

## OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS

Dated: November 20, 2009

### ALL REFERENCES TO \$ ARE IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED

<b>THE ISSUER</b>	REG TECHNOLOGIES INC. #240 – 11780 Hammersmith Way Richmond, BC V7A 5E9 Telephone : 604-278-5996 Fax: 604-278-3409 Email: <a href="mailto:jr@ihiway.com">jr@ihiway.com</a>
Currently listed or quoted	Yes: TSX Venture: RRE.V OTC BB: REGRF.OB
Reporting Issuer	Yes: British Columbia, Alberta, United States
SEDAR Filer	Yes
<b>THE OFFERING</b>	
Securities Offered:	Up to 3,000,000 Units, consisting of one treasury share of common stock and one share purchase warrant. Each warrant shall entitle the holder to purchase one additional share of common stock at a price of \$0.20 for one year from the date the units are issued.
Price per Unit:	\$0.15 per Unit
Minimum/Maximum Offering	\$0 / \$450,000 <b>You may be the only purchaser.</b>
Minimum Subscription Amount	There is no minimum subscription amount an investor must invest.
Payment Terms:	Bank draft, certified cheque, personal cheque
Proposed Closing Date:	One or more dates prior to December 21, 2009. Dates may be amended.
Income Tax Consequences	There are important tax consequences to these securities. See Item 6.
Selling Agent:	None.

### RESALE RESTRICTIONS

You will be restricted from selling your securities for 4 months and a day in Canada, or six months on the OTC BB under Regulation S under the United States Securities Act of 1933 (the “33 Act”), (“Regulation S”), or Rule 144 under the 33 Act, as applicable. See Item 10.

### PURCHASER’S RIGHTS

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11.

**NO SECURITIES REGULATORY AUTHORITY HAS ASSESSED THE MERITS OF THESE SECURITIES OR REVIEWED THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS IS A RISKY INVESTMENT. SEE ITEM 8.**

## ITEM 1 Use Of Net Proceeds

### 1.1 Net Proceeds

The net proceeds of the offering and the funds that will be available to us after this offering are as follows:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by this offering	\$ 0	\$450,000
B	Selling commissions and fees	\$ 0	\$ 36,000
C	Estimated offering cost (e.g. legal, accounting, audit, etc.)	\$ 20,000	\$ 20,000
D	Net proceeds: D= A-(B+C)	\$ (20,000)	\$394,000

### 1.2 Use of Net Proceeds

(a) How we intended to spend the net proceeds of this offering:

Description of intended use of net proceeds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
RadMax® Research and Development (1)	\$ 0	\$ 100,000
Working capital and accounts payable (2)	\$ 0	\$ 294,000
Cost of offering	\$20,000	\$ 20,000
Commissions	\$ 0	\$ 36,000

(1) We plan to continue the development, design and testing work on the RadMax® diesel engine.

(2) See attached interim financial statements for the period ended July 31, 2009, and refer to our audited financial statements for the year ended April 30, 2009 filed on SEDAR.

### How we propose to spend the net proceeds of this offering:

The Company plans to raise \$450,000 in this private placement. This amount will include working capital requirements and accounts payable.

### 1.3 Reallocation

We intend to spend the available funds as stated in item 1.2 above. We will reallocate funds only for sound business reasons.

### 1.4 Working Capital Deficiency

As at July 31, 2009, the Company had working capital of \$229,163 as compared to working capital of \$290,087 at April 30, 2009. Of the \$229,163, \$543,154 is due from REGI U.S., Inc. ("REGI"). This receivable relates mainly to project costs as REGI owns the U.S. marketing and intellectual rights and has a project cost sharing agreement, whereby it will fund 50% of the further development of RadMax® Engine and Reg Technologies Inc. will fund 50%. REGI only had US\$NIL cash and a US\$1,084,984 working capital deficiency at its July 31, 2009 period end.

## **ITEM 2 Business of Reg Technologies Inc.**

### **2.1 Structure**

We were originally incorporated on October 6, 1982 as Reg Resources Corp. under a perpetual charter pursuant to the British Columbia Company Act by registration of our Memorandum and Articles. On February 23, 1993 we changed our name to Reg Technologies Inc. in order to better reflect our main area of business development. Our authorized capital consists of 65,000,000 shares consisting of 50,000,000 common shares without par value, 10,000,000 preferred shares with a par value of \$1.00 per share and 5,000,000 Class "A" non-voting shares without par value. Of the 50,000,000 common shares without par value, 25,713,927 shares were issued and outstanding as of April 30, 2009 and 25,713,927 are outstanding as at November 20, 2009. There are no Preferred or Class "A" Shares currently outstanding. All the Issuer's outstanding shares are Common Shares. They are not subject to any future call or assessment and they all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the shares and they all rank equally, as to all benefits that might accrue to the holder thereof.

### **2.2 Our Business**

Reg Technologies Inc. ("Reg" or the "Company") is a development stage company engaged in the business of developing and building an improved axial vane-type rotary engine known as the RadMax® rotary technology (the "Technology" or the "RadMax® Engine"), used in the design of lightweight and high efficiency engines, compressors and pumps. Since no marketable product has yet been developed, we have not received any revenues from operations.

### **2.3 Development of the Business**

#### **Overview**

##### **RadMax® Pump**

We actively pursued the development of the RadMax® Pump from early 2007 until March 2008. From September 2007 until March 2008, we worked with an industry partner in the water pump industry. The partner evaluated the Pump as a potential new product offering as part of its fire engine chemical dispersant product line. The evaluation and test period ended when the partner had a change in its senior management and their leading advocate left the company. Until there is further interest established in the RadMax® Pump by an end user, no further work is anticipated.

We then focused all our technical resources on validating the seals for a compressor application, leading towards the technology incorporation in the RadMax® engine.

In February 2009 the pump was set up in the Company's Richmond, B.C. laboratory, for demonstration to interested parties. It is a fully functional prototype capable of pumping twice its internal volume every revolution. Future development would take the form of customization based on interest from another industry partner. Commercialization requires tooling to significantly reduce the cost of the pump in a production environment.

##### **RadMax® Compressor**

We pursued the development of high pressure metal seals using the RadMax® Compressor from July 2007 until September 2007. The technical concept of high pressure metal seals was validated in a

prototype compressor test bed that was fabricated from residual hardware. There was no immediate interest by an industry partner to continue a joint development of the RadMax® Compressor. Until there is further interest established in the RadMax® Compressor by an end user, no further work will be conducted. The compressor is a fully functional prototype design capable of 48 individual compression events every revolution, which represent twice its internal volume. Future development would take the form of customization based on interest from another industry partner. Commercialization requires tooling to significantly reduce the cost of the compressor in a production environment.

### **RadMax® Engine**

Together with REGI U.S. Inc., and a Fortune 1000 Company, we are developing a RadMax® Diesel Engine application based on a specification of its industry partner. Under the terms of a non disclosure, we are prohibited from publishing the name of the partner or discussing the partner's specific application.

We have issued press releases that state the RadMax® Diesel Engine could achieve improved fuel consumption when compared to gasoline and turbine engines. This was based on a review by our thermodynamics engineer, Dr. Allen MacKnight, PhD, of published industry literature. Specifically, a given volume of diesel fuel contains approximately 30% more energy than the same volume of gasoline and diesel engines consume approximately 0.4 pounds of fuel for every horsepower hour. As a point of reference, all turbine engines consume approximately 0.8 pounds of fuel for every horsepower hour.

To bring the RadMax® Diesel Engine from concept to reality, a number of milestones, or steps, are required for ultimate qualification. These start with concept drawings and presentations, and lead to testing by independent agencies to validate the emissions, horsepower, and other critical metrics.

REGI U.S. Inc. entered into an agreement with a Fortune 1000 Company to evaluate and consider technical solutions in developing a RadMax® rotary engine technology for certain commercial and military applications.

The agreement gives the Fortune Company an option for 90 days after the completion of the evaluation period to execute a letter of intent for exclusive commercial and military markets. They have a period of 12 months after completion of the evaluation period to execute a letter of intent to a non-exclusive license for the REGI rotary engine for certain commercial and military markets.

Since the April 30, 2008 agreement, the Fortune 1000 Company and REGI U.S. engineers have been carrying out a joint technical assessment of the REGI U.S. RadMax® engine and their engineers made several improvements and changes. The Fortune Company has recommended Belcan Engineering ([www.belcan.com](http://www.belcan.com)) to complete an assessment of the new design and recommend any further changes before the fabrication of the engine commences.

An extension of the agreement with the Fortune 1000 Company was extended to December 31, 2009 to complete the evaluation and technical assessment of the REGI U.S. RadMax® Engine design. The project scope will also include a performance evaluation report that compares actual performance with the initial set of requirements that will be used to provide the basis for recommendations arising from the assessment pursuant to our evaluation agreement.

The company states that:

- The RadMax® Diesel Engine which we are developing must be technologically superior or at least equal to other engines that competitors offer and must have a competitive price/performance ratio to adequately penetrate its potential markets.
- A number of rotary engines have been designed over the past 80 years but only one, the Wankel, has been able to achieve mechanical practicality and any significant market acceptance.

The following new timetable is an estimate for completion of the prototype engine:

- Completion of Belcan Engineering review – approx. 6 months (May 2010)
- Review and Approval by the Fortune 1000 Company – approx. mid December
- Fabrication of the prototype engine – approx. 3 months (February 2010)
- Initial prototype testing – approx. 3 months (February 2010)

Reg Technologies, Inc. has the worldwide rights, excluding the U.S. rights, to the RadMax® technology by paying 50% of the R&D costs.

### **Recent Events**

On May 22, 2009 drawings were released to start fabrication of a RadMax® Engine test rig. The test rig is designed to test multiple versions of the RadMax® vane actuation systems. A cam device, driven by a variable speed motor, will propel the vane through its full range of axial motion prior to the implementation of a full scale RadMax® prototype. The purpose of the test rig is to verify the vane actuation system design and make any modifications indicated by the tests prior to the implementation of a full scale prototype. Flexibility in design will allow testing of an alternate vane actuation system, currently under development with the evaluation company. When testing commences, the test rig shall provide validation of vane motion, measurement position tracking, induced vibration, required forces, and other parameters. Potential future capabilities under consideration include adding high speed video to “capture” instantaneous changes in motion, balance and vibration, harmonics, and thermal cycling to measure changes as a result of temperature extremes.

We estimated that the test rig design could be completed in 4 to 6 weeks, and then commence the fabrication of the diesel engine application for the evaluation company. We believe the testing of these important aspects of the evaluation company’s diesel engine application will determine the final design and fabrication will be the next important milestone.

Following completion of reviews by the evaluation company, and the COSMOS analysis, a Request for Proposals (RFP) was issued to three pre-qualified bidders to provide a fixed-price quotation versus a formal Statement of Work (SOW). The RFP was released 12 June 2009. We offered a 30-day period for review of drawings, and responses to questions. After the review period, bidders will have 10 days to submit a quotation and schedule for each line item. The closing date of the open discussion period was 10 July 2009. The closing date for receipt of the proposals was 28 July 2009. Proposals were received, a comparative analysis was performed, and we planned a fixed-price award. Following final review and approval by the evaluation company, we plan to make an award to the most responsible and compliant bidder.

Based on the progress of the design, the evaluation company revised its guidance. Instead on fabricating a prototype based on the initial design, we were directed to proceed with design of a pre-production unit. This unit incorporates all enhancements necessary to achieve pre-production unit tests.

As directed, we are in the process of contracting with an engineering evaluation company with diverse expertise in integration skills. We are presently negotiating specific details of a statement of work for multiple analysis tasks. We expect to complete these negotiations and issue a purchase order no later than October 2009. Following this approved design, the RadMax® Diesel Engine test program will start shortly after receipt of the RadMax® parts and assemblies. The tests will initially validate seal performance, vane actuation, pressurization, and lubrication. A series of tests will verify other technology areas, already proven by extensive analysis.

The phase 1 tests will validate the mechanical, sealing, and friction aspects of the engine design to quantify inherent parameters and validate the results of analysis, as follows:

- Verify Weight and Dimensions of Each Component
- Trial Assembly

- Final Assembly
- Trial Fitment of Engine Accessories
- Test Stand Preparation and Engine Installation on Test Stand
- Cold Performance Motoring Tests
- Increased RPM Performance Motoring Test. Increase RPM
- High Speed Performance Testing
- Repeat Steps 1 to 8 With Alternate Seal Configurations

All tests steps must result in success. Failure of any test step requires retest of that step, which might include redesign or rework of parts and assemblies. The ultimate success of the phase 1 tests is to measure pressure and temperature increase in the RadMax® Diesel Engine sufficient to sustain continuous combustion.

The phase 1 test schedule is estimated at 3 months following receipt of the delivered RadMax® Diesel Engine parts and assemblies. The test location will be determined by competitive bid.

Following successful completion of the phase 1 tests, the phase 2 tests will validate thermodynamics and cooling aspects of the technology. Some RadMax® Diesel Engine parts and assemblies could require modification. We anticipate that such modifications, if any, will be minor.

The phase 2 tests require the integration of engine accessories and sensors as follows:

- Cooling management (radiator, hoses, fan, water pump, etc.)
- Lubrication oil management (sump, pump, hoses, filter, etc.),
- Fuel management (common rail injection system, fuel lines, fuel injectors, fuel tank, etc.)
- Ignition management (control unit, sensors, wiring, etc.)
- Starting management (starter, battery, cables, etc.)
- Air management (plenum, hoses, filter, muffler, etc.)

The phase 2 tests are summarized by the following:

- Hot Performance Starting Tests, with fuel
- Hot Performance One-Minute Test, with fuel
- Hot Performance Multiple-Minutes Test, with fuel
- Hot Performance Starting Tests, with fuel
- Hot Performance One-Minute Test, with fuel
- Hot Performance Multi-Minute Test, with fuel
- Post Engine Test, Teardown and Inspection
- Performance Measurement (one-hour run-in)
- Endurance Measurement (three-hour run-in)
- Develop Horsepower vs. Torque Curves
- 24 X 7 Test

The phase 2 test schedule is estimated at 3 months following receipt successful completion of the phase 1 tests. The test location will be determined by competitive bid. The successful bidder must have the requisite facilities, equipment, and personnel to perform the tests, which characterize the RadMax® Diesel Engine. The characterization consists of performance curves for power, torque, and fuel consumption.

The objective of the new improved diesel engine design is to make significant improvement over all existing engine designs in use today. The RadMax® engine reduces weight, number of parts, and complexity, and will use less fuel, and, therefore, reduce hydrocarbons.

The design incorporates changes recommended to date by us and the evaluation company. Engineers have analyzed the stress deflections of the vane actuator forces and these are now acceptable for the new diesel engine implementation.

These costs are identified as master design integrator, prototype fabrication, and labour expense, estimated approximately as US\$200,000 each, with planned expenditure over the next 6 months.

August 4, 2009, the board of directors of the Company appointed Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants as auditor of the Company. Effective July 8, 2009, James Stafford, Inc., Chartered Accountants resigned as auditor for the Company, on its own initiative.

On August 12, 2009, we announced that, following receipt of a letter dated June 29, 2009 from the British Columbia Securities Commission ("BCSC"), that the BCSC has completed a review of the Company's disclosure record. On August 12, 2009, the Company filed on SEDAR an amended Management Discussion and Analysis (MD&A) for the quarter ended January 31, 2009 together with new certifications of its interim filings for the above interim period by its Chief Executive Officer and Chief Financial Officer as required by National Instrument 52-109.

On September 9, 2009, we announced that we received notice from the TSX Venture Exchange (the "Exchange") that as a result of a Cease Trade Order by the BC Securities Commission issued September 4, 2009, trading in the common shares of the Company had been suspended. The Cease Trade Order was issued as a result of the Company not filing its annual financial statements and annual management discussion and analysis for the year ended April 30, 2009 on or before the due date of August 28, 2009. We were advised that reinstatement to trading on the TSX Venture Exchange could occur only when the cease trade order is revoked and the Exchange had concluded its reinstatement review to ensure the Company has satisfactorily complied with all Exchange requirements.

On September 18, 2009, the Exchange, issued a bulletin announcing that, having been notified of the revocation of the Cease Trade Order by the BCSC, effective at the opening Monday, September 21, 2009 trading was reinstated in the securities of the Company.

The Company was invited and attended the Clinton Global Initiative ("CGI") Fifth Anniversary Meeting, established by President Bill Clinton. The RadMax® Engine Technology was approved for presentation at the CGI Meeting in New York City between September 22 – 25, 2009. The Company is pleased to be able to support CGI's commitment of reducing the effects of global warming by continuing to pursue commercializing the fuel efficient RadMax® Engine Technology.

The TSX Venture Exchange, Compliance & Disclosure Department (The Exchange), conducted a review of the Company's press releases and the Exchange required the Company to disseminate a news release that clarifies the development and commercialization of the RadMax® devices that addresses the progress, milestones, and status. We filed this clarifying news release on November 13, 2009.

## ***2.4 Long Term Objectives***

Our principal long term objectives are to develop products for low to medium horsepower applications, then apply the technology to larger applications. We plan to license the technology or enter into joint venture arrangements for other specific applications. We have tested the technology for interested customers who are interested in a license agreement.

Additionally, our current and long term goals are to license the technology and continue to raise capital to further develop the Rand Cam™/RadMax® technology for several applications, for interested end users.

## ***2.5 Short Term Objectives and How We Intend to Achieve Them***

Our business objective for the next 12 months is to complete this offering and the following timetable is an estimate for completion of the prototype engine:

- Completion of Belcan Engineering review – approx. 6 months (May 2010)
- Review and Approval by the Fortune 1000 Company – approx. mid December
- Fabrication of the prototype engine – approx. 3 months (February 2010)
- Initial prototype testing – approx. 3 months (February 2010)

We anticipate that the hardware costs of building the diesel engine prototype will be approximately US\$90,000 (approximately CDN\$100,000), and our administration and operating costs are estimated at approximately \$800,000. This estimated cost of \$900,000 is shared equally between REGI U.S., Inc and the Company as to 50% each. Therefore the Company will be responsible for an estimated \$450,000 as its share of the costs.

The following table discloses how we intend to meet those objectives for the next 12 months.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Continue development of the RadMax® technology	<ul style="list-style-type: none"> <li>- Completion of Belcan Engineering review – approx. 6 months (May 2010)</li> <li>- Review and Approval by the Fortune 1000 Company – approx. mid August 2010</li> <li>- Fabrication of the prototype engine – approx. February 2011</li> <li>- Initial prototype testing – approx. May 2011</li> </ul> <p>As the development of the RadMax® engine and technology is ongoing, a completion date cannot be confirmed as it is dependant on the success of this offering, and/or obtaining alternate financing.</p>	\$450,000 for development of the RadMax® engine technology, and general and administrative operating costs.

## **2.6     *Insufficient Proceeds***

We anticipate that the proceeds of the offering will be sufficient to accomplish all of our proposed objectives, based upon our best estimations. However, in the event of unforeseen circumstances, we may require additional financing to continue development of the Rand Cam™/RadMax® technology and pay our operating expenses. Funds may be raised through additional financing, or in the event that the Warrants which make up the Units, are exercised, in which case up to an additional \$600,000 may be raised, in the event this offering is fully subscribed, and provided that the exercise price of the warrants will be in-the-money. Additionally, we may receive funding from our affiliated companies (common officers and directors). There is no assurance that alternative financing will be available.

## **2.7     *Material Agreements***

We do not have any material agreements upon which we are dependent.

# **ITEM 3 Directors, Management, Promoters and Principal Holders**

## **3.1     *Compensation and Securities Held***

The following table provides the specified information about each director, officer and promoter of the Company and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the Company (a “principal holder”). If the principal holder is not an



individual, we have stated in a note to the table the name of any person or company that, directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the principal holder.

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering (1)	Number, type and percentage of securities of the issuer held after completion of max. offering (9)
<b>John Robertson</b> Richmond, B.C.	President and director of Reg Technologies since 1984, President, CEO and Chairman of the Board and Director of Linux Gold Corp. since 1979; President of SMR Investments Ltd. since 1979, of Rand Energy Group Inc. since 1993, of Access Information Services Inc. since 1993; President and director of Teryl Resources Corp., President and director of REGI U.S., Inc., President and Director of IAS Energy, Inc., President President and director of Rainbow Networks Ltd.	(6) (7)	1,427,699 (directly) 5.5%  2,388,135 (indirectly) 9.21%	1,427,699 (directly) 5.5%  2,388,135 (indirectly) 9.21%
<b>Jennifer Lorette</b> Richmond, B.C.	Director of Reg Technologies Inc. since 2001. Director of Linux Gold Corp. since November 2000; Director of Teryl Resources Corp. since 2001; Director and Vice President of REGI U.S., Inc.;	(10)	8,400 0.03%	8,400 0.03%
<b>Susanne Robertson</b> Richmond, B.C.	Became a director of the Company in 1984; director of Linux Gold Corp.; director of Teryl Resources Corp.; principal shareholder of SMR Investments Ltd.	(5)(6)(7)	639,975 (directly) 2.47%  4,160,753 (indirectly) 16.05%	639,975 (directly) 2.47%  4,160,753 (indirectly) 16.05%
<b>James Vandenberg</b> Sammamish, WA, USA	Director of the Company and its Chief Financial Officer since March 2004; director and CFO of IAS Energy, Inc. since November 1998; director and CFO of REGI U.S., Inc.; director and President of RadMax Technologies, Inc., director of ASAP Expo Inc. since 2005. Mr. Vandenberg is an attorney in Seattle, Washington.	(8)	12,500 0.05%	12,500 0.05%
<b>Robert Grisar</b> Kirkland, OH, USA	Director of the Company since October 2008 and Vice President of Engineering for the RadMax® / Rand Cam™ technology since April 2007.	Nil / Nil	Nil	Nil

- 1) As at November 20, 2009 there were 25,931,349 issued and outstanding common shares.
- 2) Includes 1,118,530 shares registered in the name of and beneficially owned by Access Information Services, Inc., a Washington corporation which is owned and controlled by the Robertson Family Trust, the beneficiary of which is Kelly Wells, daughter of John G. Robertson. Mr. Robertson is one of three trustees of the Robertson Family Trust, which acts by the majority vote of the three trustees. Mr. Robertson disclaims beneficial ownership of the shares owned or controlled by the Robertson Family Trust.
- 3) Includes 157,200 shares registered in the name of and beneficially owned by Rainbow Networks Ltd., a British Columbia corporation which is owned and controlled by John Robertson.
- 4) Includes 1,112,405 shares registered in the name of and beneficially owned by JGR Petroleum Inc., a Washington corporation which is owned and controlled by The Robertson Family Trust, the beneficiary of which is Kelly Wells, daughter of John G. Robertson. Mr. Robertson is one of three trustees of the Robertson Family Trust, which acts by the majority vote of the three trustees. Mr. Robertson is the President of JGR.
- 5) includes 4,160,753 common shares registered in the name of SMR Investments Ltd. SMR Investments is a British Columbia corporation owned by Susanne Robertson. John Robertson is a director and officer of SMR.

- 6) A director's fee of \$1,000 per month is paid to John G. Robertson, our President. \$6,000 was paid during fiscal 2009.
- 7) John Robertson is a director and Susanne Robertson is the sole shareholder of SMR Investments Ltd., which accrued \$2,500 per month (annual fee of \$30,000) from the Company for management services provided to the Company. It is anticipated that this fee will continue to be accrued during fiscal 2010.
- 8) During the year ended April 30, 2009, \$5,431 (2008 - \$65,003) in professional fees were incurred with a law firm of which a partner of the law firm, James Vandeberg, is an officer and director of the Company.
- 9) As of the date of this Offering Memorandum, it is not known if any of the directors and officers will directly or indirectly participate in this private placement.
- 10) Ms. Lorette received \$11,050 during 2009 and is expected to receive the same during 2010.

Current information regarding the securities held by directors, senior officers and principal holders can be obtained from the SEDI website at [www.sedi.ca](http://www.sedi.ca). The Company cannot guarantee the accuracy of this information.

### **3.2 Management Experience**

The following table discloses the principal occupations of the directors and senior officers over the past five years. In addition, for each individual, we have described any relevant experience in a business similar to the issuer's.

Name	Principal occupation and related experience (see above)
<b>John Robertson</b>	Businessman
<b>Jennifer Lorette</b>	Businesswoman
<b>Susanne Robertson</b>	Businesswoman
<b>James Vandeberg</b>	Attorney
<b>Robert Grisar</b>	Businessman

### **3.3 Penalties, Sanctions and Bankruptcy**

On September 4, 2009 the British Columbia Securities Commission (BCSC) issued a Cease Trade Order for Reg Technologies citing a failure to file its annual audited financial statements and its annual management and discussion. We filed the required documents on SEDAR on September 11, 2009, to comply with the requirements to rectify the continuous disclosure deficiencies and the Cease Trade Order was revoked by the BCSC on September 15, 2009. Additionally, we received notification from the TSX Venture Exchange that it had suspended trading in the Company's shares as a result of the cease trade order. Reinstatement to trading can occur only when the cease trade order is revoked and the Exchange has concluded its reinstatement review to ensure the Company has satisfactorily complied with the Exchange requirements. The TSX Venture Exchange reinstated the Company's shares for trading on September 21, 2009.

On September 4, 2009 the British Columbia Securities Commission (BCSC) issued a Cease Trade Order for IAS Energy, Inc., a company with related directors and officers, citing a failure to file its annual audited financial statements and its annual management discussion and analysis. The cease trade order was revoked on September 16, 2009 following filing of its annual financial statements. On October 2, 2009, IAS Energy received another cease trade order from the BCSC citing failure to file its financial statements for the three months ended July 31, 2009.

On September 9, 2008 the British Columbia Securities Commission (BCSC) issued a Cease Trade Order for Reg Technologies citing a failure to file its annual audited financial statements and its annual management and discussion. We filed the required documents on SEDAR on September 22, 2008, to comply with the requirements to rectify the continuous disclosure deficiencies and the Cease Trade Order was revoked by the BCSC on September 24, 2008. Additionally, we received notification from the TSX

Venture Exchange that it had suspended trading in the Company's shares as a result of the cease trade order. Reinstatement to trading can occur only when the cease trade order is revoked and the Exchange has concluded its reinstatement review to ensure the Company has satisfactorily complied with the Exchange requirements. The TSX Venture Exchange reinstated the Company's shares for trading on October 7, 2008.

On December 3, 2007 the British Columbia Securities Commission (BCSC) issued a Cease Trade Order for Linux Gold Corp., a company with related directors and officers, citing a failure to file a technical report and non-compliant disclosure. The commission staff found that the technical report filed on SEDAR on February 22, 2006 was not prepared by a qualified person. The commission staff also found that our disclosure in the offering memorandum dated April 5, 2007 did not disclose repayment of debt to related parties. We filed the required documents on SEDAR to comply with the requirements to rectify the continuous disclosure deficiencies and the Cease Trade Order was revoked by the BCSC on February 8, 2008.

Other than the Cease Trade Orders issued against the Company, IAS Energy, Inc. and Linux Gold Corp., to the knowledge of the Company, no proposed director is, or has, within the 10 years before the date of this Information Circular, been a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied relevant company access to any exemptions under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officers, in the company being the subject of a cease trade or similar order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

## ITEM 4 Capital Structure

### 4.1 Share Capital – Outstanding Securities

The following represents the outstanding securities of the issuer (including options, warrants and other securities convertible into shares) other than debt:

Description of security	Number authorized to be issued	Number outstanding as at November 20, 2009	Number outstanding after min. offering	Number outstanding after max. offering
Common shares	50,000,000	25,713,927	25,713,927	27,713,927
Preferred shares	10,000,000	Nil	Nil	Nil
Class A non-voting shares	5,000,000	Nil	Nil	Nil
Options	2,571,393	1,525,000	1,525,000	1,525,000
Warrants	N/a	1,543,168	1,543,168	2,543,168

## **4.2 Long Term Debt**

We have no long-term debt.

## **4.3 Prior Sales**

The issuer has issued the following securities of the class being offered under the offering memorandum (or convertible or exchangeable into the class being offered under the offering memorandum) within the last 12 months:

Date of issuance	Reason for Issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
April 1, 2009	Private Placement Units – Common Shares and Warrants	Common Shares	456,000	\$0.25	\$114,000

## **ITEM 5 Securities Offered**

### **5.1 Terms of Securities**

The material terms of the securities being offered are as follows:

Units, consisting of one treasury share of common stock and one share purchase warrant. Each warrant shall entitle the holder to purchase one additional share of common stock at a price of \$0.20 for one year from the date the Units are issued.

The Warrants forming part of the Units will contain, among other things, provisions for appropriate adjustment in the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the common shares of the Issuer, the payment of stock dividends or the amalgamation of the Issuers. The Warrants will be non-transferable.

### **5.2 Subscription Procedure**

If you wish to subscribe for any of the Units being offered by the Issuer, you must execute and deliver to the Issuer at 240 – 11780 Hammersmith Way, Richmond, B.C. V7A 5E9 the following:

1. A completed Subscription Agreement, attached hereto as Exhibit A;
2. A completed copy of a Risk Acknowledgement (Form 45-106F4) – you should keep a signed copy of this form
3. A certified cheque or bank draft in the amount of your investment payable to “Reg Technologies Inc.”

We will hold your subscription funds in trust until midnight on the second business day after the day on which we received your signed subscription agreement.

We have the right to accept or reject subscriptions in whole or in part at our discretion and to close the subscription books at any time without notice. If we determine not to accept your subscription, we will promptly return your subscription funds.

We expect to close the offering before December 21, 2009. However, we may close the offering on an earlier or later date as we may determine.

At the closing of the offering we will deliver to you certificates representing fully paid and non-assessable common shares and warrants, provided you have paid the subscription price in full.

## **ITEM 6 Income Tax Consequences and RRSP Eligibility**

- 6.1 You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.
- 6.2 There are no material income tax consequences relating to an investment in the Units offered hereunder.
- 6.3 Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.

## **ITEM 7 Compensation Paid to Sellers and Finders**

We agree to pay a cash fee or compensation to persons who may introduce investors to the Company, in accordance with securities laws. This fee is generally eight percent (8%) of the total subscriptions received. If this Offering is fully subscribed, we may pay up to \$36,000 in finder's fees.

## **ITEM 8 Risk Factors**

The occurrence of any of the following risks could hurt our business, financial condition or results of operations. In such case, the trading price of our shares could decline and you could lose all or part of your investment. You should carefully consider the following risks and the other information in this Offering Memorandum and our other filings made on SEDAR and on EDGAR before you decide to invest in us or to maintain or increase your investment. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not now known to us or that we think are immaterial may also adversely impact and impair our business. If any of the following risks actually occur, our business, results of operations, or financial condition would likely suffer. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment.

### **General**

The Company is listed on the TSX Venture Exchange and trades on the OTC BB. We are a development stage company engaged in the business of developing and building an improved axial vane-type rotary engine known as the RadMax® rotary technology (the "Technology" or the "RadMax® Engine"), used in the design of lightweight and high efficiency engines, compressors and pumps. Since no marketable product has yet been developed, we have not received any revenues from operations.

During the year ended April 30, 2009, the Company's received US\$415,000, through the sale of approximately 5% of its interest in REGI U.S., Inc. which will be allocated to administrative operations of the Company and the development costs of the RadMax® engine.

The amount of the Company's research and development and administrative expenditures are related to the level of financing activities that are being conducted. Consequently, the Company does not conduct work on the Radmax® on a pre-determined basis and as a result there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

### **Trends**

The Company's financial success is dependent upon the successful completion of development of the Raxmax® engine in order to achieve a commercially feasible design. Such development could take several years to complete and the resulting income, if any, is difficult to determine at this time. There can be no assurance that we or potential licensees will be able to achieve and maintain end user acceptance of

our engine. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

### **Financing**

There is no assurance that we will be able to secure the financing necessary to continue our development and operations. Our expectations as to the amount of funds needed for development and the timing of the need for these funds is based on our current operating plan, which can change as a result of many factors, and we could require additional funding sooner than anticipated. Our cash needs may vary materially from those now planned because of results of development or changes in the focus and direction of our development program, competitive and technological advances, results of laboratory and field testing, requirements of regulatory agencies and other factors.

We have no credit facility or other committed sources of capital. To the extent capital resources are insufficient to meet future capital requirements; we will have to raise additional funds to continue our development and operations. There can be no assurance that such funds will be available on favorable terms, or at all. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of such securities could result in dilution to our shareholders. If adequate funds are not available, we may be required to curtail operations significantly or to obtain funds on unattractive terms. Our inability to raise capital would have a material adverse effect on us.

### **Commercially Feasible Product**

We have no assurance at this time that a commercially feasible design will ever be perfected, or if it is, that it will become profitable. Our profitability and survival will depend upon our ability to develop a technically and commercially feasible product which will be accepted by end users. The RC/DC Engine which we are developing must be technologically superior or at least equal to other engines that competitors offer and must have a competitive price/performance ratio to adequately penetrate its potential markets. If we are not able to achieve this condition or if we do not remain technologically competitive, we may be unprofitable and our investors could lose their entire investment. There can be no assurance that we or potential licensees will be able to achieve and maintain end user acceptance of our engine.

### **Market Acceptance**

Our profitability and survival will depend upon our ability to develop a technically and commercially feasible product which will be accepted by end users. The RC/DC Engine which we are developing must be technologically superior or at least equal to other engines which our competitors offer and must have a competitive price/performance ratio to adequately penetrate our potential markets. A number of rotary engines have been designed over the past 80 years but only one, the Wankel, has been able to achieve mechanical practicality and any significant market acceptance. If we are not able to achieve this condition or if we do not remain technologically competitive, we may be unprofitable and our investors could lose their entire investment. There can be no assurance that we or our potential licensees will be able to achieve and maintain end user acceptance of our engine.

Our future success may be dependent on the success of our products and services. The success of our business depends on a variety of factors, including:

- the quality and reliability of our products and services;
- our ability to develop new products and services superior to that of our competitors;
- our ability to establish licensing relationships and other strategic alliances;
- our pricing policies and the pricing policies of our competitors;
- our ability to introduce new products and services before our competitors;
- our ability to successfully advertise our products and services; and
- general economic trends.

**Management and Directors**

The Company is dependent on a relatively small number of directors and officers. The loss of certain members of our management and engineering staff, could adversely affect our business and the successful development of the engine. Our present officers and directors have other full-time positions or part-time employment unrelated to our business. Some officers and directors will be available to participate in management decisions on a part-time or as-needed basis only. Our management may devote time to other companies or projects which may compete directly or indirectly with us. We do not have "key man" life insurance on such officers and currently have no plans to obtain such insurance.

**Conflicts of Interest**

Several of the Company's directors and officers are also directors, officers or shareholders of other companies. Some of our directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Such associations may give rise to conflicts of interest from time to time. The Company's directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity in respect of which the Company is proposing to enter into a transaction.

**Consultants and Outside Manufacturing Facilities**

Since our present plans do not provide for a significant technical staff or the establishment of manufacturing facilities, we will be primarily dependent on others to perform these functions and to provide the requisite expertise and quality control. There is no assurance that such persons or institutions will be available when needed at affordable prices. It will likely cost more to have independent companies do research and manufacturing than for us to handle these resources.

**Intellectual Property**

Our business depends on the protection of our intellectual property and may suffer if we are unable to adequately protect our intellectual property. The success of our business depends on our ability to patent our engine. Currently, we have been granted several U.S. Patents. We cannot provide assurance that our patents will not be invalidated, circumvented or challenged, that the rights granted under the patents will give us competitive advantages or that our patent applications will be granted.

**New Technology**

New technology or refinement of existing technology could render our RadMax products less attractive or obsolete. Our success depends in part upon its ability to anticipate changes in technology and industry standards and to successfully develop and introduce new and improved engines on a timely basis. There is no assurance that we will be able to do so.

**Competitive Conditions**

While not a highly competitive business in terms of numbers of competitors, the business of developing engines of a new design and attempting to either license or produce them is nonetheless difficult because most existing engine producers are large, well financed companies which are very concerned about maintaining their market position. These companies possess greater technical resources and market recognition than us, and have management, financial and other resources not yet available to us. Existing engines are likely to be perceived by many customers as superior as or more reliable than any new product until it has been in the marketplace for a period of time. There is no assurance that we will be able to compete effectively with these companies.

**Limited Operating History: Losses**

The Company has experienced losses in all years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at April 30, 2009 the Company's deficit was \$13,787,088.

**Price Fluctuations: Share Price Volatility**

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many development stage companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

## **ITEM 9 Reporting Obligations**

### **9.1 Documents**

We will send you the following documents if you own common shares of the Company:

- Audited annual financial statements together with management's discussion and analysis of our performance during the year
- Management Proxy and Information Circulars for annual general meetings of our shareholders
- Interim financial statements together with management's discussion and analysis of our performance during the period, provided you have completed the request form for this purpose.

### **9.2 Corporate or Securities Information**

Additional information about our company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and the United States Securities and Exchange Commission website via EDGAR [www.sec.gov](http://www.sec.gov).

## **ITEM 10 Resale Restrictions**

### **Limited Transferability of Securities**

This Offering is being made on a private placement basis to investors who are eligible to purchase the Units on an exempt basis under, and subject to compliance with, applicable securities laws. Under applicable securities laws, all of the Units being offered hereby (the "Offered Securities") will be subject to restrictions on resale until such time as:

- (a) the appropriate "hold periods" have been satisfied and the holder of the Offered Securities has complied with other applicable requirements, including the filing of appropriate reports pursuant to applicable securities legislation;
- (b) a further statutory exemption may be relied upon by the holder of the Offered Securities; or
- (c) an appropriate discretionary order is obtained pursuant to applicable securities laws.

The foregoing is a summary only of resale restrictions relevant to subscribers of Units offered hereby. Therefore, all Subscribers under the Offering should consult with their legal advisors to determine the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or the obtaining of a discretionary order.

It is the responsibility of each individual subscriber to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Offered Securities.

The Units have not been and will not be registered under the 33 Act and may not be offered or sold within the United States unless registered under the 33 Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available. As a result, the Units may be offered, sold or otherwise transferred only (A) to the Company, (B) outside the United States in accordance with Regulation S, or (C) inside the United States in accordance with (i) the exemption from



registration under the 33 Act provided by Rule 144, or (ii) another applicable exemption from registration under the 33 Act and any applicable state securities laws, as evidenced by an opinion of counsel of recognized standing in form acceptable to the Company.

The exemptions from registration and/or qualification relied upon by the Company for this Offering may be dependent, in part, upon the “investment intent” of the Investor and would not be available if any Investor were acquiring the Securities with a view to further sale or distribution. Therefore, all such Securities cannot be resold unless they are subsequently registered and/or qualified, or there are available exemptions from such registration and/or qualification requirements. The Company reserves the right to require an opinion of legal counsel satisfactory to it regarding the availability of resale exemptions to be provided by a proposed seller of such Securities.

Rule 144 under the 33 Act permits the public resale of Securities by non-affiliates of the Company to resell restricted securities freely without regard to the Rule 144 volume, reporting or manner of sale limitations after a period of six months. Affiliates of the Company will be able to resell restricted securities under Rule 144 after a one year holding period, subject to applicable volume and manner of sale limitations and the Form 144 filing requirement.

In addition to the foregoing requirements of Rule 144 under the federal securities laws, the various state securities laws may impose further restrictions on the ability of a holder to sell or transfer the Shares.

**INVESTORS CONTEMPLATING A PURCHASE OF UNITS PURSUANT TO THIS OFFERING SHOULD SEEK INDEPENDENT LEGAL ADVICE REGARDING THE EFFECT OF THESE RESTRICTIONS.**

10.1 For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec and Saskatchewan, these securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period - For trades in New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec and Saskatchewan, unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date Reg Technologies Inc. becomes a reporting issuer in any province or territory of Canada.

For trades in Alberta, British Columbia unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the distribution date.

Manitoba Resale Restrictions - For trades in Manitoba, if the issuer will not be a reporting issuer in a jurisdiction at the time the security is acquired by the purchaser:

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless

- (a) Reg Technologies Inc. has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

**ITEM 11 Purchasers' Rights**

**You have 2 business days after receiving this Offering Memorandum to cancel your agreement to purchase these Securities.**

If you purchase these securities you have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

**1. Two-Day Cancellation Right** – You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2<sup>nd</sup> business day after you sign the agreement to buy the securities.

**2. Statutory Rights of Action in the Event of a Misrepresentation** – If there is a misrepresentation in this Offering Memorandum you have a right to sue:

- a) The Company to cancel your agreement to buy these securities, or
- b) For damages against the Company, every person who was a director of the Company at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

If you elect to exercise your right of rescission against the Company, you will not have the right of action for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defenses available to the persons or companies that you have a right to sue. In particular, they have a defense if you knew of the misrepresentation when you purchased the securities.

In the case of an action for damages, the Company will not be liable for all or any part of the damages that it proves does not represent the depreciation in value of the securities resulting from the misrepresentation and in no case will the amount exceed the price at which the securities were offered to you under this Offering Memorandum.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 year after you signed the agreement to purchase the securities.

**3. Contractual Rights of Action in the Event of a Misrepresentation** - If there is a misrepresentation in this offering memorandum, you have a contractual right to sue the Issuer:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Issuer proves does not represent the depreciation in value of the securities resulting from the misrepresentation. the Issuer has a defense if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.

## **ITEM 12 Financial Statements**

### **Reg Technologies Inc. (A Development Stage Company)**

Interim Consolidated Financial Statements  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)  
**July 31, 2009 and 2008**

#### **Reader's Note:**

These unaudited interim consolidated financial statements for the three months ended July 31, 2009 of Reg Technologies Inc. ("the Company") have been prepared by management and have not been reviewed by the Company's auditors.

**Reg Technologies Inc.**  
**(A Development Stage Company)**

*Statement 1*

Interim Consolidated Balance Sheets  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	<b>As at 31 July 2009 \$</b>	<b>As at 30 April 2009 \$ (Audited)</b>
<b>Assets</b>		
<b>Current</b>		
Cash	2,822	1,107
GST and interest receivable	10,325	9,010
Prepaid expenses	8,656	1,776
Due from related parties (Note 7)	-	19,537
Advances to equity accounted investee (Note 6)	543,154	536,438
	564,957	567,868
<b>Equipment</b> (Note 5)	5,840	6,897
	570,797	574,765
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	185,343	78,402
Due to related parties (Note 7)	20,697	-
Income taxes payable	32,379	32,379
Financial instrument liability (Note 9)	97,375	167,000
	335,794	277,781
<b>Shareholders' equity</b>		
Share Capital (Note 4) – <i>Statement 4</i>	11,800,964	11,800,964
Warrants (Note 4) – <i>Statement 4</i>	167,540	167,540
Contributed Surplus – <i>Statement 4</i>	2,131,561	2,115,568
Deficit – <i>Statement 4</i>	(13,865,062)	(13,787,088)
	235,003	296,984
	570,797	574,765

**Nature and Continuance of Operations** (Note 1)  
**Commitments** (Note 8)

**On behalf of the Board:**

“John Robertson” Director  
John Robertson

“Jennifer Lorette” Director  
Jennifer Lorette

**Reg Technologies Inc.***Statement 2***(A Development Stage Company)**

Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	<b>For the three months ended July 31, 2009 \$</b>	<b>For the three months ended July 31, 2008 \$</b>
<b>Expenses</b>		
Amortization	1,057	995
Advertising and promotion	1,915	87,790
Consulting fees	2,957	5,028
Foreign exchange loss (gain)	981	(585)
Investor relations	4,500	-
Management and directors' fees (Note 7)	13,050	16,300
Miscellaneous office expenses	11,777	12,392
Professional fees	38,313	40,452
Public relations	4,088	10,900
Research and development (Note 7)	45,626	30,310
Rent and utilities (Note 7)	8,144	7,921
Stock-based compensation (Note 4)	15,993	-
Transfer agent and filing fees	1,104	11,875
Travel and promotion	3,374	4,722
Wages and benefits	7,047	8,219
	<hr/>	<hr/>
<b>Loss before other items</b>	159,926	236,319
<b>Other (income) expense</b>		
Gain on sale of investee's shares (Note 6)	(12,327)	(76,425)
Gain on issue by investee of its own shares	-	(2,423)
Unrealized loss (gain) on financial instrument liability	(69,625)	1,328
	<hr/>	<hr/>
Net and comprehensive loss for the period	77,974	158,799
	<hr/>	<hr/>
<b>Loss per share – basic and diluted</b>	0.00	0.01
	<hr/>	<hr/>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	25,713,927	23,849,000
	<hr/>	<hr/>

**Reg Technologies Inc.**  
**(A Development Stage Company)**  
Interim Consolidated Statements of Cash Flows  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

*Statement 3*

	<b>For the three months ended July 31, 2009 \$</b>	<b>For the three months ended July 31, 2008 \$</b>
<b>Cash flows used in operating activities</b>		
Net loss for the period	(77,974)	(158,799)
Adjustments to reconcile loss to net cash used by operating activities:		
Amortization	1,057	995
Gain on sale of investee's shares	(12,327)	(76,425)
Gain on issue by investee of its own shares	-	(2,423)
Stock-based compensation	15,993	-
Unrealized gain on financial instrument liability	(69,625)	-
Changes in non-cash working capital items:		
(Increase) decrease in GST and interest receivable	(1,315)	(1,601)
(Increase) decrease in prepaid expenses	(6,880)	1,350
Decrease (increase) in amounts due from related parties	40,234	(30,479)
Increase (decrease) in accounts payable and accrued liabilities	106,941	(8,732)
	<u>(3,896)</u>	<u>(276,114)</u>
<b>Cash flows provided by investing activities</b>		
(Advances to) repayments from equity accounted investee	(6,716)	(208,416)
Proceeds on sale of investee's shares and warrants	12,327	77,520
	<u>5,611</u>	<u>(130,896)</u>
<b>Cash flows provided by financing activities</b>		
Advances to related parties	-	4,815
Proceeds from share issuances, net of issuance costs	-	447,855
	<u>-</u>	<u>452,670</u>
<b>Change in cash</b>	1,715	45,660
Cash, beginning of period	1,107	258
<b>Cash, end of period</b>	<u>2,822</u>	<u>45,918</u>
<b>Supplemental Disclosures</b>	<b>\$</b>	<b>\$</b>
Interest paid	-	-
Income taxes paid	-	-
	<u>-</u>	<u>-</u>
<b>Supplemental schedule of non-cash investing and financing transactions:</b>	<b>For the three months ended July 31, 2009</b>	<b>For the three months ended July 31, 2008</b>
Unrealized gain on financial instrument liability	\$ 69,625	\$ -

The accompanying notes are an integral part of these interim consolidated financial statements. (3)

**Reg Technologies Inc.***Statement 4***(A Development Stage Company)**

Interim Consolidated Statements of Shareholders' Equity

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Common Shares #	Common Shares \$	Contributed Surplus \$	Warrants \$	Other Comprehensive Income (Loss) \$	Deficit \$	Total Shareholders' Equity \$
<b>Balance – April 30, 2007</b>	23,942,759	11,356,689	849,839	–	639,758	(12,794,669)	51,617
Stock-based compensation	–	–	247,059	–	–	–	247,059
Deconsolidation adjustment	–	–	(886,589)	–	(648,763)	–	(1,535,352)
Deconsolidation of subsidiary	–	–	1,808,851	–	–	–	1,808,851
Foreign currency translation adjustment	–	–	5,672	–	9,005	–	14,677
Net loss (Restated – Note 12)	–	–	–	–	–	(536,329)	(536,329)
<b>Balance – April 30, 2008 (Restated – Note 12)</b>	23,942,759	11,356,689	2,024,832	–	–	(13,330,998)	50,523
Shares issued for cash	1,771,168	444,275	–	167,540	–	–	611,815
Stock-based compensation	–	–	90,736	–	–	–	90,736
Net loss	–	–	–	–	–	(456,090)	(456,090)
<b>Balance – April 30, 2009</b>	25,713,927	11,800,964	2,115,568	167,540	–	(13,787,088)	296,984
Stock-based compensation	–	–	15,993	–	–	–	15,993
Net loss	–	–	–	–	–	(77,974)	(77,974)
<b>Balance – July 31, 2009</b>	25,713,927	11,800,964	2,131,561	167,540	–	(13,865,062)	235,003

**Reg Technologies Inc.**  
**(A Development Stage Company)**  
**Notes to Interim Consolidated Financial Statements**  
For the three months ended July 31, 2009 and 2008  
*(Unaudited – Prepared by Management)*  
*(Expressed in Canadian Dollars)*

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**1. Nature and Continuance of Operations**

Reg Technologies Inc. (the “Company”) is a development stage company in the business of developing and commercially exploiting an improved axial vane type rotary engine known as the Rand Cam<sup>TM</sup>/Direct Charge Engine and other RandCam<sup>TM</sup> / RadMax® applications, such as compressors and pumps (the “Technology”). The worldwide marketing and intellectual rights, other than in the U.S., are held by the Company, which owns 4.5 million (directly or indirectly) shares of REGI U.S, Inc. (“REGI”) (a U.S. public company) representing a 16% interest in REGI. REGI owns the U.S. marketing and intellectual rights. The Company and REGI have a project cost sharing agreement whereby these companies each fund 50% of the development of the Technology.

In a development stage company, management devotes most of its activities to establishing a new business. Planned principal activities have not yet produced any revenues and the Company has incurred recurring operating losses as is normal in development stage companies. The Company has accumulated losses of \$13,865,062 since inception. These factors raise substantial doubt about the Company’s ability to continue as a going-concern. The ability of the Company to emerge from the development stage with respect to its planned principal business activity is dependent upon its successful efforts to raise additional equity financing, receive funding from affiliates and controlling shareholders, and develop a market for its products.

Management is aware that material uncertainties exist, related to current economic conditions, which could adversely affect the Company’s ability to continue to finance its activities. The Company receives interim support from affiliated companies and plans to raise additional capital through debt and/or equity financings. There continues to be insufficient funds to provide adequate working capital to fund ongoing operations for the next twelve months. The Company may also raise additional funds through the exercise of warrants and stock options.

There is no certainty that the Company’s efforts to raise additional capital will be successful. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in normal operations.

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**2. Basis of accounting and principles of consolidation**

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information using the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended July 31, 2009. These unaudited interim consolidated financial statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements of the Company and should be read in conjunction with the audited consolidated financial statements of the Company as at April 30, 2009.



**Reg Technologies Inc.**  
**(A Development Stage Company)**  
**Notes to Interim Consolidated Financial Statements**  
For the three months ended July 31, 2009 and 2008  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

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**2. Basis of accounting and principles of consolidation - continued**

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Interim results are not necessarily indicative of the results expected for the fiscal year.

These financial statements include the accounts of the Company and its 51% owned subsidiary, Rand Energy Group Inc. (“Rand”), which owns a 4% (2008 – 9%) interest in REGI. The Company also owns a 12% (2008 - 12%) interest in REGI. Prior to April 30, 2008, REGI was considered a controlled subsidiary for consolidation purposes by way of control through an annually renewable voting trusts agreement, with other affiliated companies. This trusts agreement gave the Company 50% control of the voting shares of REGI. The agreement could be cancelled by the President of the 51% owned subsidiary with seven days’ written notice to the affiliated companies. Effective April 30, 2008, the voting trusts agreement was cancelled (Note 6) and consequently the investment in REGI has been accounted for as an equity investment.

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**3. Recent Accounting Pronouncements Not Yet Adopted**

**International Financial Reporting Standards**

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company’s transition date of May 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. The Company is currently assessing the financial reporting impact of the transition to IFRS and the changeover date.

Other accounting pronouncements issued with future effective dates are either not applicable or are not expected to be significant to the consolidated financial statements of the Company.

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**3. Management of Financial Risk**

*Foreign exchange risk*

The Company is primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures that are denominated in US dollars. Also, the Company is exposed to the impact of currency fluctuations on its monetary assets and liabilities.

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**3. Management of Financial Risk – continued**

The operating results and the financial position of the Company are reported in Canadian dollars. Fluctuations in exchange rates will, consequently, have an impact upon the reported operations of the Company and may affect the value of the Company's assets and liabilities.

The Company currently does not enter into financial instruments to manage foreign exchange risk.

The Company is exposed to foreign currency risk through the following financial assets and liabilities that are denominated in United States dollars:

July 31, 2009	Cash	Related Party Receivables	Accounts payable
\$	960	\$ 863	\$ 11,652

At July 31, 2009 with other variables unchanged, a +/-10% change in exchange rates would increase/decrease pre-tax loss by approximately +/- \$1,454.

*Interest rate and credit risk*

The Company has minimal cash balances and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest any significant excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Receivables consist of goods and services tax due from the Federal Government. Management believes that the credit risk concentration with respect to receivables is remote.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 10.

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**4. Shareholders' Equity**

*Authorized*

50,000,000 Common shares without par value  
10,000,000 Preferred shares with a \$1 par value, redeemable for common shares on the basis of 1  
common share for 2 preferred shares  
5,000,000 Class A non-voting shares without par value. Special rights and restrictions apply.

*Treasury Shares*

At July 31, 2009, Rand owns 217,422 (2008 – 217,422) shares of the Company valued at \$43,485 that have been deducted from the total shares issued and outstanding. The value of these shares has been deducted from share capital.

*Private placements*

During the prior year, the Company completed a private placement, whereby it issued 1,315,168 units at \$0.40 per unit for proceeds of \$526,067. Each unit consisted of one common share and one non-transferable share purchase warrant, entitling the holder to acquire one additional common share for a period of one year at \$0.50 per share and at \$0.60 per share in the second year. The fair value of the warrants included in the units was estimated to be \$0.115 per warrant using the Black-Scholes option pricing model using the following assumptions: risk free interest rate of 3.10%, expected volatility of 107%, an expected life of 1 year and no expected dividends.

The Company incurred finders' fees of \$22,212 in connection with the above private placement, which are included in share issuance costs.

During the prior year, the Company completed a private placement, whereby it issued 456,000 units at \$0.25 per unit for proceeds of \$114,000. Each unit consisted of one common share and one-half non-transferable share purchase warrant. Two one-half warrants entitle the holder to purchase one additional share of common stock at a price of \$0.35 per share for one year. The fair value of the warrants included in the units was estimated to be \$0.07 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate of 1.10%, expected volatility of 115%, an expected life of 1 year and no expected dividends.

The Company incurred finders' fees of \$6,040 in connection with the above private placement, which are included in share issuance costs.

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**4. Shareholders' Equity - continued**

*Stock Options*

The Company has implemented a stock option plan (the "Plan") to be administered by the Board of Directors. Pursuant to the Plan, the Board of Directors has discretion to grant options for up to a maximum of 10% of the issued and outstanding common shares of the Company at the date the options are granted. The option price under each option shall be not less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than five years after the grant date.

These options have the following vesting schedule:

- i) Up to 25% of the option may be exercised at any time during the term of the option; such initial exercise is referred to as the "First Exercise".
- ii) The second 25% of the option may be exercised at any time after 90 days from the date of First Exercise; such second exercise is referred to as the "Second Exercise".
- iii) The third 25% of the option may be exercised at any time after 90 days from the date of Second Exercise; such third exercise is referred to as the "Third Exercise".
- iv) The fourth and final 25% of the option may be exercised at any time after 90 days from the date of the Third Exercise.
- v) The options expire 60 months from the date of grant.

Options granted to consultants engaged in investor relations activities will vest in stages over a minimum of 12 months with no more than 25% of the options vesting in any three-month period.

During the three month period ended July 31, 2009, the Company recorded stock-based compensation of \$15,993 (July 31, 2008 - \$Nil) as a general and administrative expense.

During the prior year, the Company granted 375,000 stock options from the Plan to two directors and a consultant exercisable at \$0.21 per share, up to April 22, 2014. The fair value of options was estimated using the Black-Scholes option pricing model using the following weighted average assumptions: risk free interest rate of 3.19%, expected volatility of 106%, an expected option life of 1 - 5 years and no expected dividends. The weighted average fair value of options granted was \$0.18 per option.

During the prior year, the Company granted 400,000 stock options from the Plan to employees, directors and consultants exercisable at \$0.40 per share, up to August 1, 2013. The fair value of options was estimated using the Black-Scholes option pricing model using the following weighted average assumptions: risk free interest rate of 1.69%, expected volatility of 134%, an expected option life of 1 - 5 years and no expected dividends. The weighted average fair value of options granted was \$0.31 per option.

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**4. Shareholders' Equity - continued**

*Stock Options- continued*

A summary of the Company's stock options is as follows:

	<b>Number of options</b>	<b>Weighted average exercise price \$</b>
Balance - April 30, 2008	1,125,000	0.27
Granted	775,000	0.31
Expired	(375,000)	0.22
<b>Balance - April 30, 2009 and July 31, 2009</b>	<b>1,525,000</b>	<b>0.30</b>

As at July 31, 2009, the following stock options are outstanding:

<b>Expiry Date</b>	<b>Exercise price \$</b>	<b>Number of options</b>	<b>Remaining contractual life (years)</b>
October 20, 2010	0.30	750,000	1.22
August 1, 2013	0.40	400,000	4.05
April 22, 2014	0.21	375,000	4.72
Options Outstanding		<b>1,525,000</b>	
Options Exercisable		<b>381,250</b>	

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**4. Shareholders' Equity - continued**

*Share Purchase Warrants*

A summary of the Company's share purchase warrants is as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price \$</b>
Outstanding at April 30, 2008	-	-
Issued	1,543,168	0.56
<b>Outstanding at April 30, 2009 and July 31, 2009</b>	<b>1,543,168</b>	<b>0.56</b>

As at July 31, 2009, the following share purchase warrants were outstanding:

<b>Expiry Date</b>	<b>Exercise price \$</b>	<b>Number of warrants</b>
July 31, 2010	0.60	1,315,168
April 1, 2010	0.35	228,000
Warrants Outstanding		<b>1,543,168</b>

**5. Equipment**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>July 31, 2009 Net Book Value</b>
Computer hardware	\$ 7,372	\$ 5,663	\$ 1,709
Office furniture and equipment	8,849	4,718	4,131
<b>Total</b>	<b>\$ 16,221</b>	<b>\$ 10,381</b>	<b>\$ 5,840</b>

  

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>April 30, 2009 Net Book Value</b>
Computer hardware	\$ 7,372	\$ 5,049	\$ 2,323
Office furniture and equipment	8,849	4,275	4,574
<b>Total</b>	<b>\$ 16,221</b>	<b>\$ 9,324</b>	<b>\$ 6,897</b>

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**6. Equity Accounted Investee**

The Company's investment in REGI has been reduced to \$nil as the Company's share of past losses exceeded the carrying value of the investment in REGI.

At July 31, 2009, the Company is owed an aggregate of \$543,154 (April 30, 2009 - \$536,438) by REGI. The amounts owed are unsecured, non-interest bearing and due on demand.

During the three month period ended July 31, 2009, the Company recognized a gain of \$12,327 (July 31, 2008 - \$76,425) relating to the sale of 39,500 (July 31, 2008 – 85,775) of its shares of REGI.

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**7. Related Party Transactions**

At July 31, 2009, the Company owed an aggregate of \$20,697 (April 30, 2009 - \$20,697 - receivable) to related parties. The amounts owed are unsecured, non-interest bearing and due on demand. These parties are companies that the President of the Company controls or significantly influences.

During the three month period ended July 31, 2009, rent of \$3,630 (July 31, 2008 - \$3,195) incurred with a company having common officers and directors.

During the three month period ended July 31, 2009, management fees of \$7,500 (July 31, 2008 - \$7,500) were paid to a company having common officers and directors.

During the three month period ended July 31, 2009, research and development costs of \$6,356 (July 31, 2008 - \$Nil) were paid to a company having common officers and directors.

During the three month period ended July 31, 2009, administrative and management fees, included in miscellaneous office expenses, of \$8,617 (July 31, 2008 - \$14,673), directors' fees of \$3,000 (July 31, 2008 - \$Nil) were paid to officers, directors and companies controlled by officers and directors for services rendered.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by all the related parties. Amounts due from related parties are unsecured, non-interest bearing and due on demand.

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8. Commitments

- a) In connection with the acquisition of Rand, the Company has the following royalty obligations:
- i) A participating royalty is to be paid based on 5% of all net profits from sales, licenses, royalties or income derived from the Rand Cam patented technology, to a maximum amount of \$10,000,000. The participating royalty is to be paid in minimum annual instalments of \$50,000 per year beginning on the date the first revenues are derived from the license or sale of the patented technology.
  - ii) Pursuant to a letter of understanding dated December 13, 1993, between the Company and REGI (collectively called the grantors) and West Virginia University Research Corporation (“WVURC”), the grantors have agreed that WVURC shall own 5% of all Rand Cam patented technology and will receive 5% of all net profits from sales, licenses, royalties or income derived from the patented technology and currently the RadMax Technology..
  - iii) A 1% net profit royalty will be payable to a director on all U.S. – based sales.
- b) The Company is committed to fund 50% of the further development of the Rand Cam<sup>TM</sup>/Direct Charge Engine Technology.
- c) The Company’s current agreement to lease office premise expired on June 30, 2009. On June 11, 2009, the Company entered into a new lease agreement for one additional year for a total of \$13,185.
- 

9. Financial Instrument Liability

During the year ended April 30, 2009, Rand sold 1,304,933 units (2008 – 80,000 units) consisting of one common share of REGI and one share purchase warrant entitling the holder to purchase one additional share of REGI at a specified exercise price. The details of the share purchase warrants are as follows:

Closing date of sale	# of warrants	Exercise price	Expiry date
March 27, 2008	80,000	\$ 1.50	March 27, 2013
May 6, 2008	40,000	\$ 1.50	May 6, 2013
March 12, 2009	1,264,933	\$ 0.35	March 12, 2010

The warrants are a derivative, and the proceeds on the sale of the units were bifurcated between the fair value of the common shares and the share purchase warrants. The proceeds allocated to the warrants were \$125,632 (2008 - \$30,798). The fair value of the warrants at the closing date was determined using the Black-Scholes option pricing model.



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**9. Financial Instrument Liability - continued**

During the three month period ended July 31, 2009, the Company received share subscriptions in the amount of \$106,085 whereby the Company will sell 378,000 units consisting of one common share of REGI and one share purchase warrant entitling the holder to purchase one additional share of REGI at a specified exercise price. As at July 31, 2009, these subscriptions are included in accounts payable.

The fair value of the warrants as follows:

Expiry date	Fair value at July 31, 2009	Fair value at April 30, 2009
March 27, 2013	\$ 8,350	\$ 11,474
May 6, 2013	4,184	5,873
March 12, 2010	84,841	149,653
Total	\$ 97,375	\$ 167,000

*Black-Scholes Option-Pricing Model Assumptions*

The fair value of each warrant issued was calculated using the Black-Scholes option-pricing model with the following assumptions:

	July 31, 2009	April 30, 2009
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	105% - 116%	108% - 118%
Risk-free interest rate	0.43% - 0.64%	0.43% - 0.64%
Expected life of warrants (years)	0.61 – 3.75	0.87 – 4.01

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**10. Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technologies and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the development stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the share capital as well as cash, receivables, related party receivables and advances to equity accounted investee.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and short-term investments.

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**10. Capital Management - *continued***

The Company expects its capital resources, which include a share offering and the sale of investee shares and warrants, will be sufficient to carry its research and development plans and operations through its current operating period.

The Company is not subject to externally imposed capital requirements and there were no changes in its approach to capital management during the period ended July 31, 2009.

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**ITEM 13 Date and Certificate**

**Dated: November 20, 2009**

**This offering memorandum does not contain a misrepresentation.**

**REG TECHNOLOGIES INC.**

*"John Robertson"*  
John G. Robertson, President and CEO  
Director

*"James Vandeberg"*  
James Vandeberg, CFO and Director

**ON BEHALF OF THE BOARD**

*"Jennifer Lorette"*  
Jennifer Lorette, Director

*"Susann Robertson"*  
Susanne Robertson, Director

*"Robert Grisar"*  
Robert Grisar, Director