under certain circumstances.

Knowles paid a nominal up-front fee of \$1.00 to Integral. Any revenue to be generated by us under the agreement will be from raw materials fees.

CES Innovations 2007 Design and Engineering Award

On November 8, 2006, we issued a press release to announce that our ElectriPlast™ technology has been selected as a recipient of a CES Innovations 2007 Design and Engineering Award in the Enabling Technologies product category. Presented by the Consumer Electronics Association (CEA) and the International Consumer Electronics Show (CES), the Innovations Awards recognize advancements in technology and engineering. This year, an independent panel of judges evaluated more than 1,000 entries from over 160 companies.

EMPLOYEES/CONSULTANTS

We currently employ or retain a total of 4 people on a full-time basis. However, we also rely on the expertise of several technical advisors who are consulted as needed on a part-time, contract basis.

SEC REPORTS AVAILABLE ON WEBSITE

The SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other SEC filings are available on the SEC's website or by visiting our company website at www.itkg.net.

ITEM 1A. RISK FACTORS

An investment in our common stock involves major risks. Before you invest in our common stock, you should be aware that there are various risks, including those described below. You should carefully consider these risk factors together with all of the other information included in this annual report on Form 10-K before you decide to purchase shares of our common stock.

Purchase of our stock is a highly speculative you could lose your entire investment. We have been operating at a loss since inception, and you cannot assume that our plans will either materialize or prove successful. In the event our plans are unsuccessful, you may lose all or a substantial part of your investment. The purchase of our stock must be considered a highly speculative investment.

We have incurred substantial losses from inception and we have never generated substantial revenues; failure to achieve profitability in the future would cause the market price for our common stock to decline significantly. We have generated net losses from inception and we have an accumulated deficit of approximately \$33.9 million as of June 30, 2010. We have never generated more than nominal revenues. If we don't achieve profitability, the market price for our common stock could decline significantly.

If we do not generate adequate revenues in our fiscal year ending June 30, 2010, we may need to raise capital to continue our operations. Unless we generate adequate revenues from operations (we have had none to date) in the near future, we may require additional financing to carry out our business plans next year, and such financing may not be available at that time. If we require additional financing, we may seek additional funds through private placements that will be exempt from registration and will not require prior shareholder approval. If additional funds are raised by issuing common stock, or securities that are convertible into common stock (such as preferred stock, warrants, or convertible debentures), further dilution to shareholders could occur. Additionally, investors could be granted registration rights by us that could result in market overhang and depress the market price of the common stock. If we fail to obtain sufficient additional financing, we will not be able to implement our business plans in a complete or timely manner.

If we are unable to compete effectively with our competitors, we will not be successful generating revenues or attaining profits. Our ability to generate revenues and achieve profitability is directly related to our ability to compete with our competitors. Most of the companies with which we compete and expect to compete have far greater capital resources and more significant research and development staffs, marketing and distribution programs and facilities, and many of them have substantially greater experience in the production and marketing of products. In each market, we face competition from companies with established technologies. Currently, we believe that we will be able to compete because of the relative performance, price and adaptability of our unique ElectriPlast™ technology. Our beliefs are based only on our research and development testing. If we are unable to compete effectively, we will not be successful in generating revenues or attaining profits.

Loss of key personnel could cause a major disruption in our day-to-day operations and we could lose our relationships with third-parties with whom we do business. Our future success depends in a significant part upon the continued service of certain key personnel. Competition for such personnel is intense, and to be successful we must retain our key personnel. The loss of key personnel or the inability to hire or retain qualified replacement personnel could have caused a major disruption in our operations and we could lose our relationships with third-parties with whom we do business, which could adversely affect our financial condition and results of operations.

If future market acceptance of our ElectriPlast™ technology is poor, we will not be able to generate adequate sales to achieve profitable operations. Our future is dependent upon the success of the current and future generations of our ElectriPlast™ technology. Our ElectriPlast™ technology will be marketed to manufacturers of products which would benefit from the incorporation of any of the ElectriPlast™ applications into their products. As of June 30, 2010, we have not generated any revenue from our ElectriPlast™ technology. If future market acceptance of our ElectriPlast™ technology is poor, we will not be able to generate adequate sales to achieve profitable operations.

Dependence on outside suppliers and manufacturers could disrupt our business if they fail to meet our expectations. Currently, we rely on outside suppliers and manufacturers to produce ElectriPlast™ for us. While we have entered into formal arrangements with outside suppliers and manufacturers for the production of ElectriPlast™, if any of them should become too expensive or suffer from quality control problems or financial difficulties, we would have to find alternative sources, which could disrupt our business.

Our patent and other intellectual property rights may be subject to uncertainty and may be challenged or circumvented by competitors. We rely on a combination of patents, patent applications, trademarks, copyrights, trade secrets and confidentiality procedures to protect our intellectual property rights, which we believe will give us a competitive advantage over our competitors. We have sought U.S. patent protection for many of our ideas related to our ElectriPlast™ technologies. Currently, we have filed 118 U.S. patent applications, 49 of which have been issued, or allowed and awaiting issuance. No assurances can be given that all patent applications will be approved; however, to the extent that patents are not granted, we will continue to attempt to commercialize these technologies without the protection of patents. As patents are issued, we will have the exclusive right to use in the U.S. the design(s) described in each issued patent for the 18-year life of the patent.

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Of the 69 U.S. patent applications that have not been issued or allowed, 52 have been rejected and 11 have received a non final rejection. Certain patent office applications have been rejected by the patent office due to more stringent requirements implemented by the patent office over 18 months ago. The company has elected not to appeal those patent application rejected as the contents of those rejected applications have been incorporated into subsequent applications.

The issuance of a patent is not conclusive as to its validity or enforceability and, if a patent is issued, it is uncertain how much protection, if any, will be given to our patent if we attempt to enforce it. Litigation, which could be costly and time consuming, may be necessary to enforce our current patents or any patent issued in the future or to determine the scope and validity of the proprietary rights of third parties. A competitor may successfully challenge the validity or enforceability of a patent or challenge the extent of the patent's coverage. If the outcome of litigation is adverse to us, third parties may be able to use our patented technology without payment to us. Even if we are successful in defending such litigation, the cost of litigation to uphold the patent can be substantial.

It is possible that competitors may infringe upon our patents or successfully avoid them through design innovation. To stop these activities we may need to file a lawsuit. These lawsuits are expensive and would consume time and other resources. In addition, there is a risk that a court would decide that our patent is not valid, that we do not have the right to stop the other party from using the inventions, or that the competitor's activities do not infringe our patent.

Our competitive position is also dependent upon unpatented technology and trade secrets, which may be difficult to protect. Others may independently develop substantially equivalent proprietary information and techniques that would legally circumvent our intellectual property rights.

The use of our technologies could potentially conflict with the rights of others. Our competitors, or others, may have or may acquire patent rights that they could enforce against us. If our products conflict with patent rights of others, third parties could bring legal actions against us or our suppliers or customers, claiming damages and seeking to enjoin manufacturing and marketing of the affected products. If these legal actions are successful, in addition to any potential liability for damages, we could be required to alter our products or obtain a license in order to continue to manufacture or market the affected products. We may not prevail in any legal action and a required license under the patent may not be available on acceptable terms or at all. The cost to us of any litigation or other proceeding relating to intellectual property rights, even if resolved in our favor, could be substantial.

Holders of preferred stock have rights that are senior to the rights of holders of common stock. Our Articles of Incorporation authorize the issuance of 20,000,000 shares of preferred stock. The preferred stock may be divided into one or more series. Our board of directors is authorized to determine the rights, provisions, privileges and restrictions and number of authorized shares of any series of preferred stock. Additionally, the preferred stock can have other rights, including voting and economic rights that are senior to the common stock. The issuance of preferred stock could adversely affect the market value of the common stock.

As of June 30, 2010, 1,000,000 shares of preferred stock have been designated as Series A Convertible Preferred Stock of which 308,538 are issued and outstanding, and held by two of our insiders. Each share of Series A Convertible Preferred Stock:

- has a stated value and liquidation preference of \$1.00;
- has a 5% annual dividend, payable in cash or shares of common stock;
- may be converted into shares of common stock (determined by dividing the number of shares of Series A being converted by the average of the high and low bid prices of our common stock reported by the OTC Bulletin Board over the ten trading days preceding the date of conversion);

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- may be redeemed by us within one year after issue at \$1.50, after one year but less than two years at \$2.00, after two years but less than three years at \$2.50, after three years but less than four years at \$3.00, and after four years but less than five years at \$3.50;
- during the year ended June 30, 2010, an amendment was made to the Series A convertible preferred shares in which they may be redeemed after five years but less than six years after the date of issue at a redemption price of \$4.00 and increasing \$0.50 per year for each share of Series A Convertible Preferred Stock so redeemed.
- may be voted on all matters on an as-converted basis; and
- may be voted as a class on any merger, share exchange, recapitalization, dissolution, liquidation or change in control of our company.

How future issuances of common stock pursuant to our stock plans will affect you. We have three non-qualified stock plans in effect. As of June 30, 2010, approximately 2,639,500 (2001-764,500, 2003-1,375,000 and 2009-500,000) shares are available under the plans for future issuance, either directly or pursuant to options, to our officers, directors, employees and consultants. Also, as of June 30, 2010, approximately 4,125,000 shares are under option under the plans, at a weighted-average exercise price of approximately \$0.36 per share. Additional stock or options to acquire our stock of can be granted at any time by our board of directors, usually without shareholder approval. When shares of common stock are issued directly or upon the exercise of options under these plans, your ownership may be diluted.

We do not expect to be able to pay cash dividends in the foreseeable future, so you should not make an investment in our stock if you require dividend income. The payment of cash dividends, if any, in the future rests within the discretion of our board of directors and will depend, among other things, upon our earnings, our capital requirements and our financial condition, as well as other relevant factors. We have not paid or declared any cash dividends upon our common stock since our inception and by reason of our present financial status and our contemplated future financial requirements we do not contemplate or anticipate making any cash distributions upon our common stock in the foreseeable future.

We have a limited market for our common stock that causes the market price to be volatile and to usually decline when there is more selling than buying on any given day. Our common stock currently trades on the OTC Bulletin Board under the symbol "ITKG." However, at most times in the past, our common stock has been thinly traded and the market price usually declines when there is more selling than buying on any given day. As a result, the market price has been volatile, and the market price may decline immediately if you decide to place an order to sell your shares.

The market price of our common stock is highly volatile, and several factors that are beyond our control, including our common stock being historically thinly traded, could adversely affect its market price. Our common stock has been historically thinly traded and the market price has been highly volatile. During the year ended June 30, 2010, the closing bid price of our common stock has been quoted on the OTC Bulletin Board from as low as \$0.28 to as high as \$01.30. These quotations reflect interdealer prices without retail markup, markdown, or commission and may not represent actual transactions. For these and other reasons, our stock price is subject to significant volatility and will likely be adversely affected if our revenues or earnings (or lack of revenues or earnings) in any quarter fail to meet the investment community's expectations. Additionally, the market price of our common stock could be subject to significant fluctuations in response to:

- announcements of new products or sales offered by us or our competitors;
- actual or anticipated variations in quarterly operating results;
- changes in financial estimates by securities analysts, if any;
- changes in the market's perception of us or the nature of our business; and
- sales of our common stock.

Future sales of common stock into the public marketplace will increase the public float and may adversely affect the market price. As of June 30, 2010, approximately six million shares of common stock were available for sale by both affiliates (officers and directors) and non-affiliates under Rule 144 of the Securities Act of 1933, as amended. In general, under Rule 144, a person who has held stock for six months and is not an affiliate of the Company may sell their shares without limitation under Rule 144. Future sales of common stock will increase the public float and may have an adverse effect on the market price of the common stock, which in turn could adversely affect our ability to obtain future funding as well as create a potential market overhang.

“Penny Stock” regulations may adversely affect your ability to resell your stock in market transactions. The SEC has adopted penny stock regulations that apply to securities traded over-the-counter. These regulations generally define penny stock to be any equity security that has a market price of less than \$5.00 per share or an equity security of an issuer with net tangible assets of less than \$5,000,000 as indicated in audited financial statements, if the corporation has been in continuous operations for less than three years. Subject to certain limited exceptions, the rules for any transaction involving a penny stock require the delivery, prior to the transaction, of a risk disclosure document prepared by the SEC that contains certain information describing the nature and level of risk associated with investments in the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Monthly account statements must be sent by the broker-dealer disclosing the estimated market value of each penny stock held in the account or indicating that the estimated market value cannot be determined because of the unavailability of firm quotes. In addition, the rules impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and institutional accredited investors (generally institutions with assets in excess of \$5,000,000). These practices require that, prior to the purchase, the broker-dealer determined that transactions in penny stocks were suitable for the purchaser and obtained the purchaser's written consent to the transaction.

Our common stock is currently subject to the penny stock regulations. Compliance with the penny stock regulations by broker-dealers will likely result in price fluctuations and the lack of a liquid market for the common stock, and may make it difficult for you to resell your stock in market transactions.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We do not own any real property. We lease office space in Bellingham, Washington and Vancouver, B.C., Canada. All manufacturing of our products occurs at the Jasper facility.

ITEM 3. LEGAL PROCEEDINGS

There are no pending legal proceedings involving our Company.

ITEM 4. RESERVED

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

There is a limited public market for our common stock. Our common stock is quoted on the OTC Bulletin Board under the symbol "ITKG." The following table sets forth the range of high and low bid quotations for our common stock on the OTC Bulletin Board for each quarter of the fiscal years ended June 30, 2010 and 2009.

<u>Quarter Ended</u>	<u>Low Bid</u>	<u>High Bid</u>
September 30, 2008	\$0.50	\$0.84
December 31, 2008	\$0.18	\$0.64
March 31, 2009	\$0.21	\$0.50
June 30, 2009	\$0.21	\$0.30
September 30, 2009	\$0.28	\$0.52
December 31, 2009	\$0.30	\$0.79
March 31, 2010	\$0.66	\$1.30
June 30, 2010	\$0.70	\$1.07

The source of this information is the OTC Bulletin Board and other quotation services. The quotations reflect inter-dealer prices, without retail markup, markdown or commission and may not represent actual transactions.

Holdings

As of August 6, 2010 there were approximately 264 holders of record of our common stock (this number does not include beneficial owners who hold shares at broker/dealers in "street-name").

Dividends

To date, we have not paid any dividends on our common stock and do not expect to declare or pay any dividends on such common stock in the foreseeable future. Payment of any dividends will be dependent upon future earnings, if any, our financial condition, and other factors as deemed relevant by our Board of Directors.

Recent Sales of Unregistered Securities

Information regarding the issuance and sales of securities without registration during the fiscal year ended June 30, 2010, has previously been included in Quarterly Reports on Forms 10-Q and Current Reports on Form 8-K filed during the period covered by this report.

Repurchases of equity securities

We did not repurchase any of our outstanding equity securities during the fourth quarter ended June 30, 2010.

ITEM 6. SELECTED FINANCIAL DATA

N/A

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

Overview

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

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

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

Forward Looking Statements

Statements contained herein that are not historical facts are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, the forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected. We caution investors that any forward-looking statements made by us are not guarantees of future performance and that actual results may differ materially from those in the forward-looking statements. Such risks and uncertainties include, without limitation: well-established competitors who have substantially greater financial resources and longer operating histories, regulatory delays or denials, our ability to compete as a start-up company in a highly competitive market, our access to sources of capital, and other risks and other risks and uncertainties.

This discussion and analysis should be read in conjunction with our financial statements and notes thereto included elsewhere in this Form 10-K. Except for the historical information contained herein, the discussion in this Form 10-K contains certain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. The cautionary statements made in this Form 10-K should be read as being applicable to all related forward-looking statements wherever they appear in this Form 10-K. Our actual results could differ materially from those discussed here.

To date we have recorded nominal revenues. We are still considered a development stage company for accounting purposes. From inception on February 12, 1996 through June 30, 2010, we have accrued an accumulated deficit of approximately \$33.9 million.

At June 30, 2010, all of our assets were current assets of \$357,779, consisting of cash of \$350,235 and prepaid expenses of \$7,544. All of our property and equipment has been fully depreciated.

At June 30, 2010, all of our liabilities were current liabilities of \$707,148 consisting of accounts payable and accruals. Of this amount, payables for legal fees (including associated filing fees) related to patent filings accounted for approximately \$535,000 of the total.

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At June 30, 2010, total stockholder's deficit was \$349,369.

Results of Operations of the Year Ended June 30, 2010 compared to the Year Ended June 30, 2009

Our net loss for the year ended June 30, 2010, was \$2,929,737 compared to a net loss of \$1,554,876 for the prior fiscal year, an increase of \$1,374,861. This increase in our net loss is attributable to the increase in salary and consulting expenses and of non-cash charges incurred under the expense categories of "salaries" and "consulting" during the year ended June 30, 2010: salaries of \$ 872,027 included non-cash, stock based compensation charges (for the issuance of common stock and/or the granting of options) of \$428,170 compared to salary expense of \$585,197 for the year ended June 30, 2009 that included non-cash, stock based compensation charges (for the issuance of common stock and/or the granting of options) of \$62,125, and consulting fees of \$1,374,060 that included non-cash, stock based compensation charges (for the issuance of common stock and/or the granting of options) of \$796,981 compared to \$287,204 for the year ended June 30, 2009 that included non-cash, stock based compensation charges (for the issuance of common stock and/or the granting of options) of \$56,939. As described in the notes to the financial statements, these values were determined using the Black-Scholes option pricing model.

Salary expenses during the year ended June 30, 2010 included non-cash expenses of \$428,170 for the granting of options to William Robinson and William Ince and the extension of the expiration date of options to William Ince.

Consulting expenses during the year ended June 30, 2010, included non-cash expenses of \$796,981 for extension of the expiration dates of outstanding options held by a long-term consultant, Scott McArthur, the granting of options to another consultant with the major component, \$645,829, of the non-cash expense of \$796,981 arising from the granting of 2,000,000 options pursuant to the agreement with the key consultant Mo Zeidan.

Our net loss for the year ended June 30, 2010, was offset minimally by "other income" of \$2,899. The category of "other income" consists of interest income and nominal license fees.

Legal fees incurred during the year ended June 30, 2010 were down from prior periods, due to a decrease in patent filings in 2010.

Research and development costs incurred during the year ended June 30, 2010 were \$250,826 an increase of \$20,766 over the prior fiscal year attributable to refining the manufacturing process by Jasper of our ElectriPlast™ material and for independent testing of several of our ElectriPlast™ applications.

For the year ended June 30, 2010, our cash used in operating activities was \$1,589,883 compared to \$1,464,073 used in 2009 and \$1,621,747 used in 2008.

For the year ended June 30, 2010, our cash provided by financing activities was \$1,404,887, compared to \$895,200 provided in 2009, and \$485,495 used in 2008.

We anticipate spending up to approximately \$250,000 over the next twelve months on ongoing research and development (primarily salaries and consulting fees) of the different applications and uses of our technologies.

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

As of June 30, 2010, we had \$350,235 in cash on hand and we estimate that we will require \$1.8 million to carry out our business plan during our fiscal year ending June 30, 2011. Accordingly, management believes that until we generate revenues from operations (we have none to date) additional funding will be required to carry out our business plan.

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

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

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

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

A description of our manufacturing agreement with Jasper Rubber Products, Inc. and our various patent license agreements is provided above under the heading “Summary of Agreements” in the “Description of Business” section of this report.

Critical Accounting Policies and Estimates

In June 2008, FASB ratified EITF No. 07-05, “Determining Whether an Instrument (or an Embedded Feature) Is Indexed to an Entity's Own Stock ” (“EITF 07-05”). EITF 07-05 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions. EITF 07-05 was effective January 1, 2009 and the Company adopted EITF 07-05 during the nine months ended March 31, 2009. The Company determined that its outstanding warrants did not contain provisions that would preclude equity treatment and the adoption of EITF 07-05 did not have a material effect on our financial condition or results of operations.

In June 2009, the FASB issued SFAS No. 168, “The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a replacement of SFAS No. 162” (the Codification). The Codification will be the single source of authoritative nongovernmental U.S. accounting and reporting standards, superseding existing FASB, AICPA, EITF and related literature. The Codification eliminates the hierarchy of generally accepted accounting principles (“GAAP”) contained in SFAS No. 162 and establishes one level of authoritative GAAP. All other literature is considered non-authoritative. This Statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009, which for the Company was September 30, 2009. All accounting references have been updated with Accounting Standard Codification (“ASC”) references.

Effective January 1, 2009, the Company adopted a new accounting standard included in ASC 805, *Business Combinations* (formerly SFAS No. 141(R), *Business Combinations*). The new standard applies to all transactions or other events in which an entity obtains control of one or more businesses. Additionally, the new standard requires the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction; establishes the acquisition-date fair value as the measurement date for all assets acquired and liabilities assumed; and requires the acquirer to disclose additional information needed to evaluate and understand the nature and financial effect of the business combination

Effective January 1, 2009, the Company adopted a new accounting standard included in ASC 810, *Consolidations* (formerly SFAS 160, *Non-controlling Interests in Consolidated Financial Statements*). The new accounting standard establishes accounting and reporting standards for the non-controlling interest (or minority interests) in a subsidiary and for the deconsolidation of a subsidiary by requiring all non-controlling interests in subsidiaries be reported in the same way, as equity in the consolidated financial statements. As such, this guidance has eliminated the diversity in accounting for transactions between an entity and non-controlling interests by requiring they be treated as equity transactions. The Company's adoption of this new accounting standard did not have a material effect on the Company's consolidated financial statements.

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In August 2009, the FASB issued ASU 2009-05 which includes amendments to Subtopic 820-10, “Fair Value Measurements and Disclosures—Overall”. The update provides clarification that in circumstances, in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the techniques provided for in this update. The amendments in this ASU clarify that a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability and also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The guidance provided in this ASU is effective for the first reporting period, including interim periods, beginning after issuance. The adoption of this standard did not have a material impact on the Company’s consolidated financial position and results of operations.

In January 2010, the FASB issued Accounting Standards Update No. 2010-06 applicable to FASB ASC 820-10, *Improving Disclosures about Fair Value Measurements*. The guidance requires entities to disclose significant transfers in and out of fair value hierarchy levels and the reasons for the transfers and to present information about purchases, sales, issuances and settlements separately in the reconciliation of fair value measurements using significant unobservable inputs (Level 3). Additionally, the guidance clarifies that a reporting entity should provide fair value measurements for each class of assets and liabilities and disclose the inputs and valuation techniques used for fair value measurements using significant other observable inputs (Level 2) and significant unobservable inputs (Level 3). This guidance was effective for interim and annual periods beginning after December 15, 2009 except for the disclosures about purchases, sales, issuances and settlements in the Level 3 reconciliation, which will be effective for interim and annual periods beginning after December 15, 2010. As this guidance provides only disclosure requirements, the adoption of this standard did not have an impact the Company’s consolidated results of operations, cash flows or financial positions.

In February, 2010, the FASB issued ASU No. 2010-09, Subsequent Events (Topic 855) Amendments to Certain Recognition and Disclosure Requirements. The amendments remove the requirement for an SEC filer to disclose a date in both issued and revised financial statements. Revised financial statements include financial statements revised as a result of either correction of an error or retrospective application of U.S. GAAP. Additionally, the Board has clarified that if the financial statements have been revised, then an entity that is not an SEC filer should disclose both the date that the financial statements were issued or available to be issued and the date the revised financial statements were issued or available to be issued. Those amendments remove potential conflicts with the SEC’s literature. All of the amendments in this Update are effective upon issuance of the final Update, except for the use of the issued date for conduit debt obligors. That amendment is effective for interim or annual periods ending after June 15, 2010.

Status of Material Agreements with Consultants

On August 10, 2009, our Company retained the services of Mr. Zeidan. Mr. Zeidan has over 25 years of experience in automotive engineering and engineering management. At Lear Corp. he was the Chief Technology Officer and Director of Hybrid Engineering, creating the Hybrid Engineering Department that developed innovative technologies resulting in major business growth. Prior to Lear, he worked at United Technologies Automotive “UTA” for about 14 years in Advanced Engineering for many Global OEM programs from Advance Phase through Production Launch being the complete life cycle of the technology.

Mr. Zeidan and his team will identify partners for joint development of our customers’ products utilizing ElectriPlast™, and take it through product implementation, including prototype testing to secure technology approval and validation, and secure awarding of contracts.

The term of the agreement is from August 10, 2009 and expires on July 31, 2011. The agreement calls for a monthly fee for Mr. Zeidan and his team of engineers of \$25,000. In addition, Mr. Zeidan has been granted options to acquire 2,000,000 shares of Integral’s common stock at an exercise price of \$0.25 per share. These options shall be fully vested pursuant to the schedule attached in Exhibit 10.32. Either party may terminate the agreement at “six month” intervals with 30 days notice as more fully explained in Exhibit 10. 32.

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In January 2006, we entered into a consulting agreement with Visionary Innovations, Inc. (“Visionary”) for a term of one year, and compensated Visionary with 250,000 shares of restricted common stock. On February 16, 2007, we renewed our agreement with Visionary. Visionary and its principal, Scott Shaffer, agreed to continue to provide strategic and consulting services to us in connection with the worldwide commercialization of our ElectriPlast™ technology for a period of three years. As outlined in the agreement, the scope of services to be provided to us by Visionary may include: research of business channels, strategic and negotiation consultation, distributor/client support, governmental channels and research, manufacturing expansion, international licensees and distributors, client introductions, and exit planning.

Pursuant to our renewed agreement, we agreed to compensate Visionary with 50,000 shares of our restricted common stock upon execution of the renewed agreement, another 50,000 shares on February 16, 2008, and another 50,000 shares on February 16, 2009. We also granted to Visionary 125,000 options which vest on February 17, 2007 at an exercise price of \$2.75, and another 125,000 options which vest on February 17, 2008 at an exercise price of \$2.75. Visionary is also entitled to a contingent fee equal to 2% of the Net Revenue actually paid to us by new clients or other parties directly introduced by Visionary (“Net Revenue” is defined to mean revenue actually received by us from third parties in respect of sales of our products and/or services, license fees, or research grants, net of taxes payable by us with respect to such amounts and all direct costs incurred by us in generating such revenue).

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk related to changes in interest rates and foreign currency exchange rates, each of which could adversely affect the value of our investments. We do not currently use derivative financial instruments. As of June 30, 2010, our purchased investments included in cash and cash equivalents had maturities of less than 90 days. Therefore, an increase or decrease in interest rates immediately and uniformly by 10% from our 2010 year end levels would not have a material effect upon our cash and cash equivalent balances, operating results or cash flows.

We do not have assets and liabilities denominated in foreign currencies.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The audited financial statements and an index thereto commences on the index to the financial statements, which is the second page following this page.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The term “disclosure controls and procedures” is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, or the Exchange Act. These rules refer to the controls and other procedures of a company that are designed to ensure that the information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within required time periods. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our Exchange Act reports is accumulated and communicated to management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. It is management’s responsibility to establish and maintain adequate internal control over financial reporting for the Company.

Our chief executive officer and our chief financial officer have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report, and they have concluded that, as of June 30, 2010, our disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. These rules refer to the controls and other procedures of a company that are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements. Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of the end of the period covered by this report. Our evaluation was based on the criteria for smaller public companies set forth in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under those criteria, our management concluded that, as of June 30, 2010, our internal control over financial reporting is not effective due to the significant deficiencies described below.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting. Our management has identified the following significant deficiencies in our internal control over financial reporting:

- Inadequate segregation of duties consistent with control objectives; and
- Ineffective controls over period end financial disclosure and reporting processes.

The aforementioned significant deficiencies were identified by our Chief Financial Officer and these matters were communicated to its management. We believe the following action we plan to take will be sufficient to remediate the significant deficiency described above:

- We have engaged an outside public accounting firm to perform a qualified, independent review over all significant transactions included in our financial reports as well as our period end financial disclosures included in our periodic filings.

Management believes the actions described above will remediate the significant deficiencies we have identified and strengthen our internal control over financial reporting. Our management intends to substantially complete these identified remedial actions during fiscal 2011.

This annual assessment does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's assessment was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the fourth quarter ended June 30, 2010, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Internal Controls

There are inherent limitations to the effectiveness of any system of internal control over financial reporting, such as resource constraints, judgments used in decision-making, assumptions about the likelihood of future events, the possibility of human error and the risk of fraud. Accordingly, even an effective system of internal control over financial reporting can provide only reasonable assurance with respect to the preparation and presentation of financial statements in accordance with accounting principles generally accepted in the United States. Moreover, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may be inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate over time. Our management, including our including our chief executive officer and chief financial officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting are or will be capable of preventing or detecting all errors or all fraud.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS

Our Company has a Board of Directors that is currently comprised of two members. Each director holds office until the next annual meeting of shareholders or until a successor is elected or appointed. The members of the Board and the executive officers of our Company and their respective age and position are as follows:

Name	Age	Position with Company	Director of Company Since
William S. Robinson	53	Director, Chairman, CEO and Treasurer	February 1996
William A. Ince	59	Director, President, Secretary and Chief Financial Officer	February 1996

William Robinson

(Chairman, CEO and Treasurer)

As a co-founder of our Company (since 1996), Mr. Robinson has been responsible since the inception of Integral for securing funding in order to ensure the ongoing operations of Integral and its subsidiaries. Together with Mr. Ince, he has been responsible for the development and implementation of corporate strategies.

Mr. Robinson brings many years of management experience in finance, banking and corporate development. Previously, he acted as a director of a number of companies involved in natural resources, sales and marketing, and computer technologies.

William A. Ince

(Director, President, Secretary and Chief Financial Officer)

Mr. Ince, a co-founder of our Company (since 1996), is responsible, along with Mr. Robinson, for the development and implementation of corporate strategies. He is also responsible for the accounting and financial systems and record-keeping of Integral and its subsidiaries.

Mr. Ince brings with him a background as a professional accountant and experience from management positions in finance and operations in several private companies. He has consulted to both private and public companies in the areas of marketing and finance, as well as turn-around situations. Mr. Ince has been responsible for “team building” efforts to ensure that each project is brought to fruition on a timely basis.

Non-Executive Officer / Significant Consultant

Mohamed Zeidan

(Consultant)

On August 10, 2009 our Company retained the services of Mr. Zeidan. Mr. Zeidan has over 25 years of experience in automotive engineering and engineering management. At Lear Corp., he was the Chief Technology Officer and Director of Hybrid Engineering, creating the Hybrid Engineering Department that developed innovative technologies resulting in major business growth. Prior to Lear, he worked at United Technologies Automotive “UTA” for about 14 years in Advanced Engineering for many Global OEM programs from Advance Phase through Production Launch being the complete life cycle of the technology.

Mr. Zeidan and his team identify partners for joint development of our customers’ products utilizing ElectriPlast™ and take it through product implementation, including prototype testing to secure technology approval and validation, and secure awarding of contracts.

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The term of the agreement is from August 10, 2009 and expires on July 31, 2011. The agreement calls for a monthly fee for Mr. Zeidan and his team of engineers of \$25,000. In addition, Mr. Zeidan has been granted options to acquire 2,000,000 shares of Integral's common stock at an exercise price of \$0.25 per share. These options shall be fully vested pursuant to the schedule attached in Exhibit 10.32. Either party may terminate the agreement at "six month" intervals with 30 days notice as more fully explained in Exhibit 10. 32.

Audit Committee and Audit Committee Financial Expert Disclosure

Our Company does not have a separately-designated standing audit committee at this time because it is not required to do so. Accordingly, we do not have an audit committee financial expert.

Code of Ethics

On September 20, 2004, the Board of Directors established a written code of ethics that applies to our senior executive and financial officers, and the code of ethics is incorporated by reference as an exhibit to this annual report. In addition, a copy of the code of ethics is posted on our Company's website at www.itkg.net.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our Company's officers and directors, and persons who own more than 10% of a registered class of our Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Officers, directors, and greater than 10% shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of copies of such reports received or written representations from certain reporting persons, we believe that, during the year ended June 30, 2010, all Section 16(a) filing requirements applicable to our officers, directors and ten percent shareholders were complied with by such persons, except for the following: (1) William S. Robinson filed a Form 4 on September 27, 2010 regarding the acquisition of 500,000 options for the purchase of Common Stock that were granted on July 14, 2009; William A. Ince filed a Form 4 on September 27, 2010 regarding the acquisition of 500,000 options for the purchase of Common Stock on July 14, 2009; and Richard P. Blumberg, a 10% security holder, filed a Form 3 on June 28, 2010 relating to the acquisition of Common Stock on December 9, 2009.

ITEM 11. EXECUTIVE COMPENSATION

The following information discloses all plan and non-plan compensation awarded to, earned by, or paid to our executive officers, and other individuals for whom disclosure is required, for all services rendered in all capacities to Integral and our subsidiaries.

Summary Compensation Table

The following table

The following table sets forth all compensation, including bonuses, stock option awards and other payments, paid or accrued by Integral and/or its subsidiaries, to or for Integral's principal executive officer and each of the other executive officers (one person) and one non-executive officer, during the fiscal years ended June 30, 2010 and 2009.

Name and Principal Position	Fiscal Year Ended June 30	Salary (\$)	Bonus (\$)	Stock Awards (n1)	Options Awards (\$ (n2))	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$ (n3))	Total (\$)
William S.	2010	\$ 219,167	-	\$ 135,085	\$ 0-	-0-	-0-	\$ 28,282	\$ 382,534
Robinson Chief Executive Officer, Treasurer, Chairman, Director	2009	\$ 210,000	0-	-0-	\$ 0-	-0-	-0-	\$ 28,282	\$ 238,282
William A.	2010	\$ 219,167	0-	\$ 293,085	0-	-0-	-0-	\$ 23,145	\$ 535,397
Ince Chief Financial and Accounting Officer, President, Secretary, Director	2009	\$ 210,000	0-	-0-	0-	-0-	-0-	\$ 23,145	\$ 233,145

(n1) Reflects dollar amount expensed by the company during applicable fiscal year for financial statement reporting purposes pursuant to FAS 123R. FAS 123R requires the company to determine the overall value of the options as of the date of grant based upon the Black-Scholes method of valuation, and to then expense that value over the service period over which the options become exercisable (vest). As a general rule, for time-in-service-based options, the company will immediately expense any option or portion thereof which is vested upon grant, while expensing the balance on a pro rata basis over the remaining vesting term of the option. For a description FAS 123R and the assumptions used in determining the value of the options under the Black-Scholes model of valuation, see the notes to the consolidated financial statements included with this report.

(n2) On July 1, 2002, Mr. Ince was granted an option to acquire 415,000 shares of common stock at an exercise price of \$1.00 per share. In December 2005, the expiration date of these options was extended until December 31, 2007. Then in June 2007, the expiration date of these options was extended until December 31, 2010. On April 10, 2010 the expiration date of these options was extended until July 31, 2014.

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On July 14, 2009, Mr. Robinson and Mr. Ince were each granted an option to acquire 500,000 shares of common stock at an exercise price of \$0.25 per share. These options are exercisable after January 1, 2010 and expire on December 31, 2014.

- (n3) William S. Robinson and William A. Ince each own shares of Series A Preferred Stock. A 5% dividend on the Series A Preferred Stock is payable in cash or shares of common stock at the election of Integral. For the year ended June 30, 2010, \$10,282 was paid or accrued for Mr. Robinson and \$5,145 was paid or accrued for Mr. Ince. For the year ended June 30, 2009, \$10,282 was paid or accrued for Mr. Robinson and \$5,145 was paid or accrued for Mr. Ince.

William S. Robinson and William A. Ince each received an automobile expense allowance of \$18,000 in 2010 and \$18,000 in 2009.

Except as set forth above, no outstanding common stock purchase option or other equity-based award granted to or held by any named executive officer were repriced or otherwise materially modified, including extension of exercise periods, the change of vesting or forfeiture conditions, the change or elimination of applicable performance criteria, or the change of the bases upon which returns are determined, nor was there any waiver or modification of any specified performance target, goal or condition to payout.

Executive Officer Outstanding Equity Awards At Fiscal Year-End

The following table provides certain information concerning any common stock purchase options, stock awards or equity incentive plan awards held by each of our named executive officers that were outstanding as of June 30, 2010.

Name	Option Awards			Stock Awards						
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Options (#) Unearned	Equity Incentive Plan Awards:	Equity Incentive Plan Awards:	Equity Incentive Plan Awards:	Equity Incentive Plan Awards:	Equity Incentive Plan Awards:	Equity Incentive Plan Awards:	Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested
				Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested	Number of Shares, Units or Rights That Have Not Vested	Equity Incentive Plan Awards:	Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested
William S. Robinson (n1)	500,000		0	\$ 0.25	12/31/2014	0	0	0		0
William A. Ince (n2)	415,000	0	0	\$ 1.00	7/31/2014	0	0	0		0
	500,000	0	0	\$ 0.25	12/31/2014					

(n1) Mr. Robinson holds the following options: On July 14, 2009 Mr. Robinson was granted an option to acquire 500,000 shares of common stock at an exercise price of \$0.25 per share. These options are exercisable after January 1, 2010 and expire on December 31, 2014.

(n2) Mr. Ince holds the following options: On July 1, 2002, Mr. Ince was granted an option to acquire 415,000 shares of common stock at an exercise price of \$1.00 per share. In June 2007, the expiration date of these options was extended until December 31, 2010 and on April 10, 2010 the expiration date of these options was extended to July 31, 2014. On July 14, 2009 Mr. Ince was granted an option to acquire 500,000 shares of common stock at an exercise price of \$0.25 per share. These options are exercisable after January 1, 2010 and expire on December 31, 2014.

Compensation of Directors

No compensation was paid by Integral to its Directors for any service provided as a Director during the fiscal year ended June 30, 2010. There are no other formal or informal understandings or arrangements relating to compensation; however, Directors may be reimbursed for all reasonable expenses incurred by them in conducting Integral's business. These expenses would include out-of-pocket expenses for such items as travel, telephone, and postage.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

On August 1, 2009 the Board of Directors deemed it in the best interest of the Company to enter into employment agreements with William S. Robinson, its Chief Executive Officer and Treasurer and William A. Ince its President and Accounting Officer.

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Mr. Robinson's agreement calls for the following terms and conditions. The term of the agreement is from August 1, 2009 through to July 31, 2014. The agreement calls for a compensation package of \$220,000 annually for services and \$1,500 per month for automobile allowance. In addition, Integral has granted Mr. Robinson options to acquire 500,000 shares of Integral's common stock at an exercise price of \$0.25 per share. These options shall be fully vested on August 1, 2009 and may be exercised in whole or in part any time after January 1, 2010. All options shall expire on December 31, 2014.

Mr. Ince's agreement calls for the following terms and conditions. The term of the agreement is from August 1, 2009 through to July 31, 2014. The agreement calls for a compensation package of \$220,000 annually for services and \$1,500 per month for automobile allowance. In addition, Integral has granted Mr. Ince options to acquire 500,000 shares of Integral's common stock at an exercise price of \$0.25 per share. These options shall be fully vested on August 1, 2009 and may be exercised in whole or in part any time after January 1, 2010. All options shall expire on December 31, 2014.

In the event of termination without cause, Mr. Robinson or Mr. Ince are entitled to one years compensation.

Integral's Board of Directors has complete discretion as to the appropriateness of (a) key-man life insurance, (b) obtaining officer and director liability insurance, (c) employment contracts with and compensation of executive officers and directors, (d) indemnification contracts, and (e) incentive plan to award executive officers and key employees.

Integral's Board of Directors is responsible for reviewing and determining the annual salary and other compensation of the executive officers and key employees of Integral. The goals of Integral are to align compensation with business objectives and performance and to enable Integral to attract, retain and reward executive officers and other key employees who contribute to the long-term success of Integral. Integral intends to provide base salaries to its executive officers and key employees sufficient to provide motivation to achieve certain operating goals. Although salaries are not specifically tied into performance, incentive bonuses may be available to certain executive officers and key employees. In the future, executive compensation may include without limitation cash bonuses, stock option grants and stock reward grants.

Employee Benefit and Consulting Services Compensation Plans

As of June 30, 2010, Integral had three Employee Benefit and Consulting Services Compensation Plans in effect.

On January 2, 2001, Integral adopted an employee benefit and consulting services compensation plan entitled the Integral Technologies, Inc. 2001 Stock Plan (the "2001 Plan"), which was amended on December 17, 2001. As amended, the 2001 Plan covers up to 3,500,000 shares of common stock. The 2001 Plan has not previously been approved by security holders.

On April 4, 2003, Integral adopted an employee benefit and consulting services compensation plan entitled the Integral Technologies, Inc. 2003 Stock Plan (the "2003 Plan"). The 2003 Plan covers up to 1,500,000 shares of common stock. The 2003 Plan has not previously been approved by security holders.

On July 14, 2009, Integral adopted an employee benefit and consulting services compensation plan entitled the Integral Technologies, Inc. 2009 Stock Plan (the "2009 Plan"). The 2009 Plan covers up to 4,000,000 shares of common stock. The 2009 Plan has not previously been approved by security holders.

Under all Plans, Integral may issue common stock and/or options to purchase common stock to certain officers, directors and employees and consultants of Integral and its subsidiaries. The purpose of the Plans is to promote the best interests of Integral and its shareholders by providing a means of non-cash remuneration to eligible participants who contribute to operating progress and earning power of Integral. The Plans are administered by Integral's Board of Directors or a committee thereof which has the discretion to determine from time to time the eligible participants to receive an award; the number of shares of stock issuable directly or to be granted pursuant to option; the price at which the option may be exercised or the price per share in cash or cancellation of fees or other payment which Integral or its subsidiaries is liable if a direct issue of stock and all other terms on which each option shall be granted.

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

Common Stock

The following table sets forth, as of August 6, 2010 the stock ownership of each person known by Integral to be the beneficial owner of five percent or more of Integral's common stock, each director and executive officer individually and all directors and executive officers of Integral as a group. Each person is believed to have sole voting and investment power over the shares except as noted.

Name and Address of Beneficial Owner (n1)	Amount and Nature of Beneficial Ownership(n1)	Percent of Class (n3)
Executive Officers and Directors:		
William S. Robinson (n4) #3 1070 West Pender St. Vancouver, B.C. V6E 2N7	2,873,533(n2)	5.2%
William A. Ince (n5) 805 W. Orchard Dr., Suite #7 Bellingham, WA 98225	2,556,833 (n2)	4.6%
All executive officers and directors as a group	5,430,366	9.8%
Richard P. Blumberg	6,867,501 (n6)	12.2%

(n1) Unless otherwise indicated, all shares are directly beneficially owned and investing power is held by the persons named.

(n2) Includes vested options beneficially owned but not yet exercised and outstanding, if any. The table does not include the effects of conversion by Mr. Robinson and Mr. Ince of their shares of Series A Convertible Preferred Stock ("Series A"), which are convertible into shares of common stock at a conversion rate that varies with the market price of the common stock at the time of conversion. The conversion rate is determined by dividing the number of shares of Series A being converted by the average of the high and low bid prices of Integral's common stock reported by the OTC Bulletin Board over the ten trading days preceding the date of conversion. Mr. Robinson owns 204,975 shares of Series A and Mr. Ince owns 103,563 shares of Series A. As of August 6, 2010, the conversion rate was \$0.78 per share, so Mr. Robinson's 204,975 shares of Series A were convertible into 262,788 shares of common stock, and Mr. Ince's 103,563 shares of Series A were convertible into 123,773 shares of common stock. The actual number of shares of common stock receivable by Messrs. Robinson and Ince upon conversion of the Series A would depend on the actual conversion rate in effect at the time of conversion.

(n3) Based upon 54,838,921 shares issued and outstanding, plus the amount of shares each person or group has the right to acquire within 60 days pursuant to options, warrants, conversion privileges or other rights.

(n4) Mr. Robinson is an executive officer and director of Integral and each of its subsidiaries. Beneficial ownership figure includes an aggregate of 150,000 shares held in the names of his spouse and his two minor children and 500,000 underlying options.

(n5) Mr. Ince is an executive officer and director of Integral and each of its subsidiaries. Beneficial ownership figure includes 915,000 shares underlying options.

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- (n6) Based on information contained in Schedule 13G filed with the SEC on June 28, 2010, filed by Richard P. Blumberg whose address is 2357 Hobart Ave. S.W., Seattle, WA 98116. Richard P. Blumberg has sole voting power with respect to 4,315,667 and has shared voting power over 2,551,834 shares.

Series A Convertible Preferred Stock

The following table sets forth, as of August 6, 2010, the stock ownership of each person known by Integral to be the beneficial owner of five percent or more of Integral's Series A Convertible Preferred Stock, each Officer and Director individually and all Directors and Officers of Integral as a group. Each person is believed to have sole voting and investment power over the shares except as noted.

Name and Address of Beneficial Owner (n1)	Amount and Nature of Beneficial Ownership(n1)	Percent of Class (n2)
William S. Robinson (n3) #3 1070 West Pender St. Vancouver, B.C. V6E 2N7	204,975	66.4%
William A. Ince (n4) 805 W. Orchard Dr., Suite #3 Bellingham, WA 98225	103,563	33.6%
All officers and directors of Integral as a group (2 persons)	308,538	100%

- (n1) Unless otherwise indicated, all shares are directly beneficially owned and investing power is held by the persons named.
- (n2) Based upon 308,538 Series A Convertible Preferred shares issued and outstanding.
- (n3) Mr. Robinson is an executive officer and director of Integral and each of its subsidiaries.
- (n4) Mr. Ince is an executive officer and director of Integral and each of its subsidiaries.

Equity Compensation Plan Information

The following information concerning the Company's equity compensation plans is as of the end of the fiscal year ended June 30, 2010:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of options, warrants and rights (b)	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	N/A	N/A	N/A
Equity compensation plans not approved by security holders	4,125,000	\$0.36	2,639,500
Total	4,125,000	\$0.36	2,639,500

As of June 30, 2010, Integral had three Employee Benefit and Consulting Services Compensation Plans in effect.

On January 2, 2001, Integral adopted an employee benefit and consulting services compensation plan entitled the Integral Technologies, Inc. 2001 Stock Plan (the "2001 Plan"), which was amended on December 17, 2001. As amended, the 2001 Plan covers up to 3,500,000 shares of common stock. The 2001 Plan has not previously been approved by security holders.

On April 4, 2003, Integral adopted an employee benefit and consulting services compensation plan entitled the Integral Technologies, Inc. 2003 Stock Plan (the "2003 Plan"). The 2003 Plan covers up to 1,500,000 shares of common stock. The 2003 Plan has not previously been approved by security holders.

On July 14, 2009, Integral adopted an employee benefit and consulting services compensation plan entitled the Integral Technologies, Inc. 2009 Stock Plan (the "2009 Plan"). The 2009 Plan covers up to 4,000,000 shares of common stock. The 2009 Plan has not previously been approved by security holders.

Under all three Plans, Integral may issue common stock and/or options to purchase common stock to certain officers, directors and employees and consultants of Integral and its subsidiaries. The purpose of the Plans is to promote the best interests of Integral and its shareholders by providing a means of non-cash remuneration to eligible participants who contribute to operating progress and earning power of Integral. The Plans are administered by Integral's Board of Directors or a committee thereof which has the discretion to determine from time to time the eligible participants to receive an award; the number of shares of stock issuable directly or to be granted pursuant to option; the price at which the option may be exercised or the price per share in cash or cancellation of fees or other payment which Integral or its subsidiaries is liable if a direct issue of stock and all other terms on which each option shall be granted.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Since the beginning of the last fiscal year, we entered into the following transactions in which our officers and directors have a material interest:

(a) William S. Robinson and William A. Ince each own shares of Series A Preferred Stock. A 5% dividend on the Series A Preferred Stock is payable in cash or shares of common stock at the election of Integral. For the year ended June 30, 2010, \$10,282 was paid or accrued for Mr. Robinson and \$5,145 was paid or accrued for Mr. Ince.

DIRECTOR INDEPENDENCE

Our Board of Directors is comprised of two members, William S. Robinson and William A. Ince, both of whom are also executive officers. We do not have any independent directors.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our Company's board of directors reviews and approves audit and permissible non-audit services performed by Smythe Ratcliffe LLP, Vancouver, Canada ("SRLLP"), as well as the fees charged by SRLLP for such services. In its review of non-audit service fees and its appointment of SRLLP as our Company's independent accountants, the board of directors considered whether the provision of such services is compatible with maintaining SRLLP's independence. All of the services provided and fees charged by SRLLP in the fiscal year ended June 30, 2010 were pre-approved by the board of directors.

Audit Fees

The aggregate fees billed for professional services rendered by SRLLP for the audit of our annual financial statements and the reviews of the financial statements included in our quarterly reports on Form 10-Q during fiscal years ended June 30, 2010 and 2009 were \$45,237 and \$41,160, respectively.

Audit-Related Fees

There were no other fees billed by SRLLP during the last two fiscal years for assurance and related services that were reasonably related to the performance of the audit or review of our Company's financial statements and not reported under "Audit Fees" above.

Tax Fees

There were no fees billed for professional services rendered by SRLLP for tax compliance services in fiscal years ended June 30, 2010 and 2009.

All Other Fees

There were no other fees billed by SRLLP during the last two fiscal years for products and services provided by SRLLP.

ITEM 15. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
3.03	Articles of Incorporation, as amended and currently in effect. (Incorporated by reference to Exhibit 3.03 of Integral's quarterly report on Form 10-QSB for the period ended March 31, 2006.)
3.04	Bylaws, as amended and restated on December 31, 1997. (Incorporated by reference to Exhibit 3.04 of Integral's quarterly report on Form 10-QSB for the period ended March 31, 2006.)
10.12	Integral Technologies, Inc. 2001 Stock Plan dated January 2, 2001, as amended December 17, 2001. (Incorporated by reference to Exhibit 10.12 of Integral's registration statement on Form S-8 (file no. 333-76058).)
10.15	Integral Technologies, Inc. 2003 Stock Plan dated April 4, 2003 (Incorporated by reference to Exhibit 10.15 of Integral's registration statement on Form S-8 (file no. 333-104522).)
10.18	Grant of Option dated June 17, 2005 between Integral and Thomas Aisenbrey. (Incorporated by reference to Exhibit 10.18 of Integral's Current Report Form 8-K dated June 17, 2005 (filed June 23, 2005).)
10.19	Agreement between the Company and The QuanStar Group, LLC dated June 20, 2005. (Incorporated by reference to Exhibit 10.18 of Integral's Current Report Form 8-K dated June 17, 2005 (filed June 23, 2005).)
10.20	Patent License Agreement between the Company and Heatron, Inc. dated March 17, 2006. (Incorporated by reference to Exhibit 10.20 of Integral's Current Report Form 8-K dated March 17, 2006 (filed April 11, 2006).)
10.21	Patent License Agreement between the Company and Jasper Rubber Products, Inc. dated August 25, 2006. (Incorporated by reference to Exhibit 10.21 of Integral's Current Report Form 8-K dated August 25, 2006 (filed September 19, 2006).)
10.22	Grant of Option dated November 6, 2006 between Integral and Thomas Aisenbrey. (Incorporated by reference to Exhibit 10.22 of Integral's Quarterly Report on Form 10-QSB for the period ended September 30, 2006.)
10.23	Manufacturing Agreement between Integral and Jasper Rubber Products, Inc. dated November 22, 2006. (Incorporated by reference to Exhibit 10.23 of Integral's Current Report on Form 8-K dated November 27, 2006 (filed December 4, 2006).)
10.24	Patent License Agreement between Integral and ADAC Plastics, Inc. d/b/a ADAC Automotive, dated November 28, 2006. (Incorporated by reference to Exhibit 10.24 of Integral's Current Report on Form 8-K dated December 18, 2006 (filed December 20, 2006).)
10.25	Patent License Agreement between Integral and Esprit Solutions Limited, dated December 18, 2006. (Incorporated by reference to Exhibit 10.25 of Integral's Current Report on Form 8-K dated January 9, 2007 (filed January 19, 2007).)
10.26	Patent License Agreement between Integral and Knowles Electronics, LLC, dated January 18, 2007. (Incorporated by reference to Exhibit 10.26 of Integral's Quarterly Report on Form 10-QSB for the period ended December 31, 2006.)

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10.27	Agreement between Integral and Visionary Innovations, Inc., dated February 16, 2007. (Incorporated by reference to Exhibit 10.27 of Integral's Quarterly Report on Form 10-QSB for the period ended March 31, 2007.)
10.28	Amendment One to Manufacturing Agreement between Integral and Jasper Rubber Products, Inc. dated July 19, 2007. (Incorporated by reference to Exhibit 10.28 of Integral's Current Report on Form 8-K dated July 19, 2007 (filed July 30, 2007).)
10.29	Integral Technologies, Inc. 2009 Stock Option Plan dated July 14, 2009. (Incorporated by reference to Exhibit 10.29 of Integral's Current Report on Form 10-KSB dated September 29, 2009 (filed September 29, 2009)).
10.30	Employment Agreement between Integral and William Robinson dated July 14, 2009. (Incorporated by reference to Exhibit 10.30 of Integral's Current Report on Form 10-KSB dated September 29, 2009 (filed September 29, 2009)).
10.31	Employment Agreement between Integral and William Ince dated July 14, 2009. (Incorporated by reference to Exhibit 10.31 of Integral's Current Report on Form 10-KSB dated September 29, 2009 (filed September 29, 2009)).
10.32	Consulting Agreement between Integral and Mohamed Zeidan dated August 10, 2009. (Incorporated by reference to Exhibit 10.32 of Integral's Current Report on Form 10-KSB dated September 29, 2009 (filed September 29, 2009)).
14.1	Code of Ethics adopted September 20, 2004. (Incorporated by reference to Exhibit 14.1 of Integral's annual report on Form 10-KSB for the period ended June 30, 2004.)
21.4	List of Subsidiaries. (Incorporated by reference to Exhibit 21.4 of Integral's annual report on Form 10-KSB for the period ended June 30, 2004.)
31.1	Section 302 Certification by the Corporation's Chief Executive Officer. (Filed herewith).
31.2	Section 302 Certification by the Corporation's Chief Financial Officer. (Filed herewith).
32.1	Section 906 Certification by the Corporation's Chief Executive Officer. (Filed herewith).
32.2	Section 906 Certification by the Corporation's Chief Financial Officer. (Filed herewith).

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Company caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTEGRAL TECHNOLOGIES, INC

Dated: September 28, 2010

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

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

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ William S. Robinson</u> William S. Robinson	Director	September 28, 2010
<u>/s/ William A. Ince</u> William A. Ince	Director	September 28, 2010

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)

Consolidated Financial Statements
June 30, 2010, 2009 and 2008
(US Dollars)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE DIRECTORS AND STOCKHOLDERS OF INTEGRAL TECHNOLOGIES, INC.

(A Development Stage Company)

We have audited the consolidated balance sheets of Integral Technologies, Inc. (A Development Stage Company) as of June 30, 2010 and 2009 and the consolidated statements of operations, stockholders' equity (deficit) and cash flows for each of the years ended June 30, 2010, 2009 and 2008, and the cumulative totals for the development stage of operations from February 12, 1996 (inception) through June 30, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Integral Technologies, Inc. from February 12, 1996 (inception) through June 30, 1996 were audited by other auditors whose report dated November 20, 1996 expressed an unqualified opinion on those statements. Our opinion, insofar as it relates to the cumulative totals for development stage operations from February 12, 1996 (inception) through June 30, 1996, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2010 and 2009 and the results of its operations and its cash flows for each of the years ended June 30, 2010, 2009 and 2008, and the cumulative totals for the development stage of operations from February 12, 1996 (inception) through June 30, 2010 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 2 to the consolidated financial statements, the Company has no revenues and limited capital, which together raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 2. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

"Smythe Ratcliffe LLP" (signed)

Chartered Accountants

Vancouver, Canada
September 22, 2010

Smythe Ratcliffe LLP is a member firm of both the PKF International Limited network and PKF North America, which are, respectively, a network and an association of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Consolidated Balance Sheets
June 30
(US Dollars)

	2010	2009
Assets		
Current		
Cash	\$ 350,235	\$ 535,231
Prepaid expenses	7,544	11,353
Total Assets	\$ 357,779	\$ 546,584
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 707,148	\$ 661,792
Total Liabilities	707,148	661,792
Stockholders' Deficit (note 4)		
Preferred Stock and Paid-in Capital in Excess of \$0.001 Par Value		
20,000,000 Shares authorized		
308,538 Shares issued and outstanding (note 4(b))	308,538	308,538
Common Stock and Paid-in Capital in Excess of \$0.001 Par Value		
150,000,000 Shares authorized		
54,838,921 (2009 – 50,305,769) Shares issued and outstanding (note 4(a))	33,224,263	30,524,475
Promissory Notes Receivable (note 4(d))	(29,737)	(29,737)
Subscriptions Received (note 4(e))	11,250	0
Accumulated Other Comprehensive Income	46,267	46,267
Deficit Accumulated During the Development Stage	(33,909,950)	(30,964,751)
Total Stockholders' Deficit	(349,369)	(115,208)
Total Liabilities and Stockholders' Deficit	\$ 357,779	\$ 546,584

See notes to consolidated financial statements.

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

	Years Ended June 30,			Period From February 12, 1996 (Inception) Through June 30, 2010
	2010	2009	2008	2010
Revenues	\$ 0	\$ 0	\$ 0	\$ 249,308
Cost of Sales	0	0	0	216,016
	0	0	0	33,292
Other Income	2,899	8,511	57,975	868,506
	2,899	8,511	57,975	901,798
Expenses				
Consulting (note 4(c))	1,374,060	287,204	500,850	7,925,666
Salaries (note 4(c))	872,027	585,197	633,725	10,559,316
Research and development	250,826	230,060	287,109	1,721,789
Legal and accounting	199,263	263,964	305,452	4,603,022
General and administrative	95,554	70,184	95,706	1,278,378
Travel and entertainment	62,034	53,934	96,162	1,419,314
Rent	46,631	43,170	46,659	534,301
Telephone	24,382	24,993	29,605	483,677
Advertising	5,866	1,591	0	338,727
Bank charges and interest, net	1,993	3,090	6,932	207,281
Write-off of investments	0	0	0	1,250,000
Non-competition agreement	0	0	0	711,000
Write-down of license and operating assets	0	0	0	1,855,619
Interest on beneficial conversion feature	0	0	0	566,455
Settlement of lawsuit	0	0	0	45,250
Financing fees, net	0	0	0	129,043
Bad debts (recovery)	0	0	(6,009)	46,604
Depreciation and amortization	0	0	0	324,386
	2,932,636	1,563,387	1,996,191	
Net Comprehensive Loss for Year	\$ (2,929,737)	\$ (1,554,876)	\$ (1,938,216)	\$ (33,098,030)
Basic and Diluted Loss Per Share (note 8)	\$ (0.06)	\$ (0.03)	\$ (0.04)	
Weighted Average Number of Common Shares Outstanding	51,520,654	47,360,459	45,617,756	

See notes to consolidated financial statements.

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

	Shares of Common Stock Issued	Common Stock and Paid-in Capital in Excess of Par	Shares of Preferred Stock Issued	Preferred Stock and Paid-in Capital in Excess of Par	Promissory Notes Receivable	Share Subscriptions	Accumulated Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Shares Issued for									
Cash	1,000,000	\$ 10,000	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,000
Property and equipment (to officers and directors)	1,500,000	15,000	0	0	0	0	0	0	15,000
Services (provided by officers and directors)	2,000,000	20,000	0	0	0	0	0	0	20,000
Services (others)	1,500,000	15,000	0	0	0	0	0	0	15,000
Foreign currency translation	0	0	0	0	0	0	(1,226)	0	(1,226)
Net loss for period	0	0	0	0	0	0	0	(344,843)	(344,843)
Balance, June 30, 1996									
	6,000,000	60,000	0	0	0	0	(1,226)	(344,843)	(286,069)
Shares Issued for									
Cash	5,086,000	865,514	0	0	0	0	0	0	865,514
Share issue costs	0	(48,920)	0	0	0	0	0	0	(48,920)
Services	564,000	63,036	0	0	0	0	0	0	63,036
Acquisition of subsidiary	100,000	275,000	0	0	0	0	0	0	275,000
Foreign currency translation	0	0	0	0	0	0	12,601	0	12,601
Net loss for year	0	0	0	0	0	0	0	(822,217)	(822,217)
Balance, June 30, 1997									
	11,750,000	1,214,630	0	0	0	0	11,375	(1,167,060)	58,945
Shares Issued for									
Cash	825,396	650,000	0	0	0	0	0	0	650,000
Share issue costs	0	(78,000)	0	0	0	0	0	0	(78,000)
Foreign currency translation	0	0	0	0	0	0	24,860	0	24,860
Net loss for year	0	0	0	0	0	0	0	(937,373)	(937,373)
Balance, June 30, 1998									
	12,575,396	\$ 1,786,630	0	\$ 0	\$ 0	\$ 0	36,235	\$ (2,104,433)	\$ (281,568)

See notes to consolidated financial statements.

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

	Shares of Common Stock Issued	Common Stock and Paid-in Capital in Excess of Par	Shares of Preferred Stock Issued	Preferred Stock and Paid-in Capital in Excess of Par	Promissory Notes Receivable	Share Subscriptions	Accumulated Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balance,									
June 30, 1998	12,575,396	\$1,786,630	0	\$ 0	\$ 0	\$ 0	\$ 36,235	(2,104,433)	\$ (281,568)
Shares Issued									
for									
Cash	200,000	50,000	0	0	0	0	0	0	50,000
Exercise of stock options	445,000	80,500	0	0	0	0	0	0	80,500
Promissory note	1,683,789	252,568	0	0	(284,068)	0	0	0	(31,500)
Settlement of lawsuit	150,000	15,000	0	0	0	0	0	0	15,000
Services (provided by officers and directors)	666,666	100,000	0	0	0	0	0	0	100,000
Share issue costs	0	(100,500)	0	0	0	0	0	0	(100,500)
Services	250,000	50,000	0	0	0	0	0	0	50,000
Conversion of convertible debentures	3,869,120	525,813	0	0	0	0	0	0	525,813
Acquisition of subsidiary	1,800,000	619,200	0	0	0	0	0	0	619,200
Held in escrow	447,091	0	0	0	0	0	0	0	0
Stock-based compensation	0	70,600	0	0	0	0	0	0	70,600
Beneficial conversion feature	0	566,456	0	0	0	0	0	0	566,456
Foreign currency translation	0	0	0	0	0	0	8,444	0	8,444
Net loss for year	0	0	0	0	0	0	0	(1,404,021)	(1,404,021)
Balance June 30,									
1999	22,087,062	4,016,267	0	0	(284,068)	0	44,679	(3,508,454)	268,424
Shares Issued									
for									
Cash on private placement	2,650,000	3,975,000	0	0	0	0	0	0	3,975,000
Exercise of options	1,245,000	256,700	0	0	0	0	0	0	256,700
Services	50,000	13,000	0	0	0	0	0	0	13,000
Settlement of debt	0	0	664,410	664,410	0	0	0	0	664,410
Shares released from escrow	0	75,558	0	0	0	0	0	0	75,558
Stock-based compensation	0	48,256	0	0	0	0	0	0	48,256
Promissory note repayment	0	0	0	0	225,568	0	0	0	225,568
Foreign currency translation	0	0	0	0	0	0	1,614	0	1,614
Net loss for year	0	0	0	0	0	0	0	(1,537,402)	(1,537,402)
Balance,									
June 30, 2000	26,032,062	8,384,781	664,410	\$ 664,410	\$ (58,500)	\$ 0	\$ 46,293	\$ (5,045,856)	\$ 3,991,128

See notes to consolidated financial statements.

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

	Shares of Common Stock Issued	Common Stock and Paid-in Capital in Excess of Par	Shares of Preferred Stock Issued	Preferred Stock and Paid-in Capital in Excess of Par	Promissory Notes Receivable	Share Subscriptions	Accumulated Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balance, June 30, 2000	26,032,062	\$ 8,384,781	664,410	\$ 664,410	\$ (58,500)	\$ 0	\$ 46,293	\$ (5,045,856)	\$ 3,991,128
Shares Issued for									
Cash on private placement	81,885	112,480	0	0	0	0	0	0	112,480
Exercise of options	517,000	91,515	0	0	0	0	0	0	91,515
Services	100,000	40,000	0	0	0	0	0	0	40,000
Held in escrow	218,115	0	0	0	0	0	0	0	0
Stock-based compensation	0	272,207	0	0	0	0	0	0	272,207
Dividends on preferred shares	0	0	0	0	0	0	0	(30,720)	(30,720)
Share subscriptions	0	0	0	0	0	50,000	0	0	50,000
Redeemed shares	0	0	(100,000)	(100,000)	0	0	0	(100,000)	(200,000)
Foreign currency translation	0	0	0	0	0	0	(26)	0	(26)
Net loss for year	0	0	0	0	0	0	0	(4,000,169)	(4,000,169)
Balance, June 30, 2001	26,949,062	8,900,983	564,410	564,410	(58,500)	50,000	46,267	(9,176,745)	326,415
Shares Issued for									
Proprietary non- competition agreement	450,000	711,000	0	0	0	0	0	0	711,000
Held in escrow	700,000	0	0	0	0	0	0	0	0
Exercise of options	2,263,500	971,200	0	0	(15,000)	(10,000)	0	0	946,200
Exercise of warrants	325,000	130,000	0	0	0	0	0	0	130,000
Subscriptions	100,000	40,000	0	0	0	(40,000)	0	0	0
Stock-based compensation	0	415,685	0	0	0	0	0	0	415,685
Shares released from escrow	0	954,582	0	0	0	0	0	0	954,582
Dividends on preferred shares	0	0	0	0	0	0	0	(26,087)	(26,087)
Redeemed shares	0	0	(124,800)	(124,800)	0	0	0	(187,200)	(312,000)
Write-off of promissory note receivable	0	(7,000)	0	0	7,000	0	0	0	0

Net loss for											
year	0	0	0	0	0	0	0	0	(3,836,191)	(3,836,191)	

Balance,											
June 30,											
2002	30,787,562	\$12,116,450	439,610	\$ 439,610	\$ (66,500)	\$	0	\$	46,267	\$ 13,226,223)	\$ (690,396)

See notes to consolidated financial statements.

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

	Shares of Common Stock Issued	Common Stock and Paid-in Capital in Excess of Par	Shares of Preferred Stock Issued	Preferred Stock and Paid-in Capital in Excess of Par	Promissory Notes Receivable	Share Subscriptions	Accumulated Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balance, June 30, 2002	30,787,562	\$12,116,450	439,610	\$ 439,610	\$ (66,500)	0	\$ 46,267	\$ (13,226,223)	\$ (690,396)
Shares Issued for									
Cash on private placement	1,684,000	842,050	0	0	0	0	0	0	842,050
Settlement of debt	144,793	104,542	0	0	0	0	0	0	104,542
Services	200,000	196,000	0	0	0	0	0	0	196,000
Exercise of options	52,500	43,750	0	0	0	0	0	0	43,750
Exercise of warrants	55,000	27,500	0	0	0	0	0	0	27,500
Subscription received	0	0	0	0	0	176,665	0	0	176,665
Stock-based compensation	0	5,460	0	0	0	0	0	0	5,460
Settlement of lawsuit	0	0	0	0	0	35,250	0	0	35,250
Dividends on preferred shares	0	0	0	0	0	0	0	(22,060)	(22,060)
Net loss for year	0	0	0	0	0	0	0	(1,346,833)	(1,346,833)
Balance, June 30, 2003	32,923,855	13,335,752	439,610	439,610	(66,500)	211,915	46,267	(14,595,116)	(628,072)
Shares Issued for									
Cash on private placement	6,609,336	6,042,935	0	0	0	(211,915)	0	0	5,831,020
Cash on exercise of options	25,000	25,000	0	0	0	0	0	0	25,000
Settlement of lawsuit	37,500	35,250	0	0	0	0	0	0	35,250
Services	25,000	21,873	0	0	0	0	0	0	21,873
Redemption of preferred shares	415,000	415,000	(118,572)	(118,572)	0	0	0	(296,428)	0
Exercise of warrants	288,298	0	0	0	0	0	0	0	0
Shares returned to treasury for cancellation	(142,140)	0	0	0	0	0	0	0	0
Stock-based compensation	0	321,275	0	0	0	0	0	0	321,275
Dividends on preferred shares	0	0	0	0	0	0	0	(19,016)	(19,016)
Net loss for year	0	0	0	0	0	0	0	(2,543,848)	(2,543,848)

Balance, June 30, 2004	40,181,849	\$20,197,085	321,038	\$ 321,038	\$ (66,500)	\$ 0	46,267	\$ (17,454,408)	\$ 3,043,482
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See notes to consolidated financial statements.

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

	Shares of Common Stock Issued	Common Stock and Paid-in Capital in Excess of Par	Shares of Preferred Stock Issued	Preferred Stock and Paid-in Capital in Excess of Par	Promissory Notes Receivable	Share Subscriptions	Accumulated Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balance,									
June 30, 2004	40,181,849	\$20,197,085	321,038	\$ 321,038	\$ (66,500)	\$ 0	\$ 46,267	\$ (17,454,408)	\$ 3,043,482
Shares Issued									
for									
Settlement of debt	44,000	55,000	0	0	0	0	0	0	55,000
Cashless exercise of warrants	1,713,300	0	0	0	0	0	0	0	0
Services	500,000	270,000	0	0	0	0	0	0	270,000
Redemption of preferred shares	0	0	(12,500)	(12,500)	0	0	0	(37,500)	(50,000)
Dividends on preferred shares	0	0	0	0	0	0	0	(15,739)	(15,739)
Net loss for year	0	0	0	0	0	0	0	(1,812,265)	(1,812,265)
Balance,									
June 30, 2005	42,439,149	20,522,085	308,538	308,538	(66,500)	0	46,267	(19,319,912)	1,490,478
Shares Issued									
for									
Exercise of options	200,000	134,000	0	0	0	0	0	0	134,000
Cashless exercise of warrants	35,115	0	0	0	0	0	0	0	0
Services	269,000	191,510	0	0	0	0	0	0	191,510
Exercise of warrants	1,291,168	1,080,669	0	0	0	0	0	0	1,080,669
Repayment of promissory note	0	0	0	0	34,000	0	0	0	34,000
Dividends on preferred shares	0	0	0	0	0	0	0	(15,427)	(15,427)
Stock-based compensation	0	107,219	0	0	0	0	0	0	107,219
Net loss for year	0	0	0	0	0	0	0	(2,104,189)	(2,104,189)
Balance,									
June 30, 2006	44,234,432	22,035,483	308,538	308,538	(32,500)	0	46,267	(21,439,528)	918,260
Shares Issued									
for									
Exercise of options	50,000	35,000	0	0	0	0	0	0	35,000
Services	50,000	105,000	0	0	0	0	0	0	105,000
Private placement	1,180,537	2,361,641	0	0	0	0	0	0	2,361,641
Repayment of promissory note	0	0	0	0	2,763	0	0	0	2,763
Dividends on preferred shares	0	0	0	0	0	0	0	(15,427)	(15,427)
Stock-based compensation	0	4,225,648	0	0	0	0	0	0	4,225,648
Net loss for year	0	0	0	0	0	0	0	(5,985,850)	(5,985,850)

Balance,

June 30, 2007	45,514,969	\$28,762,772	308,538	\$ 308,538	\$ (29,737)	\$	0	\$	46,267	\$ (27,440,805)	\$	1,647,035
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See notes to consolidated financial statements.

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

	Shares of Common Stock Issued	Common Stock and Paid-in Capital in Excess of Par	Shares of Preferred Stock Issued	Preferred Stock and Paid-in Capital in Excess of Par	Promissory Notes Receivable	Share Subscriptions	Accumulated Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balance, June 30, 2007	45,514,969	\$28,762,772	308,538	\$ 308,538	\$ (29,737)	0	\$ 46,267	\$ (27,440,805)	\$ 1,647,035
Shares Issued for									
Exercise of warrants	190,000	208,995	0	0	0	0	0	0	208,995
Subscriptions received	0	0	0	0	0	276,500	0	0	276,500
Dividends on preferred shares	0	0	0	0	0	0	0	(15,427)	(15,427)
Stock-based compensation	0	247,944	0	0	0	0	0	0	247,944
Net loss for year	0	0	0	0	0	0	0	(1,938,216)	(1,938,216)
Balance, June 30, 2008	45,704,969	29,219,711	308,538	308,538	(29,737)	276,500	46,267	(29,394,448)	426,831
Shares Issued for									
Services	100,000	60,500	0	0	0	(46,500)	0	0	14,000
Subscriptions received	4,500,800	1,125,200	0	0	0	(230,000)	0	0	895,200
Dividends on preferred shares	0	0	0	0	0	0	0	(15,427)	(15,427)
Stock-based compensation	0	119,064	0	0	0	0	0	0	119,064
Net loss for year	0	0	0	0	0	0	0	(1,554,876)	(1,554,876)
Balance, June 30, 2009	50,305,769	30,524,475	308,538	308,538	(29,737)	0	46,267	(30,964,751)	(115,208)
Shares Issued for									
Services	270,000	81,000	0	0	0	0	0	0	81,000
Cash, net	4,263,152	1,393,637	0	0	0	0	0	0	1,393,637
Subscriptions received	0	0	0	0	0	11,250	0	0	11,250
Dividends on preferred shares	0	0	0	0	0	0	0	(15,462)	(15,462)
Stock-based compensation	0	1,225,151	0	0	0	0	0	0	1,225,151
Net loss for year	0	0	0	0	0	0	0	(2,929,737)	(2,929,737)
Balance, June 30, 2010	54,838,921	\$ 3,224,263	308,538	\$ 308,538	\$ (29,737)	11,250	\$ 46,267	\$ (33,909,950)	\$ (349,369)

See notes to consolidated financial statements.

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

	Years Ended June 30,			Period from February 12, 1996 (Inception) Through June 30, 2010
	2010	2009	2008	
Operating Activities				
Net loss	\$ (2,929,737)	\$ (1,554,876)	\$ (1,938,216)	\$ (33,098,030)
Adjustments to reconcile net loss to net cash used in operating activities				
Write-down of investment	0	0	0	1,250,000
Other income	0	0	0	(658,305)
Proprietary, non-competition agreement	0	0	0	711,000
Consulting services and financing fees	81,000	14,000	0	1,618,783
Depreciation and amortization	0	0	0	349,941
Stock-based compensation	1,225,151	119,064	247,944	7,058,509
Interest on beneficial conversion feature	0	0	0	566,456
Settlement of lawsuit	0	0	0	60,250
Write-down of license and operating assets	0	0	0	1,853,542
Bad debt	0	0	0	77,712
Changes in non-cash working capital				
Due from affiliated company	0	0	0	(116,000)
Notes and accounts receivable	0	0	0	(109,213)
Inventory	0	0	0	(46,842)
Prepaid expenses	3,809	19,223	1,867	(7,543)
Deferred revenue and other	0	0	0	(2,609)
Accounts payable and accruals	29,894	(61,484)	66,658	949,258
Net Cash Used in Operating Activities	(1,589,883)	(1,464,073)	(1,621,747)	(19,543,091)
Investing Activities				
Purchase of property, equipment and intangible assets	0	0	0	(200,935)
Assets acquired and liabilities assumed on purchase of subsidiary	0	0	0	(129,474)
Investment in and advances to affiliated companies	0	0	0	(2,000,000)
License agreements	0	0	0	(124,835)
Net Cash Used in Investing Activities	0	0	0	(2,455,244)
Financing Activities				
Redemption of preferred shares	0	0	0	(50,000)
Repayment of loan	0	0	0	(11,000)
Advances from stockholders	0	0	0	1,078,284
Repayments from (to) stockholders	0	0	0	(91,283)
Subscriptions received	11,250	0	276,500	514,415
Proceeds from issuance of common stock	1,542,888	895,200	208,995	20,638,558
Proceeds from convertible debentures	0	0	0	600,000
Share issue costs	(149,251)	0	0	(376,671)
Net Cash Provided by Financing Activities	1,404,887	895,200	485,495	22,302,303
Effect of Foreign Currency Translation on Cash	0	0	0	46,267
Inflow (Outflow) of Cash	(184,996)	(568,873)	(1,136,252)	350,235
Cash, Beginning of Year	535,231	1,104,104	2,240,356	0
Cash, End of Year	\$ 350,235	\$ 535,231	\$ 1,104,104	\$ 350,235

Supplemental disclosure of cash flow information (note 5)

See notes to consolidated financial statements.

1. INCORPORATION AND NATURE OF OPERATIONS

Integral Technologies, Inc. (the "Company") was incorporated under the laws of the State of Nevada on February 12, 1996 and has its head office in Bellingham, Washington, USA. The Company is in the development stage and is in the business of researching, developing and commercializing new antenna technologies.

The Company will be devoting all of its resources to the research, development and commercialization of its ElectriPlast technology.

2. GOING CONCERN

These consolidated financial statements have been prepared on the going concern basis which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The Company's operations have resulted in a net loss of \$2,929,737 (2009 - \$1,554,876; 2008 - \$1,938,216) for the year ended June 30, 2010, an accumulated deficit of \$33,909,950 (2009 - \$30,964,751) and a working capital deficiency of \$349,369 (2009 - \$115,208) as at June 30, 2010. The Company has not yet commenced revenue-producing operations and has significant expenditure requirements to continue to advance its research, developing and commercializing new antenna technologies. The Company estimates that without further funding, it will deplete its cash resources in approximately three months. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company's future operations and its continuation as a going concern are dependent upon its ability to raise additional capital and to sell its products and services to new customers, generate positive cash flows from operations and ultimately attain profitability.

Financing transactions may include the issuance of equity securities, obtaining additional credit facilities or other financing mechanisms. However, the trading price of the Company's common stock and the downturn in the United States of America stock markets could make it more difficult to obtain financing through the issuance of equity securities.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate because management believes that the actions already taken or planned will mitigate the adverse conditions and events that raise doubts about the validity of the going concern assumption used in preparing these consolidated financial statements. Management intends to raise additional capital through stock issuances to finance operations.

If none of these events occur, there is a risk that the business will fail. The consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

These financial statements include the accounts of the Company, its wholly-owned subsidiaries, Integral Vision Systems, Inc. ("IVSI"), Antek Wireless Inc. ("Antek") and Plastenna, Inc. ("Plastenna") and its 76.625%-owned subsidiary, Emergent Technologies Corp. ("ETC"), which is currently inactive. All intercompany balances and transactions have been eliminated.

(b) Loss per share

Basic loss per share computations are based on the weighted average number of common shares outstanding during the year. Common share equivalents consisting of preferred stock, stock options and warrants are not considered in the computation of diluted loss per share because their effect would be anti-dilutive.

(c) Stock issued in exchange for services

The valuation of common stock issued in exchange for services is valued at an estimated fair market value of the Company's stock price based upon other sales and issuances of the Company's common stock within the same general time period.

(d) Revenue recognition

As the Company is continuing development of its technologies, no significant revenues have been earned to date. The Company plans to recognize revenues at the time of delivery of the product to the customer.

(e) Foreign currency translation

The Company's functional and reporting currency is the US dollar. Transactions and balances for the Company's operations which are not in US dollars are translated into US dollars at the exchange rates in effect at the balance sheet dates for monetary assets and liabilities and at historical exchange rates for non-monetary assets and liabilities. Revenues and expenses are translated at the rate of exchange on the date of the transaction, except for amortization and depreciation, which are translated on the same basis as the related assets. Resulting translation gains or losses are reflected in the statements of operations.

(f) Research and development

Research and development expenditures are charged to operations as incurred.

(g) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include valuation allowance for deferred income tax assets and the determination of the assumptions used in calculating the fair value of stock-based compensation. Actual results could differ from those estimates and could impact future results of operations and cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments

The Company considers all highly liquid interest-earning investments with a maturity of three months or less at the date of purchase to be cash equivalents. Investments with original maturities of greater than three months and remaining maturities of less than one year are classified as short-term investments. Investments with maturities beyond one year may be classified as short-term based on their highly liquid nature and because such marketable securities represent the investment of cash that is available for current operations. All cash equivalents and short-term investments are classified as available-for-sale and are recorded at market value using the specific identification method. Changes in market value are reflected in other comprehensive income (excluding other-than-temporary impairments).

Equity and other investments classified as long-term include both debt and equity instruments. Debt securities and publicly traded equity securities are classified as available-for-sale and are recorded at market using the specific identification method. Changes in market value are reflected in other comprehensive income (excluding other-than-temporary impairments). All other investments, excluding those accounted for using the equity method, are recorded at cost.

(i) Income taxes

The Company uses the asset and liability approach in its method of accounting for income taxes that requires the recognition of deferred tax liabilities and assets for expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. A valuation allowance against deferred tax assets is recorded if, based upon weighted available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The impact of an uncertain tax position that is more likely than not of being sustained upon audit by the relevant taxing authority is recognized at the largest amount that is more likely than not to be sustained. No portion of an uncertain tax position will be recognized if the position has less than a 50% likelihood of being sustained.

(j) Stock-based compensation

The Company accounts for stock-based compensation expenses associated with stock options and other forms of equity compensation by estimating the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Company's statement of operations. The Company uses the straight-line single-option method to recognize the value of stock-based compensation expense for all share-based payment awards. Stock-based compensation expense recognized in the statement of operations is reduced for estimated forfeitures, as it is based on awards ultimately expected to vest. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Recently adopted accounting pronouncements

- (i) In February, 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") issued ASU No. 2010-09, Subsequent Events (Topic 855) Amendments to Certain Recognition and Disclosure Requirements. The amendments remove the requirement for an SEC filer to disclose a date in both issued and revised financial statements. Revised financial statements include financial statements revised as a result of either correction of an error or retrospective application of U.S. GAAP. Additionally, the Board has clarified that if the financial statements have been revised, then an entity that is not an SEC filer should disclose both the date that the financial statements were issued or available to be issued and the date the revised financial statements were issued or available to be issued. Those amendments remove potential conflicts with the SEC's literature. All of the amendments in this Update are effective upon issuance of the final Update, except for the use of the issued date for conduit debt obligors. That amendment is effective for interim or annual periods ending after June 15, 2010.
- (ii) In August 2009, the FASB issued ASU No. 2009-05, "Measuring Liabilities at Fair Value" ("ASU 2009-05"). This update provides amendments to Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosure", for the fair value measurement of liabilities when a quoted price in an active market is not available. ASU 2009-05 is effective for reporting periods beginning after August 28, 2009.
- (iii) In June 2009, the FASB issued new guidance which is now part of ASC 105-10 (formerly Statement of Financial Accounting Standards No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles", ("SFAS 168")). SFAS 168 replaces FASB Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles", and establishes the FASB ASU as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles. SFAS 168 is effective for interim and annual periods ending after September 15, 2009. The adoption of this statement did not significantly impact the Company's disclosures.
- (iv) In June 2008, the FASB ratified EITF Issue 07-5, "Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock" ("EITF 07-5"). Paragraph 11(a) of SFAS 133 specifies that a contract that would otherwise meet the definition of a derivative but is both (a) indexed to our own stock and (b) classified in stockholders' equity in the statement of financial position would not be considered a derivative financial instrument. EITF 07-5 provides a new two-step model to be applied in determining whether a financial instrument or an embedded feature is indexed to an issuer's own stock and thus able to qualify for the SFAS 133 paragraph 11(a) scope exemption. EITF 07-5 is effective on January 1, 2009. The adoption of this statement did not significantly impact the Company's disclosures.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (k) Recently adopted accounting pronouncements (continued)
- (v) In December 2007, the FASB issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements", which, among other things, provides guidance and establishes amended accounting and reporting standards for a parent company's non-controlling interest in a subsidiary. This pronouncement is effective for fiscal years beginning on or after December 15, 2008. The adoption of this statement did not significantly impact the Company's disclosures.
 - (vi) In December 2007, FASB Statement No. 141 (revised 2007), "Business Combinations" ("SFAS 141"), was issued. SFAS 141 establishes principles and requirements for how the acquirer (a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and non-controlling interest in the acquired entity; (b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and (c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The provisions of SFAS 141 are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of this statement did not significantly impact the Company's disclosures.
- (l) Recent accounting pronouncement not yet adopted
- (i) In January 2010, the FASB issued ASU No. 2010-06, "Fair Value Measurements and Disclosures" ("ASU 2010-06"). This update provides amendments to ASC Topic 820, "Fair Value Measurements and Disclosure", that requires new disclosure for transfers in and out of Levels 1 and 2 and activity in Level 3 fair value measurements. The update also provides amendments that clarify existing disclosures surrounding levels of disaggregation and inputs and valuation techniques. ASU 2010-06 is effective for reporting periods beginning after December 15, 2009, with the exception of Level 3 activity fair value measurements which is effective for reporting periods beginning after December 15, 2010.
 - (ii) In January 2010, the FASB issued ASU update No. 2010-06 applicable to FASB ASC 820-10, "Improving Disclosures about Fair Value Measurements". The guidance requires entities to disclose significant transfers in and out of fair value hierarchy levels and the reasons for the transfers and to present information about purchases, sales, issuances and settlements separately in the reconciliation of fair value measurements using significant unobservable inputs (Level 3). Additionally, the guidance clarifies that a reporting entity should provide fair value measurements for each class of assets and liabilities and disclose the inputs and valuation techniques used for fair value measurements using significant other observable inputs (Level 2) and significant unobservable inputs (Level 3). This guidance is effective for interim and annual periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the Level 3 reconciliation, which will be effective for interim and annual periods beginning after December 15, 2010. As this guidance provides only disclosure requirements, the adoption of this standard will not impact the Company's consolidated results of operations, cash flows or financial positions.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (l) Recent accounting pronouncement not yet adopted (continued)
- (iii) In August 2009, the FASB issued ASU 2009-05 which includes amendments to Subtopic 820-10, "Fair Value Measurements and Disclosures—Overall". The update provides clarification that in circumstances, in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the techniques provided for in this update. The amendments in this ASU clarify that a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability and also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The guidance provided in this ASU is effective for the first reporting period, including interim periods, beginning after issuance. The adoption of this standard did not have a material impact on the Company's consolidated financial position and results of operations
- (iv) In June 2009, the FASB issued FASB Statement No. 167, "Amendments to FASB Interpretation No. ("FIN") 46(R)" ("Statement No. 167"), codified in ASC Topic 810-10. Statement No. 167, among other things, requires a qualitative rather than a quantitative analysis to determine the primary beneficiary of a variable interest entity ("VIE"), amends FIN 46(R)'s consideration of related party relationships in the determination of the primary beneficiary of a VIE, amends certain guidance in FIN 46(R) for determining whether an entity is a VIE, requires continuous assessments of whether an enterprise is the primary beneficiary of a VIE, and requires enhanced disclosures about an enterprise's involvement with a VIE. Statement No. 167 is effective for annual reporting periods beginning after November 15, 2009. The adoption of the provisions of Statement No. 167 is not anticipated to impact the company's consolidated financial position, results of operations or cash flows.

4. STOCKHOLDERS' EQUITY (DEFICIT)

(a) Common stock

(i) During the year ended June 30, 2008, the Company:

Issued 190,000 shares of common stock for \$208,995 on the exercise of warrants. The Company approved a temporary adjustment to the exercise price of stock purchase warrants dated September 15, 2006 by reducing their exercise price from \$2.50 per share to \$1.10 per share in consideration of overall market conditions in October 2007, as long as the warrants were exercised prior to November 15, 2007.

(ii) During the year ended June 30, 2009, the Company:

(a) Closed a private placement for which it received \$1,125,200 (\$895,200 received during 2009 (2008 - \$230,000)) (note 4(e)) for issuance of 4,500,800 units, each unit consisting of one share of common stock at \$0.25 and one warrant at \$0.001. Each warrant entitles the holder to purchase one share of common stock on or before December 31, 2010 at an exercise price of \$0.50;

(b) Issued 100,000 shares of common stock as consideration for consulting services. 50,000 of these shares have been recorded at a value of \$14,000 and 50,000 of these shares have been recorded at a value of \$46,500 representing the market value of the shares on the date of issuance.

(iii) During the year ended June 30, 2010, the Company:

(a) Issued 270,000 shares of common stock as consideration for consulting services. These shares have been recorded at a value of \$81,000 representing the fair value of the shares on the date of issuance.

(b) Closed three private placements for which it received a total of \$1,542,888. The first private placement amounted to \$743,190 for issuance of 2,123,400 units, each unit consisting of one share of common stock at \$0.35 and one warrant at \$0.001. Each warrant entitles the holder to purchase one share of common stock on or before February 8, 2012 at an exercise price of \$0.70. The second private placement amounted to \$228,534 for issuance of 507,853 units, each unit consisting of one share of common stock at \$0.45 and one warrant at \$0.001. Each warrant entitles the holder to purchase one share of common stock on or before May 14, 2012 at an exercise price of \$0.70. The third private placement amounted to \$571,164 for issuance of 1,631,899 units, each unit consisting of one share of common stock at \$0.35 and one warrant at \$0.0001. Each warrant entitles the holder to purchase one share of common stock on or before June 3, 2012 at an exercise price of \$0.70. Exercise of all the investment warrants may be required in the event that the market price for the common stock exceeds \$1.30 per share.

Total commission costs payable amounted to \$149,251.

4. STOCKHOLDERS' EQUITY (DEFICIT) (Continued)

(a) Preferred stock

The preferred stock may be issued in one or more series. The distinguishing features of each series, including preference, rights and restriction, are to be determined by the Company's Board of Directors upon the establishment of each such series.

During the year ended June 30, 2000, the Company designated 1,000,000 of its authorized 20,000,000 preferred shares as Series A convertible preferred stock with a par value of \$0.001 each and a stated value and liquidation preference of \$1.00 per share. Cumulative dividends are accrued at the rate of 5% annually, payable in cash or shares of common stock at the option of the Company. The shares may be converted to restricted shares of common stock at the average trading price ten days prior to conversion and are entitled to votes equal to the number of shares of common stock into which each series of preferred stock may be converted. Each Series A convertible preferred share may be redeemed by the Company for \$1.50 within one year after the date of issue and for \$2.00, \$2.50, \$3.00, \$3.50 and \$4.00 per share in each of the subsequent five years after the date of issue, with the redemption price increasing by \$0.50 each year thereafter. The Company may, at its discretion, redeem the shares at a price higher than stipulated herein.

During the year ended June 30, 2000, the Company agreed to settle \$383,228 of accounts payable and \$281,182 of long-term debt, both amounts owed to officers and directors of the Company, by issuing 664,410 shares of Series A convertible preferred stock at a par value of \$0.001 and a stated value of \$1.00 per share.

(c) Stock options and stock-based compensation

Stock option plans

In January 2001, the Company adopted the "Integral Technologies, Inc. 2001 Stock Plan" (the "2001 Plan"), a non-qualified stock option plan under which the Company may issue up to 2,500,000 stock options and stock bonuses of common stock of the Company to provide incentives to officers, directors, key employees and other persons who contribute to the success of the Company. This plan was amended during December 2001 to increase the number of common stock options that may be granted from 2,500,000 to 3,500,000 stock options. As at June 30, 2010, there were 764,500 common stock options available under this plan.

In April 2003, the Company adopted the "Integral Technologies, Inc. 2003 Stock Plan" (the "2003 Plan"), a non-qualified stock option plan under which the Company may issue up to 1,500,000 stock options. As of June 30, 2010, there were 1,375,000 common stock options available under this plan.

During the year ended June 30, 2010, the Company adopted the "Integral Technologies, Inc. 2009 Stock Plan" (the "2009 Plan"), a non-qualified stock option plan under which the Company may issue up to 4,000,000 common stock options. As of June 30, 2010, there were 500,000 common stock options available under this plan.

4. STOCKHOLDERS' EQUITY (DEFICIT) (Continued)

- (c) Stock options and stock-based compensation (Continued)

Pursuant to the 2001, 2003 and 2009 plans

During the year ended June 30, 2007, pursuant to a consulting agreement with Visionary Innovations, Inc. ("Visionary"), the Company granted Visionary 125,000 common stock options which vested on March 30, 2007 at an exercise price of \$2.75, and another 125,000 common stock options which vested on March 30, 2008 at an exercise price of \$2.75, all exercisable to March 30, 2009. These options expired unexercised.

During the year ended June 30, 2008, the Company extended the expiry date of 1,295,000 common stock options, which resulted in additional stock-based compensation of \$180,478.

During the year ended June 30, 2009, the Company extended the expiry date of 955,000 common stock options, which resulted in additional stock-based compensation of \$119,064.

During the year ended June 30, 2010, the Company extended the expiry dates of 625,000 common stock options, which resulted in additional stock-based compensation of \$180,000.

During the year ended June 30, 2010, the Company granted fully-vested options to directors and consultants to acquire a total of 1,500,000 shares of common stock, exercisable at \$0.25 per share. Director options will expire the earlier of December 31, 2014 or one year after termination of employment with the Company, whilst consultant options will expire the earlier of December 31, 2012 or six months after termination of employment with the Company.

During the year ended June 30, 2010, the Company also signed a consulting agreement that will expire on July 31, 2011. The contract can be terminated by either party on July 31, 2010 or January 31, 2011 with 30 days notice. The Company granted an option to acquire a total of 2,000,000 shares of common stock, exercisable at \$0.25 per share. Every three months, 200,000 options will vest beginning July 10, 2009 to April 10, 2011, and the remaining 400,000 options will vest on July 10, 2011. All vested options will expire the earlier of December 31, 2012 or six months after termination of employment with the Company.

Stock-based compensation

During the year ended June 30, 2010, the Company recorded stock-based compensation expense with respect to vested and modified stock options of \$1,225,151 (2009 - \$119,064; 2008 - \$247,944); of this amount, \$796,981 (2009 - \$56,939; 2008 - \$182,711) is included in consulting fees and \$428,170 (2009 - \$62,125; 2008 - \$65,233) is included in salaries.

Stock-based compensation not yet recognized at June 30, 2010 relating to non-vested stock options was \$192,737 which will be recognized over a weighted average period of 1.08 years.

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4. STOCKHOLDERS' EQUITY (DEFICIT) (Continued)

- (c) Stock options and stock-based compensation (Continued)

Key assumptions

The fair value of the Company's stock options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	2010	2009	2008
Expected life (years)	2.39	1	1
Interest rate	1.10%	3.87%	4.28%
Volatility	162.90%	84.24%	87.75%
Dividend yield	0.00%	0.00%	0.00%
Estimated forfeitures	0.00%	0.00%	0.00%

Expected life: The Company's expected term represents the period that the Company's stock-based awards are expected to be outstanding and was determined based on historical experience and vesting schedules of similar awards.

Risk-free interest rate: The Company bases the risk-free interest rate used in the Black-Scholes valuation method on the implied yield currently available on US Treasury zero-coupon issues with an equivalent remaining term.

Expected volatility: The Company's expected volatility represents the weighted average historical volatility of the Company's common stock for a period equal to the expected life of the options.

Expected dividend: The Black-Scholes valuation model calls for a single expected dividend yield as an input. The dividend yield is determined by dividing the expected per share dividend during the coming year by the grant date stock price. The expected dividend assumption is based on the Company's current expectations about its anticipated dividend policy.

Estimated forfeitures: Estimated forfeitures represent the Company's historical forfeitures for the most recent two-year period and considers termination behavior as well as analysis of actual option forfeitures.

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4. STOCKHOLDERS' EQUITY (DEFICIT) (Continued)

(c) Stock options and stock-based compensation (Continued)

Stock option activity

The following table summarizes the Company's stock option activity for the year ended June 30, 2010, 2009 and 2008:

	Number of Options	Price Per Option	Weighted Average Exercise Price
Outstanding, June 30, 2007 and 2008	3,720,000	\$ 0.50 to \$ 2.75	\$ 1.31
Expired	(350,000)	\$ 1.00 to \$ 2.75	\$ 2.25
Outstanding, June 30, 2009	3,370,000	\$ 0.50 to \$ 2.25	\$ 1.21
Granted	3,500,000	\$ 0.25	\$ 0.25
Expired	(300,000)	\$ 1.00 to \$ 1.16	\$ 1.08
Forfeited	(2,445,000)	\$ 0.65 to \$ 2.25	\$ 1.28
Outstanding, June 30, 2010	4,125,000	\$ 0.25 to \$ 1.00	\$ 0.36
Exercisable, June 30, 2010	2,925,000	\$ 0.25 to \$ 1.00	\$ 0.41

The following summarizes the options outstanding and exercisable at June 30, 2010, 2009 and 2008:

Expiry Date	Price	Number of Options		
		2010	2009	2008
March 23, 2009	\$ 1.00	0	0	100,000
March 30, 2009	\$ 2.75	0	0	250,000
August 31, 2010	\$ 1.00	110,000 ⁽¹⁾	855,000	855,000
November 15, 2010	\$ 1.00	100,000 ⁽²⁾	100,000	100,000
June 30, 2010	\$ 0.50	0	1,000,000	1,000,000
June 30, 2010	\$ 2.25	0	1,000,000	1,000,000
December 31, 2012	\$ 0.25	2,500,000	0	0
July 31, 2014	\$ 1.00	415,000 ⁽³⁾	415,000	415,000
December 31, 2014	\$ 0.25	1,000,000	0	0
Total outstanding	\$ 0.25 to \$ 1.00	4,125,000	3,370,000	3,720,000
Total exercisable	\$ 0.25 to \$ 1.00	2,925,000	3,370,000	3,720,000

⁽¹⁾ During the year ended June 30, 2010, the expiry date of 110,000 options was extended from August 31, 2009 to August 31, 2010. Of the remaining balance 300,000 options expired unexercised and 445,000 options were forfeited. Subsequent to June 30, 2010, the expiry date of the 110,000 options was extended from August 31, 2010 to December 31, 2011.

⁽²⁾ During the year ended June 30, 2010, the expiry date of these options was extended from November 15, 2009 to November 15, 2010.

⁽³⁾ During the year ended June 30, 2010, the expiry date of these options was extended from December 31, 2010 to July 31, 2014.

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4. STOCKHOLDERS' EQUITY (DEFICIT) (Continued)

(c) Stock options and stock-based compensation (Continued)

Stock option activity (Continued)

The number of options granted during the year ended June 30, 2010 which did not vest immediately upon grant was 2,000,000 (2009 - \$nil; 2008 - \$nil), of which 800,000 vested during the year ended June 30, 2010 (2009 - \$nil; 2008 - \$nil) and 1,200,000 (2009 - \$nil; 2008 - \$nil) remained unvested at June 30, 2010. These options had a weighted average grant date fair value of \$0.42 (2009 - nil; 2008 - nil).

The weighted average grant date fair value of options granted and extended during the year ended June 30, 2010 was \$0.34 (2009 - \$nil; 2008 - \$nil). The total intrinsic value of options exercised during the year ended June 30, 2010 was \$nil (2009 - \$nil; 2008 - \$nil).

The aggregate intrinsic value of options outstanding as at June 30, 2010 was \$562,500 of which \$298,500 related to options that were exercisable. The aggregate intrinsic values exclude options having a negative aggregate intrinsic value due to awards with exercise prices greater than market value. The intrinsic value is the difference between the market value of the shares and the exercise price of the award as of the measurement date.

The weighted average remaining contractual lives for options outstanding and exercisable at June 30, 2010 were 3.04 and 3.25 years respectively.

Stock purchase warrants

The following table summarizes the Company's common stock purchase warrant activity for the years ended June 30, 2010, 2009 and 2008:

	Number of Warrants	Price Per Warrant	Weighted Average Exercise Price
Balance, June 30, 2007	590,629	\$ 2.50	\$ 2.50
Exercised	(190,000)	\$ 2.50	\$ 2.50
Balance, June 30, 2008	400,629	\$ 2.50	\$ 2.50
Issued	4,500,800	\$ 0.50	\$ 0.50
Expired	(400,629)	\$ 2.50	\$ 2.50
Balance, June 30, 2009	4,500,800	\$ 0.50	\$ 0.50
Issued	4,263,152	\$ 0.70	\$ 0.70
Balance, June 30, 2010	8,763,952		\$ 0.60

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4. STOCKHOLDERS' EQUITY (DEFICIT) (Continued)

(c) Stock options and stock-based compensation (Continued)

Stock purchase warrants (Continued)

At June 30, 2010, 2009 and 2008, the following common stock purchase warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants		
		2010	2009	2008
September 15, 2008	\$ 2.50	0	0	400,269
December 31, 2010	\$ 0.50	4,500,800	4,500,800	0
February 8, 2012	\$ 0.70	2,123,400	0	0
May 14, 2012	\$ 0.70	507,853	0	0
June 3, 2012	\$ 0.70	1,631,899	0	0
Total outstanding and exercisable	\$ 0.50 to \$ 0.70	8,763,952	4,500,800	400,269

Subsequent to the year ended June 30, 2010, 300,000 warrants were exercised for gross proceeds of \$150,000. The shares have not yet been issued.

(d) Promissory notes receivable at June 30, 2010 includes:

- (i) \$17,500 (2009 - \$17,500) due on exercise of 210,000 stock options, interest at 10% per annum, due November 1, 2002, subsequently extended to June 30, 2003; and
- (ii) \$12,237 (2009 - \$12,237) due on exercise of 23,000 stock options, interest at 10% per annum, due June 30, 2003.

Shares issued on exercise of options are restricted from trading. The restrictions will not be removed until the respective notes are paid to the Company.

(e) Subscriptions received

- (i) During the year ended June 30, 2008, \$230,000 was received for subscriptions of 333,333 units consisting of common stock at \$0.69 per share and warrants at \$0.001 per share of common stock underlying the warrant to purchase 333,333 shares of common stock on or before two years after the closing date at an exercise price of \$0.75 per share (exercise of the investment warrant may be required in the event that the market price for the common stock exceeds \$1.25 per share).

In consideration of overall market conditions during the year ended June 30, 2009, the terms of the above subscriptions received during 2008 was reduced. A total of \$230,000 was received and the revised subscription was for 920,000 units consisting of common stock at \$0.25 per share at \$0.001 per share of common stock underlying the warrant to purchase 920,000 shares of common stock on or before two years after the closing date at an exercise price of \$0.50 per share, included in the private placement of 4,500,800 units (note 4)(a)(ii)(a)). These shares were issued during the year ended June 30, 2009.

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4. STOCKHOLDERS' EQUITY (DEFICIT) (Continued)

(e) Subscriptions received (Continued)

- (ii) At June 30, 2008, the Company had an obligation to issue 50,000 shares of common stock as consideration for consulting services. These shares were recorded at a value of \$46,500 representing the market value of the shares at the date the shares were to have been issued. These shares were issued during the year ended June 30, 2009.
- (iii) During the year ended June 30, 2010, \$11,250 was received for subscriptions of 15,000 units consisting of common stock at \$0.75 per share and warrants at \$0.001 per share of common stock underlying the warrant to purchase 15,000 shares of common stock on or before two years after the closing date at an exercise price of \$1.00 per share (exercise of the investment warrant may be required in the event that the market price for the common stock exceeds \$1.50 per share). These shares have not yet been issued.
- (iv) Subsequent to the year ended June 30, 2010, \$33,750 was received for subscriptions of 45,000 units consisting of common stock at \$0.75 per share and warrants at \$0.001 per share of common stock underlying the warrant to purchase 45,000 shares of common stock on or before two years after the closing date at an exercise price of \$1.00 per share (exercise of the investment warrant may be required in the event that the market price for the common stock exceeds \$1.50 per share). These shares have not yet been issued.

5. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	2010	Years Ended June 30, 2009	2008	Period from February 12, 1996 (Inception) Through June 30, 2010
Supplemental Disclosure of Non-Cash Transactions				
Shares Issued for				
Redemption of preferred shares	\$ 0	\$ 0	\$ 0	\$ 415,000
Property and equipment	\$ 0	\$ 0	\$ 0	\$ 23,000
Proprietary agreement	\$ 0	\$ 0	\$ 0	\$ 711,000
Settlement of accounts payable	\$ 0	\$ 0	\$ 0	\$ 228,742
Services (provided by officers and directors)	\$ 0	\$ 0	\$ 0	\$ 120,000
Settlement of lawsuit	\$ 0	\$ 0	\$ 0	\$ 15,000
Services	\$ 81,000	\$ 14,000	\$ 0	\$ 896,784
Subscriptions received	\$ 0	\$ 46,500	\$ 0	\$ 46,500
Acquisition of subsidiary	\$ 0	\$ 0	\$ 0	\$ 894,200
Supplemental Cash Flow Information				
Interest paid	\$ 0	\$ 0	\$ 0	\$ 81,111
Income tax paid	\$ 0	\$ 0	\$ 0	\$ 0

6. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Fair value

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Credit risk

The Company's financial assets that are exposed to credit risk consist primarily of cash, which is placed with US and Canadian financial institutions.

Concentration of credit risk exists with respect to the Company's cash as certain amounts are held at a single US and Canadian financial institutions. The maximum exposure is as follows:

	2010	2009
Cash (US institution) – Non-FDIC insured	\$ 316,674	\$ 514,868
Cash (US institution) – FDIC insured	15,034	15,510
Cash (CDN institution)	18,527	4,853
	\$ 350,235	\$ 535,231

(c) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

(d) Currency risk

The Company translates the results of non-US transactions into US currency using rates of exchange on the date of the transaction. The exchange rate varies from time to time. This risk is considered nominal as the Company does not incur any significant transactions in currencies other than US dollars.

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. The Company's cash at June 30, 2010 totalled \$350,235 (2009 - \$535,231). At June 30, 2010, the Company had accounts payable of \$707,148 (2009 - \$661,792), all of which are due in the first fiscal quarter of 2011.

The Company requires significant additional funding to meet its administrative overhead costs and maintain its research and development program in 2011.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
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7. INCOME TAXES

The provision for income taxes consists of the following at June 30:

	2010	2009	2008
Current expense	\$ 0	\$ 0	\$ 0
Deferred benefit	878,000	(528,000)	(669,000)
(Decrease) Increase in valuation allowance	(878,000)	528,000	669,000
Total provision for income tax	\$ 0	\$ 0	\$ 0

The total provision differs from the amount computed by applying federal statutory rates to loss before income taxes due to the following at June 30:

	2010	2009	2008
Provision for income tax at the statutory rate of 34%	\$ (996,000)	\$ (529,000)	\$ (660,000)
Increase (decrease) in taxes due to			
Change in valuation allowance	(878,000)	528,000	669,000
Disallowed expense	1,000	1,000	1,000
True-up of deferred tax assets	0	0	(10,000)
Expiration of capital loss	425,000	0	0
Change in deferred stock-based compensation	1,448,000	0	0
Total provision for income tax	\$ 0	\$ 0	\$ 0

The Company has used a federal statutory rate of 34%. All of the Company's operations are in Washington State, which has no corporation income tax, so no provision for state income tax is needed.

INTEGRAL TECHNOLOGIES, INC.
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7. INCOME TAXES (Continued)

Deferred tax assets and liabilities reflect the tax effects of the temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The Company has net deferred income tax assets which have been reduced to zero through a valuation allowance because of uncertainties relating to utilization of future tax benefits. The (decrease) increase in the valuation allowance for the years ended June 30, 2010, June 30, 2009, and June 30, 2008 are respectively \$(878,000), \$528,000 and \$669,000. The components of the net deferred income tax assets, calculated at an effective rate of 34%, are as follows at June 30:

	2010	2009	2008
Deferred income tax assets			
Current deferred tax assets			
Legal dispute reserve	\$ 182,000	\$ 0	\$ 182,000
Accrued liabilities	14,000	12,000	14,000
Total current deferred tax assets	196,000	12,000	196,000
Noncurrent deferred tax assets			
Net operating loss carryforwards	8,102,000	7,706,000	7,034,000
Non-qualified stock options	762,000	1,795,000	1,754,000
Capital loss carryforwards	0	425,000	425,000
Investment reserve	247,000	247,000	247,000
Basis difference of fixed assets	1,000	1,000	2,000
Valuation allowance	(9,308,000)	(10,186,000)	(9,658,000)
Total noncurrent deferred tax assets	(196,000)	(12,000)	(196,000)
Noncurrent deferred tax liabilities	0	0	0
Total noncurrent deferred tax liabilities	0	0	0
Net deferred tax asset (liability)	\$ 0	\$ 0	\$ 0

INTEGRAL TECHNOLOGIES, INC.
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7. INCOME TAXES (Continued)

For tax purposes, the Company has unused net operating losses available to carryforward to future tax years. At June 30, 2010, the amounts and expiration dates of the Company's net operating loss carryforwards are as follows.

Year Ended	Expires	Amount
June 30, 1996	June 30, 2011	\$ 346,000
June 30, 1997	June 30, 2012	1,405,000
June 30, 1998	June 30, 2018	999,000
June 30, 1999	June 30, 2019	1,361,000
June 30, 2000	June 30, 2020	1,091,000
June 30, 2001	June 30, 2021	2,002,000
June 30, 2002	June 30, 2022	2,527,000
June 30, 2003	June 30, 2023	1,364,000
June 30, 2004	June 30, 2024	2,162,000
June 30, 2005	June 30, 2025	2,208,000
June 30, 2006	June 30, 2026	2,373,000
June 30, 2007	June 30, 2027	1,177,000
June 30, 2008	June 30, 2028	1,676,000
June 30, 2009	June 30, 2029	1,439,000
June 30, 2010	June 30, 2030	1,699,000
Total		\$ 23,829,000

Current federal tax laws include substantial restrictions on the utilization of net operating losses and tax credits in the event of an ownership change of a corporation. Accordingly, the Company's ability to utilize net operating loss and tax credit carryforwards may be limited as a result of such ownership changes. Such a limitation could result in the expiration of loss carryforwards before they are utilized.

The Company's unused capital losses available to carryforward to future tax years of \$1,250,000 expired on June 30, 2010.

In July 2006, the FASB released the Final Interpretation No. 48 "Accounting for Uncertainty in Income Taxes", ASC 740 (ASC 740). ASC 740 prescribes the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. ASC 740 also requires additional disclosure of the beginning and ending unrecognized tax benefits and details regarding the uncertainties that may cause the unrecognized benefits to increase or decrease within a twelve-month period.

The provisions of ASC 740 were adopted on July 1, 2007. There was no impact on the consolidated financial position, results of operations and cash flows as a result of adoption. The Company has an unrecognized tax benefit of \$336,000 as of June 30, 2010, including no accrued amounts for interest and penalties.

Policy will be to recognize interest and penalties related to income taxes as a component of income tax expense. The Company is subject to income tax examinations for U.S. incomes taxes from the year ended June 30, 1996 forward and it is not anticipated that total unrecognized tax benefits will significantly change prior to June 30, 2011.

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8. LOSS PER SHARE

	Income (Numerator)	Weighted Average Number of Shares (Denominator)	Loss Per Share
2010			
Loss for the year	\$ (2,929,737)		
Preferred stock dividends	(15,462)		
Loss attributable to common shareholders	\$ (2,945,199)	51,520,654	\$ (0.06)
2009			
Loss for the year	\$ (1,554,876)		
Preferred stock dividends	(15,427)		
Loss attributable to common shareholders	\$ (1,570,303)	47,360,459	\$ (0.03)
2008			
Loss for the year	\$ (1,938,216)		
Preferred stock dividends	(15,427)		
Loss attributable to common shareholders	\$ (1,953,643)	45,617,756	\$ (0.04)

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

CERTIFICATION PURSUANT TO
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

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

1. I have reviewed this annual report on Form 10-K for the period ended June 30, 2010 of Integral Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

September 28, 2010

/s/ William S. Robinson

William S. Robinson, Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

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

1. I have reviewed this annual report on Form 10-K for the period ended June 30, 2010 of Integral Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

September 28, 2010

/s/ William A. Ince

William A. Ince, Chief Financial Officer

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

In connection with the Annual Report of Integral Technologies, Inc. (the “Company”) on Form 10-K for the fiscal year ended June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William S. Robinson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

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

September 28, 2010

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



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

In connection with the Annual Report of Integral Technologies, Inc. (the “Company”) on Form 10-K for the fiscal year ended June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William A. Ince, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

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

September 28, 2010

/s/ William A. Ince

William A. Ince, Chief Financial Officer

