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

FORM 10-QSB

(Mark One)

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

For the quarterly period ended December 31, 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 it 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 [X] No [ ]

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

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 FEBRUARY 12, 2007, THE ISSUER HAD 45,439,969 SHARES OF $.001 PAR VALUE COMMON STOCK OUTSTANDING.

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

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

<S>	DECEMBER 31, 2006 <C> (unaudited)	JUNE 30, 2006 <C>
ASSETS		
CURRENT		
Cash	$ 3,090,339	$ 1,496,818
Prepaid expenses	34,680	109,045
TOTAL ASSETS	$ 3,125,019	$ 1,605,863
LIABILITIES		
CURRENT		
Accounts payable and accruals	$ 588,719	$ 687,603
TOTAL CURRENT LIABILITIES	588,719	687,603
STOCKHOLDERS' EQUITY		
PREFERRED STOCK AND PAID-IN CAPITAL IN EXCESS OF $0.001 PAR VALUE 20,000,000 shares authorized 308,538 (June 30, 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 (June 30, 2006 - 44,234,432) issued and outstanding	25,819,614	22,035,483
PROMISSORY NOTES RECEIVABLE	(29,737)	(32,500)
OTHER COMPREHENSIVE INCOME	46,267	46,267
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	(23,608,382)	(21,439,528)
TOTAL STOCKHOLDERS' EQUITY	2,536,300	918,260
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,125,019	$ 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 DECEMBER 31,		SIX MONTHS ENDED DECEMBER 31,		PERIOD FROM FEBRUARY 12, 1996 (INCEPTION) TO DECEMBER 31,
	2006	2005	2006	2005	2006
<S>	<C>	<C>	<C>	<C>	<C>
REVENUE	$ 0	$ 0	$ 0	$ 0	$ 249,308
COST OF SALES	0	0	0	0	216,016
	0	0	0	0	33,292
OTHER INCOME	40,051	2,096	78,941	2,096	739,342
	40,051	2,096	78,941	2,096	772,634
EXPENSES					
Legal and accounting	47,228	5,903	114,657	84,566	3,624,716
Salaries and benefits (note 2(b))	1,428,610	122,528	1,556,507	247,368	6,689,649
Consulting (note 2(b))	229,823	176,058	334,049	360,158	4,090,658
General and administrative	36,700	42,939	74,914	71,428	972,805
Travel and entertainment	48,801	22,485	68,342	42,661	1,150,596
Bank charges and interest, net	6,918	285	10,800	462	188,188
Rent	10,249	9,186	19,708	18,372	377,063
Telephone	10,074	9,372	21,041	15,521	387,296
Advertising	210	0	434	0	320,700
Research and development	39,611	0	39,611	0	887,070
Settlement of lawsuit	0	0	0	0	45,250
Remuneration pursuant to proprietary, non-competition agreement	0	0	0	0	711,000
Financing fees	0	0	0	0	129,043
Write-off of investments	0	0	0	0	1,250,000
Interest on beneficial conversion feature	0	0	0	0	566,456
Write-down of license and operating assets	0	0	0	0	1,855,619
Bad debts	0	0	0	0	52,614
Amortization	0	2,461	0	8,219	324,386
	1,858,224	391,217	2,240,063	848,755	23,623,109
NET LOSS FOR PERIOD	$ (1,818,173)	$ (389,121)	$ (2,161,122)	$ (846,659)	$ (22,850,475)
LOSS PER SHARE	$ (0.04)	$ (0.01)	$ (0.05)	$ (0.02)	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	45,414,969	42,439,149	44,920,940	42,439,149	

</TABLE>

See notes to consolidated financial statements.

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INTEGRAL TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(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
<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
Stock option compensation	0	1,397,490	0	0	0	0
Net loss for period	0	0	0	0	0	0
BALANCE, DECEMBER 31, 2006	45,439,969	$ 25,819,614	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	(7,732)	(7,732)
Stock option compensation	0	0	1,397,490
Net loss for period	0	(2,161,122)	(2,161,122)
BALANCE, DECEMBER 31, 2006	$ 46,267	$(23,608,382)	$ 2,536,300

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See notes to consolidated financial statements.

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

	SIX MONTHS ENDED DECEMBER 31,		PERIOD FROM FEBRUARY 12, 1996 (INCEPTION) TO DECEMBER 31,
	2006	2005	2006
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net loss	$ (2,161,122)	$ (846,659)	$ (22,850,475)
Items not involving cash			
Write-down of investment	0	0	1,250,000
Proprietary, non-competition agreement	0	0	711,000
Amortization	0	8,219	349,941
Other income	0	0	(658,305)

Consulting services and financing fees	81,254	135,000	1,405,247
Stock option compensation	1,397,490	0	2,638,192
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 accounts receivable	0	0	(109,213)
Inventory	0	0	(46,842)
Prepaid expenses	(6,889)	(13,001)	(21,144)
Other	0	0	(2,609)
Accounts payable and accruals	(106,616)	(110,197)	884,842
CASH USED IN OPERATING ACTIVITIES	(795,883)	(826,638)	(14,007,406)
INVESTING ACTIVITIES			
Purchase of property, equipment and intangible assets	0	0	(200,935)
Assets acquired and liabilities assumed on purchase of subsidiary	0	0	(129,474)
Investment purchase	0	0	(2,000,000)
License agreement	0	0	(124,835)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	0	0	(2,455,244)
FINANCING ACTIVITIES			
Share redemption	0	0	(50,000)
Repayments from (to) 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 costs	0	0	(227,420)
Subscriptions received	0	0	226,666
Proceeds from convertible debentures	0	0	600,000
CASH PROVIDED BY FINANCING ACTIVITIES	2,389,404	0	19,506,722
EFFECT OF FOREIGN CURRENCY TRANSLATION ON CASH	0	0	46,267
INFLOW (OUTFLOW) OF CASH	1,593,521	(826,638)	3,090,339
CASH, BEGINNING OF PERIOD	1,496,818	1,791,442	0
CASH, END OF PERIOD	$ 3,090,339	$ 964,804	$ 3,090,339

</TABLE>

See notes to consolidated financial statements.

INTEGRAL TECHNOLOGIES, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED DECEMBER 31, 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 December 31, 2006 and June 30, 2006 and the consolidated results of operations and the consolidated statements of cash flows for the six months ended December 31, 2006 and 2005. The results of operations for the six months ended December 31, 2006 are not necessarily indicative of the results to be expected for the entire fiscal year.

2. STOCKHOLDERS' EQUITY

(a) 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 $0.01 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 $0.001 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.

(US DOLLARS)

(b) On November 3, 2006, the Company granted an option to a consultant to acquire 100,000 common shares of the Company's common stock, exercisable at a price of $1.00 per share, until the option expires on November 3, 2007.

On November 6, 2006, the Company granted an option to an officer to acquire 1,000,000 common shares of the Company's common stock, exercisable at a price of $2.25 per share, until the option expires on June 30, 2010.

2. STOCKHOLDERS' EQUITY (Continued)

(b) (Continued)

The following table summarizes the Company's stock option activity for the period:

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	Number of Shares	Exercise Price Per Share	Weighted Average Exercise Price
<S>	<C>	<C>	<C>
Balance, June 30, 2006	2,295,000	$0.50 to $1.16	$ 0.76
Exercised during the period	(25,000)	$ 1.00	$ 1.00
Granted during the period	1,100,000	$1.00 to $2.25	$ 2.05
Balance, December 31, 2006	3,370,000	$0.50 to $2.25	$ 1.68

</TABLE>

The fair value for options granted was estimated at the date of grant using the Black-Scholes option pricing model. During the period ended December 31, 2006, the Company recorded stock-based compensation of $1,274,600 as salaries and benefits expense and $122,890 as consulting expense.

The fair value of each option grant is calculated using the following weighted average assumptions:

<TABLE>
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<S>	<C>
Expected life (years)	3.3
Interest rate	3.00%
Volatility	66.13%
Dividend yield	0.00%

</TABLE>

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 December 31, 2006, we have incurred an accumulated deficit of approximately $23.6 million.

At December 31, 2006, all of our assets were current assets of $3,125,019, consisting of cash of $3,090,339 and prepaid expenses of $34,680. All of our property and equipment has been fully depreciated.

At December 31, 2006, all of our liabilities were current liabilities of $588,719, consisting of accounts payable and accruals. Of this amount, payables for legal fees (including associated filing fees) related to patent filings accounting for approximately $508,000 of the total.

At December 31, 2006, total stockholder's equity was $2,536,300.

Our net loss for the quarter ended December 31, 2006 was $1,818,173, compared to a net loss of $389,121 in the corresponding period of the prior fiscal year, an increase of $1,467,007. This substantial increase in our net loss is attributable to non-cash charges incurred under the expense categories of "salaries and benefits" and "consulting" during the quarter ended December 31, 2006: salaries and benefits included a non-cash, stock based compensation charge of $1,274,600 for a non-plan option granted to Thomas Aisenbrey, our Chief Technology Officer; and consulting included a charge of $122,890 for an option granted to a long-term consultant under our 2003 Stock Plan. In addition, consulting fees in both periods included non-cash charges for shares previously issued to a consultant for services (approximately $40,000 during the current period and approximately $67,500 in the prior period). These values were estimated at the date of grant using the Black-Scholes option pricing model.

Excluding the non-cash charges described above, total cash-related expenses for the quarter ended December 31, 2006, was $420,734, compared to $323,717, in the corresponding period of the prior fiscal year, an increase of $97,017. This increase is primarily attributable to increased costs relating to our manufacturing agreement with Jasper Rubber Products, Inc. (described below) in the categories of research and development, travel and entertainment and legal and accounting. Our net loss was partially offset by an increase in other income ($40,051 compared to $2,096 in the prior period, an increase of $37,955). The category of "other income" consists of interest income and nominal license fees.

For the six months ended December 31, 2006, our cash used in operating activities was $795,883, which was $30,755 less than the $826,638 used in the corresponding period of the prior fiscal year.

For the six months ended December 31, 2006, our cash provided by financing activities was $2,389,404, compared to $-0- in the corresponding period of the prior fiscal year.

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 December 31, 2006, we had $3,090,339 in cash on hand. 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 111 U.S. patent applications, 24 of which have been issued or allowed and are pending issuance, and 87 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

During the quarter ended December 31, 2006, we executed two new patent license agreements (ADAC Plastics, Inc. and Esprit Solutions Limited) and one manufacturing agreement. Below is a summary of each of our commercial agreements concerning our ElectriPlast(R) technology:

Patent License Agreement with Heatron, Inc.
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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.
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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 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.
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In November 2006, we entered into a Manufacturing Agreement with Jasper Rubber Products, Inc. ("Jasper"), pursuant to which Jasper shall manufacturer for us resin-based conductive, moldable capsules incorporating our ElectriPlast(R) 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(R) technology.

Patent License Agreement with ADAC Plastics, Inc. d/b/a ADAC Automotive.
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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(R) 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 withEsprit Solutions Limited
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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(R) 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.

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.

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.

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 December 31, 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.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS. None.

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

In November 2006, we provided a Grant of Option to Thomas Aisenbrey, our Chief Technical Officer. Information regarding this transaction was previously included In Part II, Item 5 of our quarterly report on Form 10-QSB for the period ended September 30, 2006. The transaction did not involve any public offering, no sales commissions were paid and a restrictive legend was placed on each certificate evidencing the securities. We believe that the transaction was exempt from registration pursuant to Section 4(2) and Section 4(6) of the Securities Act and/or Rule 506 of Regulation D.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES. None.

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

ITEM 5. OTHER INFORMATION.

On February 12, 2007, we announced that we had 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(R) technology for the manufacture and sale of EMF protected molded components. The effective date of the agreement was January 18, 2007.

We also announced that Knowles has made an initial purchase of ElectriPlast(R). This initial order of $4,000 represents the first commercial order for our ElectriPlast(R) technology.

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. Knowles has increased the transducers' sensitivity and maximum output, helping those with even the most profound hearing loss.

As outlined in the agreement, Knowles was granted a non-exclusive, non-sublicensable, non-assignable, worldwide license. The agreement will terminate upon the expiration of the last patent licensed under the agreement. Knowles may terminate the agreement upon 30 days notice at any time. Either party may terminate the agreement for cause, subject to a 30 day cure period. We may terminate the agreement in the event Knowles institutes any legal action claiming that our patents are invalid or unenforceable, or alleging that we infringe on any Knowles patent.

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.

The foregoing description does not constitute a complete summary of the terms of the Patent License Agreement and reference is made to the complete text of the Patent License Agreement, a copy of which is attached as an exhibit to this report and is incorporated by reference herein.

On February 12, 2007, we issued a press release to announce the agreement with Knowles. A copy of the press release is attached as an exhibit hereto.

ITEM 6. EXHIBITS.

<TABLE>
<CAPTION>

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).)

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 Form 8-K dated November 27, 2006 (filed December 4, 2006).)

10.24 Patent License Agreement between the Company 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 Form 8-K dated December 18, 2006 (filed December 20, 2006).)

10.25 Patent License Agreement between the Company and Esprit Solutions Limited, dated December 18, 2006. (Incorporated by reference to Exhibit 10.25 of Integral's Current Report Form 8-K dated January 9, 2007 (filed January 19, 2007).)

10.26 Patent License Agreement between the Company and Knowles Electronics, LLC, dated January 18, 2007. (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).

99.09 Press release dated February 12, 2007. (Filed herewith.)
</TABLE>

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: February 14, 2007

EXHIBIT INDEX

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PATENT LICENSE AGREEMENT

This Patent License Agreement (the "AGREEMENT") is entered into by and between Integral Technologies, Inc., a Nevada corporation located at 805 West Orchard Street, #7, Bellingham, WA 98225 ("INTEGRAL") and Knowles Electronics, LLC, a Delaware corporation with offices at 1151 Maplewood Drive, Itasca, Illinois 60143 ("COMPANY") and is effective as of January 18, 2007 .

WHEREAS, Integral is the owner of certain technology, generally characterized as ElectriPlast technology;

WHEREAS, particular applications of the technology are covered by certain patent rights defined below and those patent rights are owned by Integral; and

WHEREAS, Company wishes to obtain a non-exclusive license under such patents to develop, manufacture, and sell certain products.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements herein contained, receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS.

1.1. "CONFIDENTIAL INFORMATION" means all non-public information regarding the Disclosing Party or its business activities, including without limitation (i) its sublicensees, manufacturers, contractors, or sales, (ii) any non-public information disclosed in any report provided under this Agreement, (iii) the Documentation and any other information disclosed during any consulting services; (v) the terms of this Agreement; and (v) any information disclosed by Company pursuant to Section 3.

1.2. "LICENSED FIELD" means the manufacture and sale of EMF PROTECTED MOLDED COMPONENTS by Company.

1.3. "LICENSED PRODUCT" means any Product made, used, sold, or otherwise disposed of by or for Company that (i) uses the Raw Materials and (ii) is either branded with a Company brand or is designed by Company and sold in Company's ordinary course of business.

1.4. "LICENSED PATENTS" means the (i) patents, provisional patent applications, and utility patent applications set forth in Exhibit A; (ii) any divisions, continuations, continuations-in-part, reissues, or re-examinations of such patents and patent applications; (iii) all foreign counterparts of the foregoing (i) and (ii); and (iv) all applications for any of the foregoing (i) through (iii). Licensed Patents do not include any patent claim that has either expired or been held invalid or unenforceable by a decision of a court or governmental agency of competent jurisdiction, which decision is unappealable or unappealed within the time allowed for an appeal, or any other patent or patent application.

1.5. "PRODUCT" means any product (i) the manufacture, use, sale, offer for sale, or import of which is covered by at least one claim of the Licensed Patents; or (ii) produced by a process, the practice of which is covered by at least one claim of the Licensed Patents.

1.6. "RAW MATERIALS" means the Technology, as Integral provides it to Company, on a per weight basis for use in manufacturing Licensed Products.

1.7. "TECHNOLOGY" means Integral's proprietary ElectriPlast(TM) technology, portions of which may be covered by the Licensed Patents. The Technology is a compounded, pelletized formulation of resin-based materials, which are conductively loaded or doped with a proprietary controlled, balanced concentration of micron conductive materials contained within the manufactured pellet. The conductive loading or doping within this pellet is then homogenized using conventional molding techniques and conventional molding equipment. The resulting polymer is electrically conductive.

1.8. "THIRD PARTY" means corporate entities or individuals other than Integral or Company.

2. CONSULTING SERVICES.

Integral will provide Company with consulting services related to the Technology at Integral's standard hourly rates for such consulting services, on a date and at a location mutually agreeable to the Parties. If Company requests that all or part of the consulting services take place at facilities other than Integral's place of business, Company will reimburse Integral for its reasonable and actual meals, travel, and lodging expenses incurred as a result of providing such consulting services. Integral may, but is not obligated to, provide Company with certain pre-existing or developed written materials as part of the consulting services ("DOCUMENTATION"), provided that in no event shall any Documentation be deemed a "work made for hire" or any ownership rights in the Documentation be assigned to Company. Documentation shall be treated as Confidential Information.

3. LICENSE GRANTS.

3.1. To Company. Integral grants to Company a non-exclusive, worldwide license under the Licensed Patents to (i) make (including the right to have others make), use, offer to sell, sell or import Licensed Products in the Licensed Field; (ii) the right to grant a sub-license to Company's customers to use Licensed Products; and (iii) internally use the Documentation and information provided solely for purposes of developing and manufacturing Licensed Products in the Licensed Field.

3.2. Ownership. Except as expressly set forth in this Agreement, nothing in this Agreement shall be construed as a grant of any license or rights by implication or estoppel and Integral retains all right, title and interest in and to the Licensed Patents. All rights not expressly granted by Integral hereunder are reserved and retained by Integral, including but not limited to Integral's rights in the Technology not covered by the Licensed Patents.

3.3. New Joint Developments. All technology, information and inventions ("New Developments"), whether or not patentable, developed jointly by Integral and Company that concern the Technology (including the manufacture or formulation of the Raw Materials) shall be the exclusive property of Integral. All New Developments, whether or not patentable, developed jointly by Integral and Company that concern the design or manufacture of fabricated products made using the Raw Materials shall be the exclusive property of Company; provided that Company shall have no rights in the Technology or Licensed Patents except as provided pursuant to the delivery of Raw Materials by Integral. All other New Developments jointly developed by the Parties under this Agreement shall be jointly owned by the Parties; provided that Company shall have no rights in the Technology or Licensed Patents except as provided pursuant to the delivery of Raw Materials by Integral. The Parties agree to discuss in good faith whether and how to jointly prosecute or enforce any patents based on jointly owned New Developments in a mutually agreed fashion. Neither Party shall be obligated to pay the other any royalties or other consideration, nor account to the other for any royalties or other consideration it may receive, for any licenses, assignment, sale, lease or other distribution of the jointly owned New Developments or any derivative technology thereof. Any such derivative technology made after the termination or expiration of this Agreement shall be owned exclusively by the creator of such derivative technology. Additionally, regardless of subject matter, all New Developments discovered or developed by one Party without the participation of the other Party shall become the sole property of the discovering or developing Party; provided that Company shall have no rights in the Technology or Licensed Patents except as provided pursuant to the delivery of Raw Materials by Integral.

4. CONSIDERATION.

Upon execution of this Agreement, Company shall pay Integral a non-refundable fee of One U.S. Dollar ($1.00).

5. RAW MATERIALS FEES.

The Parties agree to use good faith efforts to reach agreement on commercially reasonable terms for the pricing and delivery of the Raw Materials to Company by Integral, and that agreement regarding the pricing and delivery of Raw Materials shall be memorialized as an amendment to this Agreement.

6. ENFORCEMENT OF PATENT RIGHTS.

6.1. Notice; Enforcement. In the event that Company becomes aware of actual or threatened infringement of the Patent Rights by a Third Party involving Licensed Products, Company shall promptly notify Integral in writing. Integral may, at its discretion, take corrective action against the Third Party, and may identify Company as having rights under the Licensed Patents. Integral shall not name Company as a co-party in any such action without an express written request from Company.

6.2. Infringement Action. In the event Integral brings an infringement action against a Third Party, such action shall be at no cost to Company unless Company joins the suit as a co-party, and any recovery shall go solely to Integral. Company is under no obligation to join any such action and Integral must approve the addition of Company as a co-party.

7. TERM AND TERMINATION.

7.1. Term. This Agreement shall be in full force and effect from the Effective Date and shall remain in effect until the expiration of the last patent contemplated to be licensed by this Agreement, or until otherwise terminated pursuant to the terms and conditions of this Agreement.

7.2. Termination. Company may terminate this Agreement upon thirty (30) days' written notice at any time without cause. Either Party may terminate this Agreement immediately upon written notice at any time if the other Party is in material breach of any material warranty, term or condition of this Agreement and has failed to cure that breach within thirty (30) days after written notice thereof. Integral may terminate this Agreement upon written notice in the event (i) Company institutes any action or proceeding in which it claims that any Licensed Patent is invalid or unenforceable; or (ii) Company institutes any action (including by counter or cross-claim) alleging that Integral infringes any Company patent and/or patent application. The terminating Party will incur no liability to the other Party for damages of any kind resulting solely from terminating this Agreement in accordance with its terms.

7.3. Effect of Expiration or Termination. Upon expiration or termination of this Agreement, (i) Company shall pay all sums accrued hereunder prior to such termination, (ii) Integral shall have the right to retain any sums already paid by Company for this license and for any Raw Materials delivered or created for Company prior to expiration or termination, and (iii) Company shall return or certify in writing that it has destroyed all Documentation. Upon the termination of this Agreement, Company shall have the right to use or sell all Licensed Product on-hand at the time of such termination, provided that Company shall be obliged to pay Integral a royalty on use or such sales as set forth in this Agreement.

7.4. Survival. In the event of expiration or termination of this Agreement for any reason, the following sections will survive such termination or expiration: 1, 3.3, 7.4, and 8 - 11.

8. WARRANTIES, REPRESENTATIONS, AND COVENANTS; DISCLAIMER.

8.1. Mutual Representations and Warranties. Each Party represents, warrants, and covenants that: (i) this Agreement has been duly and validly executed and delivered by such Party and constitutes a legal and binding obligation of such Party, enforceable against it in accordance with its terms; (ii) such Party has all necessary power and authority to execute and perform in accordance with this Agreement; and (iii) such Party's execution, delivery and performance of this Agreement will not conflict with or violate any provision of law, rule or regulation to which it is subject, or any agreement or other obligation directly or indirectly applicable to such Party or binding upon its assets.

8.2. Representations and Warranties of Integral. Integral represents and warrants that (i) it has the lawful right to grant the license set forth herein; and (ii) as of the Effective Date, the Licensed Patents

listed in Exhibit A are issued, unexpired, valid according to the U.S. Patent and Trademark Office and in good standing.

8.3. Representations, Warranties, and Covenants of Company. Company warrants that it has and will have throughout the Term the lawful right to grant the licenses contemplated herein.

8.4. WARRANTY DISCLAIMER. EXCEPT AS PROVIDED IN SECTIONS 7.1, AND 7.2 ABOVE, INTEGRAL EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT, ALL WITH RESPECT TO THE PATENTS, DOCUMENTATION, AND ANY OTHER MATERIALS OR INTELLECTUAL PROVIDED OR LICENSED UNDER THIS AGREEMENT. IN ADDITION, NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS (I) A WARRANTY OR REPRESENTATION BY INTEGRAL OF THE VALIDITY OR SCOPE OF ANY OF THE LICENSED PATENTS; (II) A WARRANTY OR REPRESENTATION THAT ANYTHING MADE, USED, SOLD OFFERED FOR SALE, IMPORTED, OR OTHERWISE DISPOSED OF UNDER ANY LICENSE GRANTED IN THIS AGREEMENT IS OR SHALL BE FREE FROM INFRINGEMENT OF PATENTS OR PROPRIETARY RIGHTS OF THIRD PARTIES; OR (III) AN AGREEMENT BY INTEGRAL TO BRING OR PROSECUTE ACTIONS OR SUITS AGAINST THIRD PARTIES FOR INFRINGEMENT OF THE PATENT RIGHTS.

9. INDEMNIFICATION.

Each Party (the "INDEMNIFYING PARTY") will indemnify, hold harmless, and defend the other Party (the "INDEMNIFIED PARTY") and its subsidiary and parent entities, successors, affiliates, and assigns, and all of their respective officers, directors, members, stockholders, agents, employees, and attorneys, from any and all actions, causes of action, suits, proceedings, claims, demands, judgments, bona fide settlements, penalties, damages, losses, liabilities, costs, and expenses (including without limitation reasonable attorneys' fees and costs and those necessary to interpret or enforce this Section 9) arising out of or relating to any claim or allegation arising out of (i) the Indemnifying Party's breach of this Agreement, including without limitation the warranties set forth in Section 8 above; or (ii) in the case where Company is the Indemnifying Party, the manufacture, use, or sale of any Licensed Product, including, but not limited to any damages, losses or liabilities whatsoever with respect to death or injury to any person and damage to any property arising from the possession, use or operation of the Licensed Product by Company or their customers in any manner whatsoever; except to the extent that the claim results from Integral's infringement of the intellectual property rights of any third party. The Indemnified Party may, at its expense, employ separate counsel to monitor and participate in the defense of any claim that the Indemnifying Party is defending under this Section. The Indemnified Party will provide the Indemnifying Party with reasonably prompt notice in writing of any claim to which this Section relates.

10. CONFIDENTIALITY.

A Party receiving Confidential Information (the "RECEIVING PARTY") of the other Party (the "DISCLOSING PARTY") shall not disclose or make any use of any of the Disclosing Party's Confidential Information except expressly as authorized in writing by the Disclosing Party. Authorized uses include use related to the implementation of this Agreement. The Receiving Party agrees to take all steps reasonably requested by the Disclosing Party to confirm and protect the

Disclosing Party's interests in the Confidential Information. For purposes of clarification, Confidential Information shall not include information that the Receiving Party can establish by written evidence: (i) entered or subsequently enters the public domain without the Receiving Party's breach of any obligation owed the Disclosing Party; (ii) became known to the Receiving Party prior to the Disclosing Party's disclosure of such information to the Receiving Party; (iii) became known to the Receiving Party from a source other than the Disclosing Party other than by the breach of an obligation of confidentiality owed to the Disclosing Party; or (iv) is independently developed by the Receiving Party without reference to any of the Disclosing Party's Confidential Information.

11. GENERAL.

11.1. Notices. All notices, requests, consents, approvals, or authorizations in connection with this Agreement: (i) must be given in writing; and (ii) will be deemed given as of (a) the day they are delivered on paper by a nationally recognized express delivery service (such as Federal Express or DHL), addressed as set forth below; or (b) three (3) days after they are deposited in the sender's national mail system, postage prepaid, certified or registered, return receipt requested, and addressed as follows:

To Integral: 805 West Orchard Street, #7, Bellingham, WA 98225, Attn: William Robinson

To Company: 1151 Maplewood Drive, Itasca, Illinois, 60143, Attn: Robert Walter

Either Party may change the address above by giving notice to the other Party pursuant to this Section 11.1.

11.2. Assignment. Integral may assign this Agreement or its rights and duties under this Agreement, but Company may not undertake any assignment of this Agreement or any of its rights and duties under this Agreement without Integral's prior written consent. However, Company may assign this Agreement without Integral's prior written consent as part of a merger, or a sale or transfer of all or substantially all of its assets, provided such merger or sale is not with or to a competitor of Integral. Any attempted assignment by Company of this Agreement or all or part of its rights and/or obligations under this Agreement without Integral's prior written consent (except as provided by the prior sentence) will be voidable at Integral's option. This Agreement will bind each Party's heirs and personal representatives, and inure to the benefit of each Party and its successors, heirs and/or personal assigns.

11.3. Dispute Resolution. This Agreement will be governed by and construed in accordance with the laws of the State of Washington as such laws apply to contracts performed within Washington by its residents. Any cause of action concerning this contract shall be brought in the state court located in Whatcom County, Washington, or the federal court located in the Western District of Washington, and Company consents to the exclusive jurisdiction of such courts. In any action to enforce any right or remedy under this Agreement or to interpret any provision of this Agreement, the prevailing Party will be entitled to recover its costs, including attorneys' fees.

11.4. No Joint Venture. Nothing in this Agreement will be construed to mean that any Party is appointed or in any way authorized to act as an agent of any other Party. This Agreement does not create any joint venture, partnership or formal business entity or organization of any kind.

11.5. Waiver. No waiver of any provision of this Agreement will be effective unless it is in a signed writing, and no such waiver will constitute a waiver of any other provision(s) or of the same provision on another occasion.

11.6. Severability. If a court of competent jurisdiction holds any term, covenant or restriction of this Agreement to be illegal, invalid or unenforceable, in whole or in part, the Parties agree to negotiate in good faith to create an appropriate amendment to the remaining terms, covenants and provisions that will replicate the economic effect of the Parties' intentions under this Agreement.

11.7. Injunctive and Equitable Relief. Each Party acknowledges and agrees that monetary damages may not be a sufficient remedy for a breach of the terms of this Agreement respecting Confidential Information, and that such breach will cause the owner of that Confidential Information immediate and irreparable injury. In such cases, the non-breaching Party will be entitled, without waiving or prejudicing any other rights or remedies, to injunctive or equitable relief.

11.8. Entire Agreement; Amendments. This Agreement is not an offer by Integral and it is not effective until signed by both Parties. This Agreement, including the Exhibits attached hereto which are incorporated by this reference, constitutes the entire agreement between the Parties with respect to the subject matter hereof and merges all prior and contemporaneous communications and proposals, whether electronic, oral or written, between the Parties with respect to such subject matter. This Agreement may

not be modified except by a written agreement dated subsequent to the date of this Agreement and signed by duly authorized representatives of Integral and Company.

IN WITNESS WHEREOF, both Integral and Company have executed this Agreement, in duplicate originals by their respective officers hereunto duly authorized.

INTEGRAL TECHNOLOGIES, INC.	KNOWLES ELECTRONICS, LLC
By: /s/ William S. Robinson	By: /s/ Robert Walter
Title: CEO	Title: Chief Operating Officer
Date: Feb 9/07	Date: 1/22/07

Exhibit 31.1

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 December 31, 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.

February 14, 2007

/s/ William S. Robinson

William S. Robinson, Chief Executive Officer

Exhibit 31.2

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 December 31, 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.

February 14, 2007

/s/ William A. Ince

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William A. Ince, Chief Financial Officer

Exhibit 32.1

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

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 December 31, 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.

February 14, 2007

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

Exhibit 32.2

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 December 31, 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.

February 14, 2007

/s/ William A. Ince

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William A. Ince, Chief Financial Officer

PRESS RELEASE Source: Integral Technologies, Inc.

INTEGRAL TECHNOLOGIES RECEIVES FIRST COMMERCIAL ORDER FOR ELECTRIPLAST(TM) FROM KNOWLES ELECTRONICS
Monday February 12, 9:00 am ET

BELLINGHAM, Wash.--(BUSINESS WIRE)--Integral Technologies, Inc. (OTCBB:ITKG - News; "Integral"), announces that Knowles Electronics, LLC. ("Knowles") (www.knowleselectronics.com) has entered into a licensing agreement with Integral and has purchased the Company's proprietary ElectriPlast(TM) technology for use in their products.

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. Knowles has increased the transducers' sensitivity and maximum output, helping those with even the most profound hearing loss.

This order and shipment represents the first commercial order for Integral's ElectriPlast(TM) technology. Integral's manufacturing agreement with Jasper Rubber provides for faster delivery of the multiple ElectriPlast(TM) applications.

Knowles continues its innovations today through:

1. pioneering techniques in vibration feedback reduction

2. improved directionality through superior microphone matching techniques

3. aiding OEM customers' design efforts by offering digital transducers

Knowles is making the designs of today a reality and is constantly pushing the limits of technology for tomorrow's products.

ElectriPlast(TM), the world's first highly conductive polymer, was recently selected as a recipient of the Consumer Electronic Show's Innovations 2007 Design and Engineering Award in the Enabling Technologies product category.

Integral Technologies continues to work with numerous companies that are exploring over 111 patented and patent pending identified applications of the Company's ElectriPlast(TM) technology.

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 thousands of different applications pertinent to a wide variety of industries. To date, we have had 24 US patents issued, or allowed and pending issuance, and 87 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. To review the company's filings with the SEC, please go to www.sec.gov.

Contact:
Integral Tech.
Michael Pound, 888-666-8833