

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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED March 31, 2013.

OR

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

FOR THE TRANSITION FROM _____ TO _____.

COMMISSION FILE NUMBER 0-28353

INTEGRAL TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Nevada
(State or other jurisdiction of incorporation or organization)

98-0163519
(I.R.S. Employer Identification No.)

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

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

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

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

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

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of March 31, 2013, there were 72,220,393 outstanding shares of the Registrant's Common Stock, \$0.001 par value.

INTEGRAL TECHNOLOGIES, INC.
March 31, 2013 QUARTERLY REPORT ON FORM 10-Q

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	March 31,	June 30,
	2013	2012
	(unaudited)	
Assets		
Current		
Cash	\$ 169,064	\$ 172,173
Prepaid expenses	50,580	19,723
Total Assets	\$ 219,644	\$ 191,896
Liabilities		
Current		
Accounts payable and accruals	\$ 1,890,307	\$ 2,032,309
Promissory note payable (note 12)	0	123,696
Loan payable (note 13)	31,708	0
Convertible debentures (note 11)	116,207	93,356
Derivative financial liabilities (note 11)	107,616	84,718
Redeemable preferred stock (note 14)	150,000	0
	2,295,838	2,334,079
Redeemable Preferred Stock (note 14)	150,000	0
Total Liabilities	2,445,838	2,334,079
Stockholders' Deficit (note 5)		
Preferred Stock and Paid-in Capital in Excess of \$0.001 Par Value		
20,000,000 shares authorized 308,538 issued and outstanding (note 14)	237,950	308,538
Common Stock and Paid-in Capital in Excess of \$0.001 Par Value		
150,000,000 shares authorized 72,220,393 (June 30, 2012 - 62,368,653) issued and outstanding	40,077,239	37,655,315
Promissory Notes Receivable	(29,737)	(29,737)
Share Subscriptions	0	191,600
Accumulated Other Comprehensive Income	46,267	46,267
Deficit Accumulated During the Development Stage	(42,557,913)	(40,314,166)
Total Stockholders' Deficit	(2,226,194)	(2,142,183)
Total Liabilities and Stockholders' Deficit	\$ 219,644	\$ 191,896

See notes to consolidated financial statements.

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

	Three Months Ended March 31,		Nine Months Ended March 31,		Period from February 12, 1996 (Inception) to March 31, 2013
	2013	2012	2013	2012	2013
Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 249,308
Cost of Sales	0	0	0	0	216,016
	0	0	0	0	33,292
Other Income	74	36	187	36	869,593
	74	36	187	36	902,885
Expenses					
Consulting	332,098	790,268	1,558,999	1,449,291	12,926,854
Legal and accounting	33,707	74,232	269,093	244,215	11,708,409
Salaries and benefits	55,000	110,000	220,000	330,000	5,361,297
Research and development (note 9)	(20,298)	36,469	63,397	159,118	2,269,734
General and administrative	56,059	93,559	169,019	172,094	1,740,990
Travel and entertainment	33,055	42,313	111,455	125,007	1,774,113
Bank charges and interest, net	22,985	25,673	83,373	53,209	365,052
Rent	13,215	26,071	51,021	58,969	711,496
Telephone	5,860	6,685	21,558	17,750	558,143
Advertising	2,875	191	10,375	191	366,966
Fair value loss (gain) on derivative financial liabilities	(9,713)	23,826	54,745	23,826	144,071
Net gain on settlement of convertible debentures	0	0	(26,189)	0	(26,189)
Gain on extinguishment of debt (note 14)	(355,022)	0	(355,022)	0	(355,022)
Financing fees	0	(2,800)	0	0	129,043
Write-down of license and operating assets	0	0	0	0	1,855,619
Write-off of investments	0	0	0	0	1,250,000
Non-competition agreement	0	0	0	0	711,000
Interest on beneficial conversion feature	0	0	0	0	566,455
Bad debts	0	0	0	0	46,604
Settlement of lawsuit	0	0	0	0	45,250
Amortization	0	0	0	0	324,386
	169,821	1,226,487	2,231,824	2,633,670	42,474,271
Net Loss and Comprehensive Loss for Period	\$ (169,747)	\$ (1,226,451)	\$ (2,231,637)	\$ (2,633,634)	\$ (41,571,386)
Loss Per Share (note 8)	\$ (0.00)	\$ (0.02)	\$ (0.03)	\$ (0.05)	
Weighted Average Number of Common Shares Outstanding	68,396,760	59,482,696	66,596,785	57,143,585	

See notes to consolidated financial statements.

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

	Shares of Common Stock Issued	Common Stock and Paid-in Capital in Excess of Par	Shares of Preferred Stock Issued	Preferred Stock and Paid-in Capital in Excess of Par	Promissory Notes Receivable	Share Subscriptions	Accumulated Other Comprehensive Income	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balance, June 30, 2011	58,296,760	\$35,858,822	308,538	\$ 308,538	\$ (29,737)	\$ 0	\$ 46,267	\$ (36,898,272)	\$ (714,382)
Shares issued for									
Services	77,755	34,954	0	0	0	0	0	0	34,954
Cash, net	3,364,980	1,147,915	0	0	0	0	0	0	1,147,915
Settlement of convertible debenture	629,158	236,926	0	0	0	0	0	0	236,926
Dividends on preferred stock	0	0	0	0	0	0	0	(15,460)	(15,460)
Subscriptions received	0	0	0	0	0	191,600	0	0	191,600
Stock-based compensation	0	376,698	0	0	0	0	0	0	376,698
Net loss for year	0	0	0	0	0	0	0	(3,400,434)	(3,400,434)
Balance, June 30, 2012	62,368,653	37,655,315	308,538	308,538	(29,737)	191,600	46,267	(40,314,166)	(2,142,183)
Shares issued for									
Services	997,500	349,125	0	0	0	0	0	0	349,125
Cash, net	8,202,304	1,591,360	0	0	0	(191,600)	0	0	1,399,760
Settlement of convertible debenture	651,936	173,471	0	0	0	0	0	0	173,471
Dividends on preferred stock	0	0	0	0	0	0	0	(11,595)	(11,595)
Redeemable preferred stock (note 14)	0	0	0	(70,588)	0	0	0	(229,412)	(300,000)
Gain on extinguishment of debt (note 14)	0	0	0	0	0	0	0	228,897	228,897
Stock-based compensation	0	307,968	0	0	0	0	0	0	307,968
Net loss for period	0	0	0	0	0	0	0	(2,231,637)	(2,231,637)
Balance, March 31, 201 (unaudited)	72,220,393	\$40,077,239	308,538	\$ 237,950	\$ (29,737)	\$ 0	\$ 46,267	\$ (42,557,913)	\$ (2,226,194)

See notes to consolidated financial statements.

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

	Nine Months Ended March 31,		Period from February 12, 1996 (Inception) to March 31,
	2013	2012	2013
Operating Activities			
Net loss	\$ (2,231,637)	\$ (2,633,634)	\$ (41,571,386)
Items not involving cash			
Write-down of investment	0	0	1,250,000
Proprietary, non-competition agreement	0	0	711,000
Amortization	0	0	349,941
Other income	0	0	(658,305)
Consulting services	349,125	37,711	2,484,665
Stock-based compensation	307,968	356,259	8,217,250
Interest on convertible debenture	71,529	43,102	126,703
Fair value loss on derivative financial liability	54,745	23,826	144,071
Net gain on settlement of convertible debenture	(26,189)	0	(26,189)
Gain on extinguishment of debt (note 14)	(355,022)	0	(355,022)
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			
Prepaid expenses	(30,857)	0	(50,579)
Notes and accounts receivable	0	0	(109,213)
Inventory	0	0	(46,842)
Accounts payable and accruals	430,322	1,073,594	2,850,236
Due from affiliated company	0	0	(116,000)
Deferred revenue and other	0	0	(2,609)
Net Cash Used in Operating Activities	(1,430,016)	(1,099,142)	(24,244,319)
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)
Net Cash Used in Investing Activities	0	0	(2,455,244)
Financing Activities			
Redemption of preferred stock	0	0	(50,000)
Repayment of loan	0	0	(11,000)
Repayment of promissory note	(123,696)	0	(123,696)
Repayments to stockholders	0	0	(91,283)
Loan payable	31,708	0	31,708
Proceeds from issuance of common stock	1,599,670	1,152,773	24,922,688
Advances from stockholders	0	0	1,078,284
Share issue costs	(199,910)	(12,875)	(629,991)
Subscriptions received	0	43,721	706,015
Repayment of convertible debentures	(120,865)	0	(120,865)
Proceeds from convertible debentures	240,000	138,500	1,110,500
Net Cash Provided by Financing Activities	1,426,907	1,322,119	26,822,360
Effect of Foreign Currency Translation on Cash	0	0	46,267
Inflow (Outflow) of Cash	(3,109)	222,977	169,064
Cash, Beginning of Period	172,173	61,365	0
Cash, End of Period	\$ 169,064	\$ 284,342	\$ 169,064

Supplemental Disclosure of Cash Flow Information (note 7)

See notes to consolidated financial statements.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2013
(Unaudited)
(US Dollars)

1. NATURE OF OPERATIONS

Integral Technologies, Inc. (the “Company”) was incorporated under the laws of the state of Nevada on February 12, 1996 and has its head office in Bellingham, Washington, USA. The Company is in the development stage and is in the business of researching, developing and commercializing new electronically-conductive resin-based materials called ElectriPlast.

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

2. 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 consolidated 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 for the year ended June 30, 2012 filed as part of the Company’s June 30, 2012 Form 10-K.

In the opinion of the Company’s management, these consolidated financial statements reflect all adjustments necessary to present fairly the Company’s consolidated balance sheets at March 31, 2013 and June 30, 2012, the consolidated results of operations for the three and nine months ended March 31, 2013 and 2012 and the consolidated cash flows for the nine months ended March 31, 2013 and 2012. The results of operations and cash flows for the nine months ended March 31, 2013 and 2012 are not necessarily indicative of the results to be expected for the entire fiscal year.

3. USE OF ESTIMATES

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

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2013
(Unaudited)
(US Dollars)

4. GOING CONCERN

These unaudited consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The Company's operations have resulted in a net loss of \$2,231,637 for the nine months ended March 31, 2013 (2012 - \$2,633,634), and an accumulated deficit of \$42,557,913 (June 30, 2012 - \$40,314,166) and a working capital deficiency of \$2,076,194 as at March 31, 2013 (June 30, 2012 - \$2,142,183). The Company has not yet commenced revenue-producing operations and has significant expenditure requirements to continue to advance research, developing and commercializing new antenna technologies. The Company estimates that, without further funding, it will deplete its cash resources within three months. These factors raise substantial doubt about the Company's ability to continue as a going concern.

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

5. STOCKHOLDERS' DEFICIT

(a) Preferred stock

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

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

increasing \$0.50 per year thereafter.

(b) Common stock

During the nine months ended March 31, 2013, the Company completed seven private placements.

- (i) The first private placement amounted to \$186,600 for the issuance of 533,140 units consisting of common stock at \$0.35 per share and warrants at \$0.001 per warrant to purchase 799,708 shares of common stock on or before August 31, 2014 at an exercise price of \$0.70 per share.
- (ii) The second private placement amounted to \$422,297 for the issuance of 1,398,333 units consisting of common stock at \$0.30 per share and warrants at \$0.001 per warrant to purchase 2,796,666 shares of common stock on or before August 31, 2014 at an exercise price of \$0.60 per share.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2013
(Unaudited)
(US Dollars)

5. STOCKHOLDERS' DEFICIT (continued)

(b) Common stock (continued)

- (iii) The third private placement amounted to \$143,769 for the issuance of 363,296 units consisting of common stock at \$0.30 per share and 100,000 units consisting of common stock at \$0.35 and warrants at \$0.001 per warrant to purchase 926,604 shares of common stock on or before September 30, 2014 at an exercise price of \$0.50 per share.
- (iv) The fourth private placement amounted to \$5,000 for the issuance of 14,285 units consisting of common stock at \$0.35 per share and warrants at \$0.001 per warrant to purchase 21,421 shares of common stock on or before February 28, 2014 at an exercise price of \$0.70 per share.
- (v) The fifth private placement amounted to \$414,954 for the issuance of 2,075,000 units consisting of common stock at \$0.20 per share and warrants at \$0.001 per warrant to purchase 4,150,000 shares of common stock on or before January 31, 2015 at an exercise price of \$0.50 per share.
- (vi) The sixth private placement amounted to \$598,650 for the issuance of 2,368,250 units consisting of common stock at \$0.20 per share and 1,250,000 units consisting of common stock at \$0.10 and warrants at \$0.001 per warrant to purchase 4,736,500 shares of common stock on or before February 28, 2015 at an exercise price of \$0.50 per share.
- (vii) The seventh private placement amounted to \$20,000 for the issuance of 100,000 units consisting of common stock at \$0.20 per share and warrants at \$0.001 per warrant to purchase 200,000 shares of common stock on or before February 28, 2015 at an exercise price of \$0.50 per share.

Share issue costs to complete the private placements totaled \$199,910.

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

During the nine months ended March 31, 2013, the Company issued 997,500 shares of common stock measured at a fair value of \$0.35 per share pursuant to consulting agreements to directors and consultants.

(c) Stock-based compensation

During the nine months ended March 31, 2013, the Company recorded stock-based compensation expense with respect to vested stock options and warrants and modified stock options of \$307,968 (nine months ended March 31, 2012 - \$356,259), which has been included in consulting fees.

Stock-based compensation not yet recognized at March 31, 2013 relating to non-vested stock options and warrants was \$28,568 and \$2,466, which will be recognized over a weighted average period of 0.32 years and 0.07 years, respectively.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2013
(Unaudited)
(US Dollars)

5. STOCKHOLDERS' DEFICIT (continued)

(d) Stock options

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

	Number of Options	Price Per Option	Weighted Average Exercise Price
Outstanding, June 30, 2012 and March 31, 2013	6,500,000	0.25 to \$ 1.00	\$ 0.44
Exercisable, March 31, 2013	5,475,000	0.25 to \$ 1.00	\$ 0.42

The following summarizes the options outstanding and exercisable:

Expiry Date	Exercise Price	Number of Options	
		March 31, 2013	June 30, 2012
December 31, 2013 ⁽¹⁾	\$ 0.25	2,500,000	2,500,000
December 31, 2013	\$ 1.00	210,000	210,000
March 9, 2014	\$ 0.25	125,000	125,000
June 1, 2014	\$ 0.85	100,000	100,000
October 15, 2014	\$ 0.50	100,000	100,000
July 31, 2014	\$ 1.00	415,000	415,000
December 1, 2014	\$ 0.50	175,000	175,000
December 1, 2014	\$ 0.85	100,000	100,000
December 31, 2014	\$ 0.25	1,000,000	1,000,000
April 15, 2015	\$ 0.50	100,000	100,000
June 1, 2015	\$ 0.50	175,000	175,000
June 1, 2015	\$ 0.85	100,000	100,000
October 15, 2015	\$ 0.50	100,000	100,000
December 1, 2015	\$ 0.50	175,000	175,000
December 1, 2015	\$ 0.85	100,000	100,000
April 15, 2016	\$ 0.50	100,000	100,000
June 1, 2016	\$ 0.50	175,000	175,000
June 1, 2016	\$ 0.85	100,000	100,000
October 15, 2016	\$ 0.50	100,000	100,000
December 1, 2016	\$ 0.50	175,000	175,000
December 1, 2016	\$ 0.85	100,000	100,000
April 15, 2017	\$ 0.50	100,000	100,000
June 1, 2017	\$ 0.50	175,000	175,000
Total outstanding		6,500,000	6,500,000
Total exercisable		5,475,000	3,950,000

⁽¹⁾ During the nine months ended March 31, 2013, the expiry date of these options was extended from December 31, 2012 to December 31, 2013.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2013
(Unaudited)
(US Dollars)

5. STOCKHOLDERS' DEFICIT (continued)

(d) Stock options (continued)

The weighted average remaining contractual lives for options outstanding and exercisable at March 31, 2013 are 1.64 years and 1.27 years, respectively.

The aggregate intrinsic value of options outstanding and exercisable as at March 31, 2013 was \$253,750 (March 31, 2012 - \$652,500). The aggregate intrinsic value excludes options having a negative aggregate intrinsic value due to awards with exercise prices greater than market value. The intrinsic value is the difference between the market value of the shares at period-end and the exercise price of the award.

(e) Stock purchase warrants

Pursuant to a consulting agreement dated July 17, 2012, the Company issued 300,000 share purchase warrants to a consultant for a period of two years at an exercise price of \$0.31 per warrant. The warrants vest as to 50% on July 17, 2012, 25% on January 17, 2013 and 25% on July 17, 2013. During the nine months ended March 31, 2013, 225,000 warrants vested and are fully exercisable, and 75,000 warrants remain unvested.

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

	Number of Warrants	Price Per Warrant	Weighted Average Exercise Price
Balance, June 30, 2011	6,249,705		\$ 0.74
		0.57 to \$	
Issued	4,770,398	\$ 1.00	\$ 0.68
Reinstated	3,040,000	\$ 0.50	\$ 0.50
Balance, June 30, 2012	14,060,103		\$ 0.67
		0.31 to \$	
Issued	13,930,899	\$ 0.70	\$ 0.53
		0.31 to \$	
Balance, March 31, 2013	27,991,002	\$ 1.00	\$ 0.60
		0.31 to \$	
Exercisable, March 31, 2013	27,916,002	\$ 1.00	\$ 0.60

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2013
(Unaudited)
(US Dollars)

5. STOCKHOLDERS' DEFICIT (continued)

(e) Stock purchase warrants (continued)

Expiry Date	Exercise Price	Number of Warrants	
		March 31, 2013	June 30, 2012
December 31, 2013 ⁽¹⁾	\$ 0.50	3,710,000	3,710,000
December 31, 2013 ⁽¹⁾	\$ 0.70	3,963,152	3,963,152
December 31, 2013 ⁽¹⁾	\$ 1.00	1,358,372	1,358,372
January 3, 2014	\$ 0.70	856,692	856,692
January 31, 2014	\$ 0.70	2,360,459	2,360,459
February 14, 2014 ⁽²⁾	\$ 0.70	300,000	300,000
March 31, 2014	\$ 0.57	1,000,000	1,000,000
November 29, 2016	\$ 0.70	511,428	511,428
August 31, 2014	\$ 0.60	2,796,666	0
August 31, 2014	\$ 0.70	799,708	0
July 17, 2014	\$ 0.31	300,000	0
February 28, 2014	\$ 0.70	21,421	0
September 30, 2014	\$ 0.50	926,604	0
January 31, 2015	\$ 0.50	4,150,000	0
February 28, 2015	\$ 0.50	4,936,500	0
Total outstanding		27,991,002	14,060,103
Total exercisable		27,916,002	14,060,103

⁽¹⁾ During the year ended June 30, 2012, the expiry date of these warrants was extended to December 31, 2013.

⁽²⁾ During the year ended June 30, 2012, the expiry date of 300,000 warrants with expiry dates of February 28, 2012, were extended to February 14, 2014.

6. INCOME TAXES

There are no current or deferred tax expenses for the nine months ended March 31, 2013 or 2012 due to the Company's loss position. The Company has fully reserved for any benefits of these losses. The deferred tax consequences of temporary differences in reporting items for financial statement and income tax purposes are recognized, as appropriate. Realization of the future tax benefits related to the deferred tax assets is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carry-forward period. Management has considered these factors in reaching its conclusion as to the valuation allowance for financial reporting purposes.

INTEGRAL TECHNOLOGIES, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements
Nine Months Ended March 31, 2013
(Unaudited)
(US Dollars)

7. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Nine Months Ended March 31,		Period from February 12, 1996 (Inception) to March 31, 2013
	2013	2012	2013
Shares Issued for			
Redemption of preferred shares	\$ 0	\$ 0	\$ 415,000
Property and equipment	\$ 0	\$ 0	\$ 23,000
Proprietary agreement	\$ 0	\$ 0	\$ 711,000
Settlement of accounts payable	\$ 0	\$ 0	\$ 228,742
Settlement of convertible debenture	\$ 173,471	\$ 0	\$ 410,379
Services (provided by officers and directors)	\$ 122,500	\$ 0	\$ 242,500
Settlement of lawsuit	\$ 0	\$ 0	\$ 15,000
Services and financing fees	\$ 226,625	\$ 15,461	\$ 1,777,647
Subscriptions received	\$ 0	\$ 0	\$ 249,350
Acquisition of subsidiary	\$ 0	\$ 0	\$ 894,200
Interest paid	\$ 0	\$ 0	\$ 99,424
Income tax paid	\$ 0	\$ 0	\$ 0
Other Non-Cash Items			
Accrual of liability for mandatory redeemable preferred shares	\$ 300,000	\$ 0	\$ 300,000
Accrual of dividends	\$ 11,595	\$ 11,595	\$ 11,595

8. LOSS PER SHARE

	Loss (Numerator)	Weighted Average Number of Shares (Denominator)	Loss Per Share
Three months ended March 31, 2013			
Net loss for period	\$ (169,747)		
Preferred stock dividends (note 5(a))	(3,865)		
Loss attributable to common shareholders	\$ (173,612)	68,396,760	\$ (0.00)
Three months ended March 31, 2012			
Net loss for period	\$ (1,226,451)		
Preferred stock dividends (note 5(a))	(3,865)		
Loss attributable to common shareholders	\$ (1,230,316)	59,482,696	\$ (0.02)
Nine months ended March 31, 2013			
Net loss for period	\$ (2,231,637)		
Preferred stock dividends (note 5(a))	(11,595)		
Loss attributable to common shareholders	\$ (2,243,232)	66,596,785	\$ (0.03)
Nine months ended March 31, 2012			
Net loss for period	\$ (2,633,634)		
Preferred stock dividends (note 5(a))	(11,595)		
Loss attributable to common shareholders	\$ (2,645,229)	57,143,585	\$ (0.05)

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8. LOSS PER SHARE (continued)

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

9. RESEARCH AND DEVELOPMENT

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

During the nine months ended March 31, 2013, the Company sold sample products totalling \$30,458 (nine months ended March 31, 2012 - \$2,640). This amount has been credited against research and development expenses.

10. SEGMENT INFORMATION

The Company operates primarily in one business segment with operations located in the United States of America.

11. CONVERTIBLE DEBENTURES

As at March 31, 2013, the Company has convertible debenture purchase agreements with Asher Enterprises Inc. and JMJ Financial each described as follows:

(a) Asher Enterprises Inc.

During the year ended June 30, 2012, the Company entered into a convertible debenture purchase agreement with Asher Enterprises Inc. The agreement has since resulted in nine separate tranches being issued. Each tranche is due approximately nine months after their respective issuance. At March 31, 2013, there are three tranches outstanding. The nine debentures are summarized as follows:

- (i) August 9, 2011 received \$53,000 (settled);
- (ii) September 15, 2011 received \$50,000 (settled);
- (iii) October 15, 2011 received \$35,000 (settled);
- (iv) April 18, 2012 received \$53,500 (settled);
- (v) May 23, 2012 received \$78,500 (settled);
- (vi) July 5, 2012 received \$32,500 (settled);
- (vii) November 20, 2012 received \$53,000;
- (viii) January 4, 2013 received \$27,500; and
- (ix) January 31, 2013 received \$37,500.

The convertible debentures pay interest of 8% per annum and can be converted into common stock at the option of the holder at any time after 180 days following the date of issuance. Each debenture has a conversion price equal to 58% of the market price. Market price is defined as the average of the lowest three trading prices for the Company's common stock during the ten trading day period ending one trading day prior to the date of conversion notice with a limitation of 4.99% of the issued and outstanding common stock at the time of conversion.

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11. CONVERTIBLE DEBENTURES (continued)

(a) Asher Enterprises Inc. (continued)

The convertible debenture may be repaid by the Company as follows:

- Outstanding principal multiplied by 135% together with accrued interest and unpaid interest thereon if prepaid within a period of 90 days beginning on the date of issuance of the note;
- Outstanding principal multiplied by 145% together with accrued interest and unpaid interest thereon if prepaid at any time during the period beginning 91 days from the date of issuance of the note and ending on the date that is 150 days following the date of the note; and
- Outstanding principal multiplied by 150% together with accrued interest and unpaid interest thereon if prepaid at any time during the period beginning 151 days from the date of issuance of the note and ending on the date that is 180 days following the date of the note.

After the expiration of the 180 days following the date of issuance of the derivative, the Company will have no right of prepayment.

The liability component of the convertible debentures was measured at the present value with the embedded conversion feature being treated as a derivative liability with fair value measured at each reporting date.

(b) JMJ Financial

During the nine months ended March 31, 2013, the Company entered into a convertible debenture purchase agreement with JMJ Financial (the "lender"). The total amount that may be borrowed is \$500,000, which includes an upfront fee of 10%.

On signing the agreement, the first advance of \$100,000 was received by the Company from the lender. At the sole discretion of the lender, an additional \$150,000 may be advanced to the Company with the remaining consideration advanced to the Company only by mutual agreement. Each advance received by the Company is due 1 year from delivery of payment. As at March 31, 2013, the following amount is payable (advance received plus 10%):

- February 27, 2013 - \$110,000.

No interest will be applied to the principal balance for the first 90 days after cash advance. After the first 90 days, an interest charge of 12% will be immediately applied to the principal and the 10% upfront fee.

On delivery of consideration, the lender may convert all or part of the unpaid principal and upfront fee into common stock at its sole discretion. All balances outstanding have a variable conversion price equal to the lesser of \$0.35 or 60% of the market price. The market price is defined as the lowest trade price in the 25 days prior to the conversion date. The lender is limited to holding no more than 4.99% of the issued and outstanding common stock at the time of conversion.

After the expiration of 90 days following the delivery date of any consideration, the Company will have no right of prepayment.

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11. CONVERTIBLE DEBENTURE (continued)

The liability component of the convertible debentures were measured at the present value of future cash flows with the embedded conversion features being treated as derivative liabilities with fair value measured at each reporting period.

During the nine months ended March 31, 2013, \$86,000 (year ended June 30, 2012 - \$138,000) of convertible debentures were settled by issuing 651,936 (year ended June 30, 2012 - 629,158) shares of common stock of the Company. As at March 31, 2013, \$173,471 (June 30, 2012 - \$236,926) representing the fair value of the derivative liabilities and the amortized cost of convertible debentures settled was included as additional paid-in capital.

During the nine months ended March 31, 2013, \$78,500 (year ended June 30, 2012 - \$nil) of convertible debentures were settled by paying \$120,865 (year ended June 30, 2012 - \$nil). As at March 31, 2013, \$26,189 (June 30, 2012 - \$nil) representing the net gain on settlement of convertible debentures was recognized.

During the nine months ended March 31, 2013, a fair value loss on the derivative liabilities of \$54,745 (year ended June 30, 2012 - \$89,326) was recognized.

During the nine months ended March 31, 2013, the Company incurred \$20,500 (year ended June 30, 2012 - \$15,500) in transactions costs in connection with the issuance of the convertible debentures, which has been recorded as a reduction of the carrying value of convertible debentures.

At March 31, 2013, 667,854 (June 30, 2012 - 301,261) shares of common stock of the Company would be required to settle the remaining convertible debentures.

As at March 31, 2013, the face value of convertible debentures is \$230,525 (June 30, 2012 - \$133,510), which includes accrued interest of \$2,525 (June 30, 2012 - \$1,510).

The fair value of the derivative financial liabilities are calculated using the Black-Scholes valuation method at the consolidated balance sheet dates.

The following assumptions were used in determining the weighted average fair value of the derivative financial liabilities outstanding at inception:

	March 31, 2013	June 30, 2012
Expected life (years)	0.85	0.76
Interest rate	1.08%	0.71%
Volatility	68.34%	62.80%
Dividend yield	N/A	N/A
Estimated forfeitures	N/A	N/A

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11. CONVERTIBLE DEBENTURE (continued)

The following assumptions were used in determining the weighted average fair value of the derivative financial liabilities on settlement:

	March 31, 2013	June 30, 2012
Expected life (years)	0.22	0.20
Interest rate	0.95%	0.66%
Volatility	58.40%	72.76%
Dividend yield	N/A	N/A
Estimated forfeitures	N/A	N/A

The following assumptions were used in determining the weighted average fair value of the derivative financial liabilities:

	March 31, 2013	June 30, 2012
Expected life (years)	0.66	0.62
Interest rate	1.02%	0.94%
Volatility	82.18%	70.20%
Dividend yield	N/A	N/A
Estimated forfeitures	N/A	N/A

The carrying value of the convertible debentures are as follows:

	March 31, 2013	June 30, 2012
Fair value of convertible debenture, opening	\$ 93,356	\$ 0
Fair value at inception of new tranches	109,374	158,500
Interest accrued	71,529	55,174
Loss on early repayment	44,489	0
Repayment on November 28, 2012 (cash)	(120,865)	0
Settlement (issuance of common shares)	(81,676)	(120,318)
Carrying amount of convertible debenture	\$ 116,207	\$ 93,356

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11. CONVERTIBLE DEBENTURE (continued)

The carrying value of the derivative financial liability is as follows:

	March 31, 2013	June 30, 2012
Fair value of derivative liability, opening	\$ 84,718	\$ 0
Fair value at inception of new tranches	130,626	111,501
Loss on fair value of derivative liability	54,745	89,326
Gain on early repayment	(70,678)	0
Settlement (issuance of common shares)	(91,795)	(116,109)
Carrying amount of derivative liability	\$ 107,616	\$ 84,718

12. PROMISSORY NOTE PAYABLE

On December 31, 2011, the Company entered into a promissory note agreement with Jasper Rubber Products, Inc. for \$235,129, which bears interest at 18% annually. Any unpaid principal and unpaid accrued interest was due December 30, 2012, the maturity date. Any payments made during the year shall be first applied to unpaid accrued interest, then to the reduction of principal and finally to any other accounts payable balances owing at the time of payment.

During the nine months ended March 31, 2013, \$132,485 (year ended June 30, 2012 - \$127,804) was repaid by the Company representing the total remaining balance. During the nine months ended March 31, 2013, interest expense paid on the promissory note was \$8,789 (year ended June 30, 2012 - \$16,370).

13. LOAN PAYABLE

On September 1, 2012, the Company entered into a financing arrangement with AON Premium Finance LLC to cover directors' and officers' liability insurance for the period September 1, 2012 to September 1, 2013. The amount financed totals \$103,423, which bears interest at 4.99% annually. As at March 31, 2013, two monthly payments of \$11,704 and one payment of \$8,300 consisting of principal and interest are required to be paid to settle amounts owing.

14. EXTINGUISHMENT OF DEBT

During the nine months ended March 31, 2013, the following debts were extinguished:

- (a) On November 8, 2012, a director of the Company resigned from his position as director and CEO of the Company. An agreement was signed indicating that all amounts owing at the agreement date would be waived resulting in payables of \$228,897 recognized as a gain on extinguishment of debt charged to accumulated deficit. Further, the agreement indicated that the Company would redeem 70,588 shares of preferred stock held by the director at \$4.25 per share for a total of \$300,000 as follows:
 - (i) Monthly installments of \$7,500 would be paid on the 15th of each month starting November 15, 2012 until June 15, 2013;
 - (ii) Monthly installments of \$10,000 would be paid on the 15th of each month starting July 15, 2013 until December 15, 2014; and
 - (iii) A lump sum payment of \$60,000 on January 15, 2015.

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14. EXTINGUISHMENT OF DEBT (continued)

(a) (continued)

The \$300,000 has been reclassified as a liability with the \$70,588 par value removed from equity, and \$229,412 value in excess of par charged to accumulated deficit. As at March 31, 2013, no payments have been made and no preferred stock has been redeemed.

(b) During the nine months ended March 31, 2013, legal fees included in accounts payable were derecognized as a result of becoming time barred due to the statute of limitations. A total of \$355,022 has been recognized as a gain on extinguishment of liabilities in the consolidated statement of operations.

15. SUBSEQUENT EVENTS

In accordance with Accounting Standards Codification Topic No. 855 *Subsequent Events*, the Company has evaluated subsequent events through the time between the end of the reporting period and the time this Quarterly Report on Form 10-Q for the nine months ended March 31, 2013 was filed.

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

Forward Looking Statements

Statements contained herein that are not historical facts are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, the forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected. We caution investors that any forward-looking statements made by us are not guarantees of future performance and that actual results may differ materially from those in the forward-looking statements. Such risks and uncertainties include, without limitation: well-established competitors who have substantially greater financial resources and longer operating histories, regulatory delays or denials, our ability to compete as a start-up company in a highly competitive market, our access to sources of capital, and other risks and uncertainties described in our annual report on Form 10-K for the fiscal year ended June 30, 2012 as filed with the Securities and Exchange Commission on September 28, 2012, and available at www.sec.gov.

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

Overview

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

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

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

Patents/Trademarks on Technologies

Our intellectual property portfolio consists of over eleven years of accumulated research and design knowledge and trade secrets. We have sought United States ("US") patent protection for many of our ideas related to our ElectriPlast® technologies. Currently, we have filed 111 non-provisional US patent applications, 55 of which have been issued as patents, with 51 of those issued patents not yet expired. 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 and license the design(s) described in each issued patent for the life of the patent in the US.

Of the 111 non-provisional applications filed that have not issued as patents, 12 are currently pending, and 44 are no longer pending. Integral continues to pursue intellectual property protection through its patent and trademark portfolio while constantly evaluating its filings to judiciously apply resources to our most critical technologies. Integral has filed 12 Canadian patent applications, 2 of which have issued, with 10 no longer being active.

Integral has one pending US trademark application for ELECTRIPLAST™, one registered US trademark for ELECTRIPLAST®, a registered US trademark for INTEGRAL (with design)®, and a pending US trademark application for WHERE LIGHTWEIGHTING STARTS™. In addition, Integral has a registered mark for ELECTRIPLAST® in China and Japan, plus pending trademark applications in Europe, Korea and Taiwan for ELECTRIPLAST™. In addition, Integral has pending trademark applications in China, Japan, Europe, Korea and Taiwan for WHERE LIGHTWEIGHTING STARTS™. These applications and registration establish rights for the use of these marks in commerce.

Financial Condition

To date we have recorded nominal revenues. We are still considered a development stage company for accounting purposes. From the Company's incorporation on February 12, 1996 through March 31, 2013, we have accrued an accumulated deficit of approximately \$42,557,913.

At March 31, 2013, our current assets totaled \$219,644, which consisted of cash equal to \$169,064 and prepaid expenses of \$50,580. All of our property and equipment has been fully depreciated.

At March 31, 2013 our current liabilities totaled \$2,295,838 consisting of accounts payable and accruals of \$1,890,307, loan payable of \$31,708, convertible debenture of \$116,207, derivative financial liability of \$107,616 and redeemable preferred stock of \$150,000. Of the accounts payable and accruals total, payables for legal fees (including associated filing fees) related to patent filings accounted for approximately \$179,979 of the total. The convertible debentures were measured at the present value with the embedded conversion feature being treated as a derivative liability with fair value measured at each reporting date. During the nine months ending March 31, 2013, interest expense of \$71,529 was accrued on the convertible debenture and fair value loss on the derivative liability of \$54,745 recorded on the consolidated statement of operations.

At March 31, 2013 long term liabilities totaled \$150,000 consisting of the long term portion of redeemable preferred stock.

At March 31, 2013, our total stockholder's deficit was \$2,226,194.

Results of Operations for the Three Months Ended March 31, 2013 compared to the Three Months Ended March 31, 2012

Our net loss for the quarter ended March 31, 2013 was \$169,747 compared to a net loss of \$1,226,451 for the corresponding period of the prior fiscal year. The decrease of \$1,056,704 was primarily a result of a decrease in consulting fees of \$458,170, a decrease in salaries of \$55,000, a decrease in net research and development expenses of \$56,767, a gain on the extinguishment of debt of \$355,022 and an increase in fair value gain on derivative financial liabilities of \$33,539.

Total expenses for the quarter ended March 31, 2013 was \$169,821 compared to expenses of \$1,226,487 for the corresponding period of the prior fiscal year. The decrease of \$1,056,666 is described in the above paragraph.

Consulting expenses during the quarter ended March 31, 2013 were \$332,098 which included \$24,896 for non-cash stock based compensation charges. In the corresponding period of the prior fiscal year, consulting expenses were \$790,268 which included issuances of shares in consideration for consulting services in the amount of \$22,250, and \$158,285 for non-cash stock based compensation charges for the vesting of options previously issued and the extension of the expiry date of warrants issued as consulting fees.

Salaries and benefits expenses during the quarter ended March 31, 2013, were \$55,000. In the corresponding period of the prior fiscal year, salaries and benefits expenses were \$110,000.

During the quarter ended March 31, 2013 research and development of (\$20,298) is attributable to refining the manufacturing process of our ElectriPlast™ material. Revenues of \$30,458 were earned and netted against research and development from the sales of sample product during the quarter ended March 31, 2013. In the corresponding period of the prior fiscal year, research and development costs totaled \$36,469 for a decrease of \$56,767 relating to less material being purchased and more sample product sales.

Results of Operations for the Nine Months Ended March 31, 2013 compared to the Nine Months Ended March 31, 2012

Our net loss for the nine months ended March 31 2013, was \$2,231,637 compared to a net loss of \$2,633,634 for the corresponding period of the prior fiscal year. The decrease of \$401,997 was primarily a result of a decrease in salaries of \$110,000, an extinguishment of debt of \$355,022 and an increase in fair value loss on derivative financial liabilities of \$30,919.

Total expenses for the nine months ended March 31, 2013 were \$2,231,824 compared to total expenses of \$2,633,670 for the corresponding period of the prior fiscal year. The decrease of \$660,743 is described in the above paragraph.

Total income for the nine months ended March 31, 2013, was comprised of "other income" of \$187 compared to "other income" of \$36 for the corresponding period of the prior fiscal year, an increase of \$151. The category of "other income" consists of interest income.

Consulting expense during the nine months ended March 31, 2013 was \$1,558,999 which includes non-cash issuances of shares in consideration for consulting services in the amount of \$349,125 and \$307,968 for non-cash stock based compensation charges. In the corresponding period of the prior fiscal year, consulting expenses were \$1,449,291 which includes non-cash issuances of shares in consideration for consulting services in the amount of \$36,264 and \$356,259 for non-cash stock based compensation charges.

Salaries and benefits expenses during the nine months ended March 31, 2013, were \$220,000 which included non-cash, stock based compensation charges of \$0. In the corresponding period of the prior fiscal year, salaries and benefits expenses were \$330,000 which included non-cash, stock based compensation charges of \$0.

Research and development costs of \$63,397 during the nine months ended March 31, 2013, are attributable to refining the manufacturing process of our ElectriPlast™ material. In the corresponding period of the prior fiscal year, the amount expensed under this category was \$159,118.

For the nine months ended March 31, 2013, our cash used in operating activities was \$1,430,016 compared to \$1,099,142 used in the corresponding period of the prior fiscal year for an increase of \$330,874.

For the nine months ended March 31, 2013, our cash provided by financing activities was \$1,426,907 compared to \$1,322,119 provided in the corresponding period of the prior fiscal year. The difference of \$104,788 was mainly due to increased issuances of common stock during the nine months ended March 31, 2013.

Critical Accounting Policies and Estimates

The details of the critical accounting policies relevant to the Company are set out note 2 of the audited consolidated financial statements for the year ended June 30, 2012, filed with the Securities and Exchange Commission on September 28, 2012. There have been no material changes to our critical accounting policies as described in Item 7 of our most recent annual report on Form 10-K for the year ended June 30, 2012.

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

Liquidity and Capital Resources

Since inception we have funded our operations through capital fundraising, issuance of convertible debt and loans from management. As of March 31, 2013, we had \$169,064, in cash on hand.

Management believes that there is not adequate cash on hand to fund operations over the next three months, and that further equity funding is required. There can be no assurance that additional equity financing will be available on terms satisfactory to us, or at all, and if funds are raised in the future through issuance of preferred stock, these securities could have rights, privileges or preference senior to those of our common stock. Further, any sale of newly issued equity securities could result in additional dilution to our current shareholders.

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

Off-Balance Sheet Arrangements

We have never entered into any off-balance sheet financing arrangements and have never established any special purpose entities. We have not guaranteed any debt or commitments of other entities, nor entered into any options or non-financed assets.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable to smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013, our management, including our principal executive officer and principal financial officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2013.

Changes in Internal Control over Financial Reporting

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

PART II

OTHER INFORMATION COMPANY CONFIRM OR UPDATE AS NEEDED

ITEM 1 - LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

Not applicable for smaller reporting companies.

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

During the period ended March 31, 2013, the Company completed seven private placements.

- i. The first private placement amounted to \$186,600 for the issuance of 533,140 units consisting of common stock at \$0.35 per share and warrants at \$0.001 per warrant to purchase 799,708 shares of common stock on or before August 31, 2014 at an exercise price of \$0.70 per share.
- ii. The second private placement amounted to \$422,297 for the issuance of 1,398,333 units consisting of common stock at \$0.30 per share and warrants at \$0.001 per warrant to purchase 2,796,666 shares of common stock on or before August 31, 2014 at an exercise price of \$0.60 per share.
- iii. The third private placement amounted to \$143,769 for the issuance of 363,296 units consisting of common stock at \$0.30 per share and 100,000 units consisting of common stock at \$0.35 and warrants at \$0.001 per warrant to purchase 926,604 shares of common stock on or before September 30, 2014 at an exercise price of \$0.50 per share.
- iv. The fourth private placement amounted to \$5,000 for the issuance of 14,285 units consisting of common stock at \$0.35 per share and warrants at \$0.001 per warrant to purchase 21,421 shares of common stock on or before February 28, 2014 at an exercise price of \$0.70 per share.
- v. The fifth private placement amounted to \$414,954 for the issuance of 2,075,000 units consisting of common stock at \$0.20 per share and warrants at \$0.001 per warrant to purchase 4,150,000 shares of common stock on or before January 31, 2015 at an exercise price of \$0.50 per share.
- vi. The sixth private placement amounted to \$598,650 for the issuance of 2,368,250 units consisting of common stock at \$0.20 per share and 1,250,000 units consisting of common stock at \$0.10 and warrants at \$0.001 per warrant to purchase 4,736,500 shares of common stock on or before February 28, 2015 at an exercise price of \$0.50 per share.
- vii. The seventh private placement amounted to \$20,000 for the issuance of 100,000 units consisting of common stock at \$0.20 per share and warrants at \$0.001 per warrant to purchase 200,000 shares of common stock on or before February 28, 2015 at an exercise price of \$0.50 per share.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 - REMOVED AND RESERVED

None.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6. Exhibits

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

SIGNATURES

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

Integral Technologies, Inc.

By: /s/ Doug Bathauer
Doug Bathauer, Chief Executive Officer
and Principal Executive Officer

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

Date: May 15, 2013

EXHIBIT INDEX

31.1	Certification by Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act is filed herewith.
31.2	Certification by Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act is filed herewith.
32.1	Certification by Chief Executive Officer and Chief Financial Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code is filed herewith.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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

I, Doug Bathauer, Chief Executive Officer of Integral Technologies, Inc. certify that:

1. I have reviewed this quarterly report on Form 10-Q of Integral Technologies, Inc. for the period ended March 31, 2013;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 15, 2013

By: /s/ Doug Bathauer
Doug Bathauer
Chief Executive Officer

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

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

1. I have reviewed this quarterly report on Form 10-Q of Integral Technologies, Inc. for the period ended March 31, 2013;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 15 , 2013

By: /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

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

- (1) The Quarterly Report of the Company on Form 10-Q, for the fiscal period ended March 31, 2013 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Doug Bathauer
Doug Bathauer
Chief Executive Officer

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

May 15, 2013

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

