

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

FORM 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 2006

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.

(Exact name of small business issuer as specified in its charter)

NEVADA

98-0163519

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

805 W. ORCHARD DRIVE, SUITE 7, BELLINGHAM, WASHINGTON 98225

(Address of principal executive offices)

(360) 752-1982

(issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or such shorter period that the issuer 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the issuer filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: AS OF NOVEMBER 6, 2006, THE ISSUER

HAD 45,439,969 SHARES OF \$.001 PAR VALUE COMMON STOCK OUTSTANDING.

Transitional Small Business Disclosure Format (Check one):

Yes No

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PART 1 - FINANCIAL INFORMATION

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Item 1. Financial Statements

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Consolidated Financial Statements
September 30, 2006
(U.S. Dollars)
(Unaudited)

Consolidated Balance Sheets. F-1

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INTEGRAL TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30
(US DOLLARS)

	SEPTEMBER 30, 2006	JUNE 30, 2006
	(unaudited)	
<S>	<C>	<C>
ASSETS		
CURRENT		
Cash	\$ 3,464,548	\$ 1,496,818
Prepaid expenses	81,785	109,045

TOTAL ASSETS	\$ 3,546,333	\$ 1,605,863
=====		
LIABILITIES		
CURRENT		
Accounts payable and accruals	\$ 585,483	\$ 687,603

TOTAL CURRENT LIABILITIES	585,483	687,603

STOCKHOLDERS' EQUITY		
PREFERRED STOCK AND PAID-IN CAPITAL IN EXCESS OF \$0.001		
Par Value		
20,000,000 shares authorized		
308,538 (2006 - 308,538) issued and outstanding	308,538	308,538
COMMON STOCK AND PAID-IN CAPITAL IN EXCESS OF \$0.001		
Par Value		
150,000,000 shares authorized		
45,439,969 (2006 - 44,234,432) issued and outstanding	24,422,124	22,035,483
PROMISSORY NOTES RECEIVABLE	(29,737)	(32,500)
OTHER COMPREHENSIVE INCOME	46,267	46,267
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	(21,786,342)	(21,439,528)

TOTAL STOCKHOLDERS' EQUITY	2,960,850	918,260

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,546,333	\$ 1,605,863
=====		

</TABLE>

See notes to consolidated financial statements.

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 INTEGRAL TECHNOLOGIES, INC.
 (A DEVELOPMENT STAGE COMPANY)
 CONSOLIDATED STATEMENT OF OPERATIONS
 (UNAUDITED)
 (US DOLLARS)

	THREE MONTHS ENDED SEPTEMBER 30, 2006		2005	PERIOD FROM FEBRUARY 12, 1996 (INCEPTION) TO SEPTEMBER 30, 2006
<S>	<C>	<C>	<C>	<C>
REVENUE	\$ 0	\$ 0	0	\$ 249,308
COST OF SALES	0	0	0	216,016
			0	33,292
OTHER INCOME	38,890	0		699,291
EXPENSES				
Salaries and benefits	127,897	124,840		5,261,039
Consulting	104,226	184,100		3,860,835
Legal and accounting	67,429	78,663		3,577,488
General and administrative	38,213	28,489		936,104
Travel and entertainment	19,541	20,176		1,101,795
Telephone	10,967	6,149		377,222
Rent	9,459	9,186		366,814
Bank charges and interest, net	3,882	177		181,270
Advertising	224	0		320,490
Research and development	0	0		847,459
Settlement of lawsuit	0	0		45,250
Remuneration pursuant to proprietary, non-competition agreement	0	0		711,000
Financing fees	0	0		129,043
Write-off of investments	0	0		1,250,000
Interest on beneficial conversion feature	0	0		566,456
Write-down of license and operating assets	0	0		1,855,619
Bad debts	0	0		52,613
Amortization	0	5,758		324,386
	381,838	457,538		21,764,883
NET LOSS FOR PERIOD	\$ 342,948	\$ 457,538		\$ 21,032,300
LOSS PER COMMON SHARE	\$ (0.01)	\$ (0.01)		
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	44,431,188	42,439,149		

</TABLE>

See notes to consolidated financial statements.

<TABLE>
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 INTEGRAL TECHNOLOGIES, INC.
 (A DEVELOPMENT STAGE COMPANY)
 CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
 (UNAUDITED)
 (US DOLLARS)

	COMMON 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
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE, JUNE 30, 2005	42,439,149	\$ 20,522,085	308,538	\$ 308,538	\$ (66,500)	\$ 0
SHARES ISSUED FOR						
Exercise of options	200,000	134,000	0	0	0	0
Cashless exercise of warrants	35,115	0	0	0	0	0
For services	269,000	191,510	0	0	0	0

Exercise of warrants	1,291,168	1,080,669	0	0	0	0
Repayment of promissory note	0	0	0	0	34,000	0
Dividends on preferred shares	0	0	0	0	0	0
Stock option compensation	0	107,219	0	0	0	0
Net loss for year	0	0	0	0	0	0

BALANCE, JUNE 30, 2006	44,234,432	22,035,483	308,538	308,538	(32,500)	0
SHARES ISSUED FOR						
Exercise of options	25,000	25,000	0	0	0	0
Private placement	1,180,537	2,361,641	0	0	0	0
Repayment of promissory note	0	0	0	0	2,763	0
Dividends on preferred shares	0	0	0	0	0	0
Net loss for period	0	0	0	0	0	0

BALANCE, SEPTEMBER 30, 2006	45,439,969 \$	24,422,124	308,538 \$	308,538 \$	(29,737) \$	0
=====						

	OTHER COMPREHENSIVE INCOME	DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	TOTAL STOCKHOLDERS' EQUITY (DEFICIT)
<S>	<C>	<C>	<C>
BALANCE, JUNE 30, 2005	\$ 46,267	\$ (19,319,912)	\$ 1,490,478
SHARES ISSUED FOR			
Exercise of options	0	0	134,000
Cashless exercise of warrants	0	0	0
For services	0	0	191,510
Exercise of warrants	0	0	1,080,669
Repayment of promissory note	0	0	34,000
Dividends on preferred shares	0	(15,427)	(15,427)
Stock option compensation	0	0	107,219
Net loss for year	0	(2,104,189)	(2,104,189)

BALANCE, JUNE 30, 2006	46,267	(21,439,528)	918,260
SHARES ISSUED FOR			
Exercise of options	0	0	25,000
Private placement	0	0	2,361,641
Repayment of promissory note	0	0	2,763
Dividends on preferred shares	0	(3,866)	(3,866)
Net loss for period	0	(342,948)	(342,948)

BALANCE, SEPTEMBER 30, 2006	\$ 46,267	\$ (21,786,342)	\$ 2,960,850
=====			

</TABLE>

See notes to consolidated financial statements.

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<TABLE>
<CAPTION>
INTEGRAL TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
(US DOLLARS)

	THREE MONTHS ENDED SEPTEMBER 30, 2006	THREE MONTHS ENDED SEPTEMBER 30, 2005	PERIOD FROM FEBRUARY 12, 1996 (INCEPTION) TO SEPTEMBER 30, 2006
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net loss	\$ (342,948)	\$ (457,538)	\$ (21,032,300)
Items not involving cash			
Write-down of investment	0	0	1,250,000
Proprietary, non-competition agreement	0	0	711,000
Amortization	0	5,758	349,941
Other income	0	0	(658,305)
Consulting services and financing fees	40,628	67,500	1,364,621
Stock option compensation	0	0	1,240,702
Interest on beneficial conversion feature	0	0	566,456
Settlement of lawsuit	0	0	60,250
Write-down of license and operating assets	0	0	1,853,542
Bad debts	0	0	77,712
CHANGES IN NON-CASH WORKING CAPITAL			
Due from affiliated company	0	0	(116,000)
Notes and account receivable	0	0	(109,213)

Inventory	0	0	(46,842)
Prepaid expenses	(13,368)	(13,472)	(27,623)
Other	0	0	(2,609)
Accounts payable and accruals	(105,986)	71,330	885,471
<hr/>			
CASH USED IN OPERATING ACTIVITIES	(421,674)	(326,422)	(13,633,197)
<hr/>			
INVESTING ACTIVITIES			
Purchase of property, equipment and intangible assets	0	0	(200,935)
Assets acquired and liabilities assumed on purchase of subsidiary	0	0	(129,474)
Investment purchase	0	0	(2,000,000)
License agreement	0	0	(124,835)
<hr/>			
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	0	0	(2,455,244)
<hr/>			
FINANCING ACTIVITIES			
Share redemption	0	0	(50,000)
Repayments (to) from stockholders	2,763	0	(102,283)
Issuance of common stock	2,386,641	0	17,981,475
Advances from stockholders, net of repayments	0	0	1,078,284
Share issue cost	0	0	(227,420)
Subscriptions received	0	0	226,666
Proceeds from convertible debentures	0	0	600,000
<hr/>			
CASH PROVIDED BY FINANCING ACTIVITIES	2,389,404	0	19,506,722
<hr/>			
EFFECT OF FOREIGN CURRENCY TRANSLATION ON CASH	0	0	46,267
<hr/>			
INFLOW (OUTFLOW) OF CASH	1,967,730	(326,422)	3,464,548
CASH, BEGINNING OF PERIOD	1,496,818	1,791,442	0
<hr/>			
CASH, END OF PERIOD	\$3,464,548	\$1,465,020	\$ 3,464,548
<hr/>			

</TABLE>

See notes to consolidated financial statements.

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INTEGRAL TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED SEPTEMBER 30, 2006
(UNAUDITED)
(US DOLLARS)

1. BASIS OF PRESENTATION

These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States for interim financial information. These financial statements are condensed and do not include all disclosures required for annual financial statements. The organization and business of the Company, accounting policies followed by the Company and other information are contained in the notes to the Company's audited consolidated financial statements filed as part of the Company's June 30, 2006 Form 10-KSB.

In the opinion of the Company's management, these consolidated financial statements reflect all adjustments necessary to present fairly the Company's consolidated financial position at September 30, 2006 and June 30, 2006 and the consolidated results of operations and the consolidated statements of cash flows for the three months ended September 30, 2006 and 2005. The results of operations for the three months ended September 30, 2006 are not necessarily indicative of the results to be expected for the entire fiscal year.

2. STOCKHOLDERS' EQUITY

On September 15, 2006, the Company closed a private placement of 1,180,537 units consisting of common stock at \$2 per share and warrants to purchase 590,269 shares of common stock within two years at an exercise price of \$2.50 per share, provided that in the event that the average closing bid price of a share of the Company's common stock exceeds \$4.50 for ten consecutive trading days, the Company has the right to redeem the warrants for \$.01 per share of common stock purchasable hereunder, upon thirty days' written notice (the holder shall have the right to exercise the warrant in accordance with its terms prior to the expiration of the thirty-day period). The purchase price attributable to the warrants was \$.001 per share of common stock underlying the warrants. Aggregate proceeds from the sale of the common stock and the warrants was \$2,361,641 (\$2,361,074 for the common stock and \$590 for the warrants). At any time commencing sixty days after the close of the offering, the investors can require that the Company prepare and file a registration statement to register the shares of common stock (including the shares underlying the warrants) for resale by the investors. The Company also reserves the right to file such a registration statement at any time after the closing date on its own initiative.

ITEM 2. PLAN OF OPERATION.

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, ability to compete as a start-up company in a highly competitive market, and access to sources of capital.

The following discussion and analysis should be read in conjunction with our financial statements and notes thereto included elsewhere in this Form 10-QSB. Except for the historical information contained herein, the discussion in this Form 10-QSB 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-QSB should be read as being applicable to all related forward-looking statements wherever they appear in this Form 10-QSB. Our actual results could differ materially from those discussed here.

To date we have recorded nominal revenues from the sales of prototypes. We are still considered a development stage company for accounting purposes. From inception on February 12, 1996 through September 30, 2006, we have incurred an accumulated deficit of approximately \$21.8 million.

At September 30, 2006, all of our assets were current assets of \$3,546,333, consisting of cash of \$3,464,548 and prepaid expenses of \$81,785. All of our property and equipment has been fully depreciated.

At September 30, 2006, all of our liabilities were current liabilities of \$585,483, consisting of accounts payable and accruals. Of this amount, payables for legal fees (including associated filing fees) related to patent filings accounting for approximately \$495,000 of the total.

At September 30, 2006, total stockholder's equity was \$2,960,850.

Our net loss for the quarter ended September 30, 2006 was \$342,948, compared to a net loss of \$457,538 in the corresponding period of the prior fiscal year, a decrease of \$114,590. This substantial reduction in our net loss is primarily due to two factors: an increase in other income (\$38,890 compared to \$0 in the prior period) and a reduction in consulting fees (\$104,226 compared to \$184,100 in the prior period). The category of "other income" consists of interest income and nominal license fees.

The primary expenses during the quarter were salaries and benefits (\$127,897) and consulting fees (\$104,226). Consulting fees include a charge of approximately \$40,000 (a non-cash expense) for shares previously issued to a consultant for services.

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.

We anticipate spending 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 September 30, 2006, we had \$3,464,548 in cash on hand. We received approximately \$1.1 million in cash upon the exercise of outstanding warrants by warrant holders in June 2006. In September 2006, we completed a private placement of common stock and common stock purchase warrants and raised an

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additional \$2,361,641. Accordingly, management believes that there is adequate cash on hand to fund operations over the next twelve months.

Presently, we are focusing all of our resources on the researching, developing and commercializing of our ElectriPlast(R) 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(R) technologies with manufacturers of products which would benefit from the incorporation of any of the ElectriPlast(R) applications.

ElectriPlast(R) is an innovative, electrically-conductive resin-based material. The ElectriPlast(R) 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(R) 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(R) technology on a global scale.

Our intellectual property portfolio consists of over ten 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(R) technologies. Currently, we have filed 109 U.S. patent applications, 16 of which have been issued, 3 of which have been allowed and are pending issuance, and 90 of which have been filed and are pending approval. 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.

SUMMARY OF RECENT BUSINESS DEVELOPMENTS

We have recently completed our first two commercial agreements.

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(R) 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.

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 Rubber Products, Inc. ("Jasper"), pursuant to which we granted to Jasper the rights to use our ElectriPlast(R) 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

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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.

ITEM 3. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in assessing the costs and benefits of such controls and procedures.

With the participation of management, our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures at the conclusion of the period ended September 30, 2006. Based upon this evaluation, the Chief Executive Officer and

Chief Financial Officer concluded that our disclosure controls and procedures were effective in ensuring that material information required to be disclosed is included in the reports that we file with the Securities and Exchange Commission.

There were no significant changes in our disclosure controls or in other factors that could significantly affect those controls subsequent to the date of this evaluation, including any corrective actions with regard to significant deficiencies and weaknesses.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management has not yet completed, and is not yet required to have completed, its assessment of the effectiveness of internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002, as amended.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS. None.

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

Information regarding the issuance and sale of securities without registration during the quarter ended September 30, 2006, was previously included in a Current Report on Form 8-K filed September 19, 2006.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES. None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. None.

ITEM 5. OTHER INFORMATION.

GRANT OF OPTION

On November 6 2006, we provided a Grant of Option to Thomas Aisenbrey, our Chief Technical Officer. Pursuant to the Grant of Option, Mr. Aisebrey was granted an option to acquire 1,000,000 share of common stock at an exercise price of \$2.25 per share, exercisable in whole or in part at any time until June 30, 2010. The exercise price per share shall automatically be adjusted down to \$.001 per share in the event of a "triggering event," which is defined as the termination of employment of Mr. Aisenbrey or a change in control of the company. A change in control of the company shall be deemed to have occurred if there is any sale, exchange or transfer of all or substantially all of the assets of the company, or if there is any merger or share exchange involving the company, which has the result of effecting a change in control of the business through a change in management and/or officers and directors of the company.

The option and the underlying shares of common stock are subject to restrictions on transfer, as required by applicable federal and state securities laws. The Grant of Option was not under either of our existing equity compensation plans (the 2001 Stock Plan and the 2003 Stock Plan).

A copy of the Grant of Option provided to Mr. Aisenbrey is attached as an exhibit to this report and is incorporated by reference herein.

CES INNOVATIONS 2007 DESIGN AND ENGINEERING AWARD

On November 8, 2006, we issued a press release to announce that our ElectriPlast(TM) 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. A copy of the press release is attached as an exhibit hereto.

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ITEM 6. EXHIBITS.

<TABLE>

<CAPTION>

No.	Description
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<S>

<C>

- | | |
|-------|--|
| 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. (Filed herewith.)
- 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).
- 99.05 Press release dated November 8, 2006. (Filed herewith.)

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SIGNATURES

In accordance with the requirements of the Exchange Act, the Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTEGRAL TECHNOLOGIES, INC.

By: /s/ William S. Robinson

William S. Robinson,
Chief Executive Officer

By: /s/ William A. Ince

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

Date: November 14, 2006

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EXHIBIT INDEX

<TABLE>

<CAPTION>

Exhibit No.	Description
<S>	<C>
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).)

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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. (Filed herewith.)
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).
99.05	Press release dated November 8, 2006. (Filed herewith.)

</TABLE>

GRANT OF OPTION

This GRANT OF OPTION is made this 6th day of November 2006. INTEGRAL TECHNOLOGIES, INC., a Nevada corporation, with principal executive offices located at 805 West Orchard Drive, No. 7, Bellingham, WA 98225 (the "Company"), hereby grants to THOMAS AISENBREY, an individual residing at 5820 Wood Sorrel Dr., Littleton CO 80123 ("Aisenbrey"), an option to purchase shares of common stock of the Company on the terms and conditions set forth herein.

1. Grant of Option. The Company hereby grants to Aisenbrey an option to -----
acquire one million (1,000,000) shares of the Company's common stock, subject to the following terms and conditions:

(A) The option is exercisable in whole or in part at a cash exercise price of \$2.25 per share.

(B) In the event of a "Triggering Event" (as defined below in this paragraph), the exercise price per share shall automatically be adjusted down to \$.001 per share. For the purpose of this Agreement, a "Triggering Event" shall be defined as the termination of employment of Aisenbrey or a change in control of the Company. A change in control of the Company shall be deemed to have occurred if there is any sale, exchange or transfer of all or substantially all of the assets of the Company, or if there is any merger or share exchange involving the Company, which has the result of effecting a change in control of the business through a change in management and/or officers and directors of the Company.

(C) The option is fully vested and is exercisable at any time, or from time to time, until it expires, on June 30, 2010.

(D) The option shall be exercised by delivery of notice in writing to the Company setting out the number of optioned shares which Aisenbrey intends to purchase. The option shall be exercisable by Aisenbrey upon payment in cash. The Company agrees to deliver to Aisenbrey a share certificate representing the shares purchased not later than seven days after receipt of the notice and payment.

(E) Appropriate adjustments shall be made to the number of shares of common stock issuable upon exercise of the option and the exercise price thereof in the event of: (i) a subdivision or combination of any of the shares of capital stock of the Company; (ii) a dividend payable in shares of capital stock of the Company; (iii) reclassification of any shares of capital stock of the Company; or (iv) any other change in the capital structure of the Company.

(F) The option and the underlying shares of common stock are subject to restrictions on transfer, as required by applicable federal and state securities laws.

2. Advisors. The Company has not provided any legal or tax advice to -----
Aisenbrey, Aisenbrey may not rely upon the Company or its advisors for any such advice, and Aisenbrey is responsible for obtaining such legal and tax advice as he considers appropriate in connection with this Grant of Option and any exercise of the option.

3. Entire Agreement. This Grant of Option constitutes and embodies the -----
entire understanding and agreement of the parties and supersedes and replaces all prior understandings, agreements and negotiations between the parties; provided, however, that the Proprietary, Nondisclosure and Nonsolicitation Agreement between Aisenbrey and the Company executed on January 2, 2002, shall remain in full force and effect.

4. Modification. No amendment of any provision of this Grant of Option -----
shall be valid unless the same shall be in writing and signed by the Company.

This Grant of Option is effective the day and year first written above.

INTEGRAL TECHNOLOGIES, INC.

ACCEPTED ON NOVEMBER 6, 2006

/s/ William A. Ince

/s/ Thomas Aisenbrey

William A. Ince
President

Thomas Aisenbrey

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 quarterly report on Form 10-QSB for the period ended September 30, 2006 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 registrant as of, and for, the periods presented in this report;
4. The registrant'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)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 14, 2006

/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 quarterly report on Form 10-QSB for the period ended September 30, 2006 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 registrant as of, and for, the periods presented in this report;
4. The registrant'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)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 14, 2006

/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

Solely for the purposes of complying with, and the extent required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies, in his capacity as the Chief Executive Officer of Integral Technologies, Inc., that, to his knowledge, the quarterly report of the company on Form 10-QSB for the period ended September 30, 2006, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the report fairly presents, in all material respects, the company's financial condition and results of operations.

November 14, 2006

/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

Solely for the purposes of complying with, and the extent required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies, in his capacity as the Chief Financial Officer of Integral Technologies, Inc., that, to his knowledge, the quarterly report of the company on Form 10-QSB for the period ended September 30, 2006, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the report fairly presents, in all material respects, the company's financial condition and results of operations.

November 14, 2006

/s/ William A. Ince

William A. Ince, Chief Financial Officer

PRESS RELEASE

Source: Integral Technologies, Inc.

INTEGRAL'S ELECTRIPLAST(TM) CHOSEN AS A 2007 CES INNOVATIONS AWARD RECIPIENT
Wednesday November 8, 5:00 pm ET

BELLINGHAM, Wash.--(BUSINESS WIRE)--Integral Technologies, Inc.'s (OTCBB:ITKG -

News; "Integral"), revolutionary ElectriPlast(TM) technology has been selected
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as a recipient of a CES Innovations 2007 Design and Engineering Award in the Enabling Technologies product category. Not only was Integral's ElectriPlast(TM) selected as an Innovations 2007 honoree but the judges also awarded it one of the highest scores in the Enabling Technologies product category.

Integral's proprietary ElectriPlast(TM) technology is a capsulated, highly conductive recipe, specifically designed for molding or extruding. Various selections of base resins and polymers (plastics & rubbers) can be utilized using this technology. Engineers now have the moldable design flexibility to better utilize valuable and shrinking real estate within electronic devices, including thermal and acoustical management. ElectriPlast(TM) carries electrical currents as capably as silver, copper or even superconductors.

Thomas Aisenbrey, Integral's Chief Technology Officer, and inventor of the ElectriPlast(TM) technology has said "ElectriPlast(TM) has the ability to be a killer application for the electronics industry."

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. The preeminent panel of judges evaluates products based on these weighted criteria: (1) The product's intended use/function and user value (2) Engineering qualities of the product, including technical specifications and materials used (3) Unique and novel features (4) Contributions to the quality of life (5) Aesthetic and design qualities (using visuals provided) (6) Impact on the manufacturer's business model.

Now in its 10th year, the Best of Innovations Awards are given to the most highly honored products in all facets of the consumer technology industry. Integral's ElectriPlast(TM) technology will be on display in the Innovations 2007 Showcase in Innovations Plus at the 2007 International CES, January 8-11, 2007 in Las Vegas, NV at the Sands Expo and Convention Center.

CEA

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the consumer technology industry through technology policy, events, research, promotion and the fostering of business and strategic relationships. CEA's resources are available online at www.ce.org.

Integral Technologies

Integral Technologies, Inc. (www.itkg.net) is the developer of an innovative electrically conductive resin-based material called "ElectriPlast(TM)," a highly conductive recipe that can be molded into virtually any shape or dimension associated with the range of plastics, rubbers and other polymers. Our IP consists of ElectriPlast(TM) and over 100 applications of ElectriPlast(TM) in various industries. To date, we have had 19 US patents issued, or allowed and pending issuance, and 90 patents pending on ElectriPlast(TM) applications. Various examples of industries where ElectriPlast(TM) can be used are antennas, shielding, lighting, circuitry, switch actuators, resistors, and medical devices, to name just a few. The company is currently introducing these new products and ElectriPlast(TM) technology on a global scale.

This press release contains "forward-looking statements" within the meaning of Section 27A of the 1933 Securities Act and Section 21E of the 1934 Securities Exchange Act. Actual results could differ materially, as the result of such factors as (1) competition in the markets for the products and services sold by the company, (2) the ability of the company to execute its plans, and (3) other factors detailed in the company's public filings with the SEC. By making these

forward-looking statements, the Company can give no assurances that the transaction described in this press release will be successfully completed, and undertakes no obligation to update these statements for revisions or changes after the date of this release.

For more detailed information on the company and the technologies described above please visit our web site at www.itkg.net or contact Shareholder Relations at 888-666-8833 or The Investor Relations Group, at 212-825-3210.

Contact:

Integral Technologies, Inc.

Michael Pound, Shareholder Relations, 888-666-8833

or

Investor Relations Group

212-825-3210

www.itkg.net

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