

**CEO  
CFO****INTERNATIONAL  
BARRIER  
TECHNOLOGY INC**Issue:  
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## **International Barrier Technology Inc. Develops And Manufactures Fire-Rated Pyrotite® Materials To Add Strength And Fire Resistance To Wood Panels Used In Constructing Homes And Other Buildings**

**Building Materials  
Fire Resistant  
(IBTGF-OTC: BB, IBH-TSXV)**

**International Barrier Technology Inc.**

**510 4<sup>th</sup> Street North  
Watkins, MN 55389  
Phone: 320-764-5797**



**Dr. Michael D. Huddy, Ph.D.  
President, CEO and Director**

### **BIO:**

Dr. Huddy joined Barrier in 1993 as the President of Barrier Technology Corporation (Barrier USA). He was elected President of International Barrier Technology (Barrier) in July 1994 and additionally elected a Director in 1995. Dr. Huddy was previously in charge of marketing and sales of Blazeguard® with Citadel and Weyerhaeuser. He was a part of Weyerhaeuser's R&D team established to develop the Blazeguard product.

Dr. Huddy brings to Barrier considerable sales, marketing and general management experience. He joined Weyerhaeuser's Architectural Products Group

in 1988, after two years as General Manager of Weyerhaeuser's Northwest Hardwoods operations in Wisconsin. Before joining Weyerhaeuser, Dr. Huddy worked for Crown Zellerbach Corporation for seven years in various capacities from Forestry Engineer to Research Division Manager. Dr. Huddy holds a Bachelor of Science Degree in Biological Sciences with a minor in Chemistry from Lake Superior State College; a Masters of Science degree in Resource Administration; and a Ph.D. in Natural Resource Economics with a minor in Business Management from Michigan State University.

### **Company Profile:**

International Barrier Technology Inc. (OTCBB: IBTGF; TSXV: IBH) develops, manufactures, and markets proprietary fire-resistant building materials branded as LP® FlameBlock® Fire-Rated OSB Sheathing and Mule-Hide FR Deck Panel. Barrier's award-winning fire-resistant wood panels use a patented, non-toxic, non-combustible coating with an extraordinary capability: it releases water in the heat of fire. The panels exceed "model" building code requirements in every targeted fire test and application, and are unique in combining properties that increase panel strength and minimize environmental and human impact. Barrier's family of products provides customers a premium material choice meeting an increasingly challenging combination of requirements in residential and commercial building construction.

**Interview conducted by:  
Lynn Fosse, Senior Editor**

**CEOCFO:** Mr. Huddy, what is the main focus of International Barrier Technology?

**Mr. Huddy:** The focus of International Barrier Technology is the manufacture of a fire retardant material called Pyrotite®, a proprietary formulation that when applied to wood imparts a great deal of fire resistance to the wood and adds strength to the wood as well. Our focus at International Barrier is creating, manufacturing, and marketing fire-rated building products.

**CEOCFO:** Would you explain how Pyrotite is fire resistant and are there other products that do something similar?

**Mr. Huddy:** The Pyrotite technology places material on the surface of the wood, so in that regard Pyrotite is considered a coating. It is hard, like a laminate. There are other coatings out in the marketplace that protect wood for a short period of time – fire-retardant paints. However, fire-retardant paints don't add any structural stability, and their resistance capabilities aren't quite as high [as Pyrotite]. Pyrotite is unique in that it is basically a special kind of cement that goes on very thinly over the surface of the wood and it is long-lasting. It is inert to weather, and time won't change its characteristics. You can imagine how strong the wood would get if you added a thin layer of cement, so basically there really isn't anything out there in the market that is exactly like Pyrotite. There are some fire-rated coatings and some chemicals where after you immerse wood in the chemicals, the chemicals themselves would turn to acid under high temperatures in the presence of a fire and basically disintegrate the wood before it could burn. However, functionally, Pyrotite is unique in how it protects wood from fire.

**CEOCFO:** Where and how is Pyrotite being used today?

**Mr. Huddy:** There are a number of different applications. One of our newest market focuses is on the wildfire zones of California. California, as you can imagine, has some unique problems with regard to fire in that many homes are being built in areas called the Wildland Urban Interface (WUI). Many buildings in the WUI are constructed of wood and may be located in areas that burn very quickly and are some distance away from fire departments. We currently produce our Pyrotite-coated material under two private-label products. One is for LP® Building Products called FlameBlock®, and the second is for Mule-Hide Products called Mule-Hide FR Deck Panel. Those products are in use now in California to help stop houses from igniting as wildfires pass through. So, one geographic area of use is in California wildfire zones. In addition, we have fire-resistant one-hour and two-hour rated wall assemblies that also provide shear strength for earthquake zones. Our products are also used in roof decks. So if the roof deck itself needs to be fire retardant, our products can be used there as well.

**CEOCFO:** What does it add to the cost compared to a non-fire retardant?

**Mr. Huddy:** We put Pyrotite on wood products, which can be volatile in price; commodity wood prices can go up and down by 100% in a period of months. The relative price of our treatment is dependent upon the cyclical price of the wood itself. However, Pyrotite treatment might double the cost of the underlying wood panel. So if a wood panel might be \$8 per sheet, the cost of the FlameBlock® or the FR Deck product might be double that. Of course it also depends on where the product is being bought or sold, panel thickness and market conditions, so there are many things that play into price. It may not be an insignificant amount of money, but relative to the value of saving your home, fire-

treatment can be very economical and can help lower insurance cost.

**CEOCFO:** Would you tell me about your agreement with Louisiana Pacific?

**Mr. Huddy:** Louisiana Pacific (LP) is the world's largest producer of oriented strand board (OSB) – a plywood-like wood panel material made not out of veneers, but out of wood chips. LP is healthy and has a wonderful reputation as being not only the largest, but also a very high-quality producer of those wood pan-

**We have proven technology and have code reports from the International Code Council that show that we meet the requirements for fire resistance in the building applications that we target. There is what is going on with code development and requirements in California, and the fact that we have all the pre-work under our belts. Now, not only do we have adequate capacity for increased production – due to improvements and additions to our production facility in recent years – we also have a partnership with LP that brings us multitudes of interfaces with distribution networks, builders and architects. These are opportunities that Barrier, being a relatively small company, never has had. So, I would say the reason that this is a good investment or opportunity for investment is simply that we are positioned well to really make some inroads as the economy recovers, and that has not yet been reflected in either the volume or sales price of our stock. So, as we truly demonstrate and perform the way we intend to, it could be a good time for somebody to consider getting in, still early enough to be able to ride this potential wave of Barrier success.**

**- Dr. Michael D. Huddy**

els. They sell billions of square feet of OSB and manufacture that much every year. LP is interested in value-added projects and materials for their OSB. They have a radiant barrier panel, sub-flooring panels, termite-resistant panels; a number of products. What Pyrotite technology and International Barrier offered or brought to them was the opportunity to create a fire-rated, value-added OSB panel. So, LP is adding to their portfolio a value-added OSB using Pyrotite technology, which was chosen after evaluating several different fire-rated technolo-

gies available at the time. Pyrotite was the technology chosen and International Barrier was the company LP picked to work with. It took nearly a year for LP to study the various technologies that were around in 2009 and early 2010, and Pyrotite was their pick. So we are very proud of that.

**CEOCFO:** How long has International Barrier been providing innovative products?

**Mr. Huddy:** Cement technologies date back to the late 1800s, but the materials themselves can be somewhat difficult to work with in a manufacturing setting. We use small batches, focusing on getting the material to stick appropriately and to be smooth, attractive and uniform. There were a whole lot of things that we needed to discover in order to scale this business up to a size that was efficient as well as being effective in imparting fire retardant capabilities to wood. Over the last 25 years, we have been focusing on better ways to manufacture Pyrotite-coated panels and bring the cost down. As I said earlier, the relative cost of this is not insignificant, and we believe that we have to be competitively priced in the market place in order for builders to want to use us. It is not enough just to be the best performer; you must also be competitively priced. We have been working on that, and it is one of the things that the agreement with LP Building Products brings to the table

for us. LP supplies materials that we treat and the finished product goes right back to them -- so now we control not only our destiny with regard to the cost and manufacturing of the Pyrotite fire retardant material, we are also tied right back into the production of the OSB. Our prices have come down dramatically and our products can be priced much more competitively in the marketplace.

**CEOCFO:** How is business these days?

**Mr. Huddy:** As we all know, the building industry is still on its ear with regard

to housing starts. We are far below anything we were seeing in the mid 2000's; that would be 2004 through 2006 and early 2007, where things were unprecedented in the volumes that were being sold and we increased our capacity at our Minnesota operating plant as a result of increasing demand. When the building economy slipped, so did our sales. It has been a tough couple of years, as it has been for most everybody in the building products business. However, I am happy to report that on a percentage basis our growth rates in 2010 calendar year were double-digit growth over the previous year. So even though the economy is stagnant, we have picked up some market share largely as a result of the efforts of LP and our ability to bring the sales price down. We are encouraged by what happened in 2010 and look forward with great interest to what is going to unfold for us in 2011.

**CEOCFO:** Are investors starting to pay attention?

**Mr. Huddy:** We have a lot of eyes on us right now. Again, I think there is nervousness in the investment community, especially as it relates to building products in general, but we have been out

talking to investors. We have reported about our relationship with LP and how we have begun to pick up market share and how our financials are slowly improving. A lot of investors are waiting to see these positive developments really unfold. We have been talking about the possibilities and opportunities that fire-rated building products bring to us and that has started to manifest itself in increased sales and profitability. Therefore, we could see a large movement of people being interested in actively investing in our stock, and I hope that happens.

**CEOCFO:** In closing, make the case to potential investors, and why should they be looking at International Barrier Technology?

**Mr. Huddy:** There is a great deal of time and effort that goes into developing new products and technology in this field, and that is not just in R&D. A great deal of time and effort has to go into certifications and listings in building code reports, as well as in generating market awareness that your products are listed in those reports. International Barrier Technology has been around long enough to have accomplished all of those things. We have proven technology and have

code reports from the International Code Council that show that we meet the requirements for fire resistance in the building applications that we target. There is what is going on with code development and requirements in California, and the fact that we have all the pre-work under our belts. Now, not only do we have adequate capacity for increased production – due to improvements and additions to our production facility in recent years – we also have a partnership with LP that brings us multitudes of interfaces with distribution networks, builders and architects. These are opportunities that Barrier, being a relatively small company, never has had. So, I would say the reason that this is a good investment or opportunity for investment is simply that we are positioned well to really make some inroads as the economy recovers, and that has not yet been reflected in either the volume or sales price of our stock. So, as we truly demonstrate and perform the way we intend to, it could be a good time for somebody to consider getting in, still early enough to be able to ride this potential wave of Barrier success.



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