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October 1, 2012

MANAGEMENT DISCUSSION & ANALYSIS

This annual management report of Reg Technologies Inc. ("Reg" or the "Company") is an addition and supplement to the unaudited consolidated financial statements for the three months ended July 31, 2012 and 2011, and should be read in conjunction with those statements, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). This management report presents the views of Management on current Company activities and on the annual financial results, as well as a preview of activities during the coming fiscal year.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A using the terms "may", "expects to", "projects", "estimates", "plans", and other terms denoting future possibilities, including our expectations and objectives, are forward-looking statements in respect to various issues including upcoming events based upon current expectations, which involve risks and uncertainties that could cause actual outcomes and results to differ materially. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, including those described in our financial statements, Management's Discussion & Analysis and Material Change Reports filed with the Canadian Securities Administrators. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that we will derive therefrom.

All subsequent forward-looking statements, whether written or oral, attributable to our company or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements.

We are a development stage company engaged in the business of developing and commercially exploiting 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.

In July, 2010 we incorporated our 80% owned subsidiary Minewest Gold and Silver Corp. Inc. ("Minewest"), a private company incorporated in British Columbia for the purpose of acquiring and exploring mineral properties. During the year ended April 30, 2011, we transferred to Minewest our 100% ownership in our undivided 50% interest subject to a 5% net smelter return in 33 mining claims (the "Silverknife Property") in the Tootsee River area of the province of British Columbia for cash payment of $25,000 and issuance of 8,000,000 common shares of Minewest. Effective December 15, 2010 Minewest purchased 100% of Rapitan Resources Inc.'s ownership in 25% interest of the Silverknife Property for cash payment of $10,000 and issuance of 2,0000,000 common shares of Minewest.

Effective November 17, 2011 Reg Tech obtained court approval for the Plan of Arrangement. On December 14, 2011, Reg Tech declared Minewest shares as dividend for Reg Tech shareholders on the

record date of December 21, 2011, whereby one Minewest shares is distributed for seven Reg Tech shares. The distribution is subject to Minewest being listed on the CNSX. As a result of the dividend declaration, the Company expects to retain approximately 3,287,737 shares of Minewest.

We are a reporting issuer in British Columbia and Alberta and trade on the TSX Venture Exchange (the ("TSX.V") under the symbol "RRE". We are also listed on the OTC BB under the symbol "REGRF".

The RadMax™ Rotary Technology

The worldwide marketing and intellectual rights to the Technology, other than in the US, are held by us and REGI owns the US marketing and intellectual rights. We own 28.75 million shares of REGI, representing an 11.75% interest. We have a project cost sharing agreement with REGI whereby we each fund 50% of the costs of developing the Technology.

Based upon testing work performed by independent organizations on prototype models, we believe that the RadMax Engine holds significant potential in a number of other applications ranging from small stationary equipment to automobiles and aircraft. In additional to its potential use as an internal combustion engine, the RadMax Engine design is being employed in the development of several types of compressors, pumps, expanders and other applications. The mechanism can be scaled to match virtually any size requirement.

To date, several prototypes of the RadMax Engine have been tested and additional development and testing work is continuing. We believe that such development and testing will continue until a commercially feasible design is perfected. There is no assurance at this time, however, that such a commercially feasible design will ever be perfected, or if it is, that it will become profitable. If a commercially feasible design is perfected, we do, however, expect to derive revenues from licensing the Technology, regardless of whether actual commercial production is ever achieved. There is no assurance at this time, however, that revenues will ever be received from licensing the Technology, even if it does prove to be commercially feasible.

Based on the market potential, we believe the RadMax Engine is well suited for application to internal combustion engines, pumps, compressors and expansion engines.

The RadMax Engine must be technologically superior 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.

We have tested the RadMax Engine technology for interested customers. To date, we have granted an option for a license for certain applications to a Fortune 1000 company, which has evaluated the RadMaxEngine design and assisted in the development and testing at no cost to us. On December 31, 2010 the option agreement expired without being exercise.

RadMax® Engine

We believe that 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 that 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.

On August 12, 2010, following two years of technical assessments and design reviews, the engineering team confirmed that the RadMax Engine engineering drawings were complete, additional technical reviews were not necessary and we would proceed with building the RadMax demonstration prototype. Commercial item procurement, parts fabrication and preparation for prototype testing were underway.

After completion of our Request for Proposals to three pre-qualified bidders to provide a fixed-price quotation we selected Path Technologies Inc. ("Path Tech"), of Painesville, Ohio, to fabricate the prototype RadMax Engine. Upon the commencement of the fabrication stage, we integrated those parts, along with other commercial items (fuel injection, for example) to produce the prototype engine.

In February, 2011, we paid Path Technologies for the purchase order to commence fabrication to complete the cam and actuator for the RadMax™ demonstration diesel engine model.

On March 8, 2011 we provided a fabrication progress report of the RadMax™ assembly via news release, reporting the following initial fabrication progress:

- All specified material has been ordered
- All connecting tubes have been final machined to their outside and inside geometric tolerances
- The connecting tubes have been masked for subcontracted flame spray plating services
- Each of the 24 vane blocks have been trued, which means three axis sides are perfectly parallel to their opposite sides and perpendicular to each other
- The outside dimensions of the vane portion has been fabricated in a wire EDM Process

On May 18, 2011 we had the second fabrication progress report for the prototype RadMax™ Diesel Engine, whereby we estimated that approximately one-third of all fabrication work was complete, resulting in us being ahead of schedule and under budget. The fabrication progress was as follows:

- The Rotors had completed their first-pass rough turning process within .030-inch of final. The following Rotor fabrication operations had been completed: Outer surface, Neck, Driveshaft Slot, and Combustion Chamber.
- The Cams had completed their initial rough turning passes. The reason for the two-pass turning process was because the metal "moves" (stretches or deforms) after the machining process. To maintain our high-tolerance requirements, the two-passes were required.
- Fabrication of the 24 Vane-Actuator assemblies was complete. This included completion of the Vanes, Connecting Tubes, Axles, Wheels, Wrist Pins, and integration with commercial wheel bearings.

During August, 2011 we had successful transfer directly from 3D cad model to CNC machine code for the prototype RadMax™ Diesel Engine.

This was a significant event, as we proved our capability to go from 3D computer models of the cam surface to deriving the cutter path for the CNC milling center and fabricating the complex cam surface. This successful transfer applies directly to the RadMax cam and stator surfaces; both of which are implementations of complex transcendental formulas.

A detailed thermodynamic analysis of the patented RadMax engine had been performed in conjunction with Belcan Engineering Services. As a result, the cam was fabricated from lightweight aircraft Aluminum and weighs approximately 12 pounds. This is in sharp contrast to earlier implementations in

steel that weighed more than 50 pounds each. This capability is one of the major contributing factors to RadMax engine weight reduction, which naturally leads to enhanced fuel economy in every application.

On September 29, 2011 we announced that they have integrated a rotary union into the RadMax™ fabrication process, to reduce temperature in the RadMax™ demonstration model. This device allows us to provide continuous high-pressure lubrication and cooling oil to moving and rotating parts of RadMax, thus allowing the engine to operate at a lower temperature. Oil is injected by this device into a hollow driveshaft, with exit ports inside the rotor. This in turn allows us to use lighter components made from Aluminum which further reduces the weight of the engine.

On November 22, 2011 we announced that we have completed fabrication of the RadMax™ drive shaft for the demonstration model. The drive shaft is similar to a crank shaft in a reciprocating engine as it delivers rotational power to the transmission; however, the center is hollow and provides a path for oil to cool rotating components. The drive shaft works in conjunction with the rotary union. The detailed thermodynamic analysis of the patented RadMax engine was performed last year in conjunction with Belcan Engineering Services. As a result, a design decision was finalized to create a hollow drive shaft to provide a means to lubricate internal rotating components. Without this device, the internal engine heat would make adoption of aluminum components impossible. By reducing heat, and weight, this leads to enhanced fuel economy in every RadMax™ application. The drive shaft features include mounting provisions for the Rotary Union, Shaft Lock Nut which preloads the Rotor, main bearings, and tight pilots for securing the rotor in position. It includes key slots for securing the load to RadMax (such as a transmission).

On January 30, 2012, following completion of the complex drive shaft announced on November 22, 2012, we reached the position to estimate all remaining fabrication tasks leading up to the assembly and test phases and could start to use the dimensions and tolerances to specify the requirements of the remaining component interfaces.

The status of the remaining fabrication tasks, which represent the balance of the fabrication, was as follows:

- Rotors: Remaining operations for each rotor include drilling the final tight tolerance turns and other finishing operations. (as announced on May 18, 2011.)
- Cam: Remaining operations for each cam include final surface grinding and polishing, final milling and boring to insert other machined features. (as announced on August 15, 2011.)
- Rotary Union: Work is complete. (as announced on September 29, 2011.)
- Driveshaft: Work is complete. (as announced on November 22, 2011.)
- End plates: Remaining operations for each end plate include cutting air and water plenum holes, final milling and bore.
- Stator frame: Remaining operations for the stator frame include final milling and bore.
- Enclosure: Remaining operations for the enclosure include standard machining operations to mount latches and catches.
- Oil coolers: Material has been received. Initial machining work is the next step.
- Bearings: Material has been received. Initial machining work is the next step.
- Air and Water Flanges: Initial machining work is the next step.
- Gaskets for air and water flanges: These will be sent to vendor who already produced and delivered other gaskets for us.
- Nameplates: Fabricating and plating the nameplates. Initial machining work is the next step.

The Company and Reg Technologies Inc. received a quote to complete the fabrication of the RadMax™ diesel engine for a total of $139,783 including $75,000 for the final fabrication.

Funds are planned to be raised through a private placement. Following fabrication, we plan to build an

assembly fixture. Once this fixture is fabricated and verified, the Company will perform the assembly operations followed by prototype dry (non-fuel) and fueled testing.

On March 12, 2012 we announced that the Radmax engine parts arrived at Williams and White Machine Inc. facilities from Path Technologies in Painesville, Ohio. Radmax engine parts machining has commenced at Williams and White Machine Inc. to complete the fabrication of the Radmax demonstration model.

Williams and White is a world class manufacturing organization comprising of three independent business units; Equipment, Machining, and Automation. Williams and White equipment manufactures specialized grinding equipment used in the cutting tool and machining industry and access to only the most advanced tooling in the world. The Automation division is specialized in development of Mechatronic solutions for custom project applications. Website www.williamsandwhite.com.

As a result of the development, Paul Porter, our Chief Engineer, is managing the final fabrication, assembling and testing of the prototype. Mr. Porter of Spokane, Washington has extensive experience as an expert mechanical engineer. He was previously a manufacturing manager for Parker Seal Group, a Fortune 500 company and was the founder of JetSeal, Inc., which was sold to Heico Corp., an aerospace company.

RadMax® Pump

The Company actively pursued the development of the RadMax® Pump from early 2007 until March 2008. From September 2007 until March 2008, the Company 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.

The Company then focused all of its 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. Until there is further interest established in the RadMax™ Pump by an end user, no further work is anticipated.

RadMax® Compressor

The Company actively 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. Until there is further interest established in the RadMax™ Compressor by an end user, no further work will be conducted.

The Silverknife Property

The Silverknife property represents a zone of known Ag-Zn-Pb mineralization distal to, and stratigraphically lower than the Silvertip deposit and more proximate to the Cassiar Batholith (a potential mineralizing heat source in the district). Paul D. Gray, P.Geo., author of the 43-101 report on the Silverknife property, believes the most relevant targets for mineral exploration on the Silverknife Property are associated chimney-type feeder systems and mantos related to the Silvertip mineralizing event.

To date, there has been insufficient exploration work conducted to adequately define these potential targets and it is uncertain if such targets will be discovered. However, the fact the mineralization has been identified and overlaps onto the Silvertip property is a compelling reason to explore for additional zones of mineralization on the Silverknife Property.

In 1983, the Silverknife Property was staked and from 1984-1988 Reg Resources Corp. and Chevron Minerals Inc. a staged series of mineral exploration programs were conducted. Geochemistry and geophysics were the primary initial (1983-1985) exploration tools applied to Property, and following on a number of anomalies discovered in 1985 a 30 hole diamond drill program was completed. Based on this first phase drilling, a “Discovery Zone” of silver-zinclead mineralization was uncovered.

On July 6, 2010, Reg Tech incorporated its wholly owned subsidiary Minewest, to which pursuant to a Plan of Arrangement, Reg Tech transferered its undivided 45% interest in the Silverknife Property to for consideration of cash payment of $25,000 and issuance of 8,000,000 common shares of the Company.

Effective November 17, 2011 Reg Tech obtained court approval for the Plan of Arrangement. On December 14, 2011, Reg Tech declared Minewest shares as dividend for Reg Tech shareholders on the record date of December 21, 2011, whereby one Minewest shares is distributed for seven Reg Tech shares. As a result of the dividend declaration, the Company expects to retain approximately 3,287,737 shares of Minewest, and no longer had control of Minewest.

Overall Performance

We are a technology development and mineral exploration company engaged in developing and commercially exploiting an improved axial vane type rotary engine. Our subsidiary Minewest is engaged in the acquisition and exploration of mineral properties. Our expenditures are incurred on research and development of our technology, as well as acquiring mineral properties and carrying out exploration work. We do not have any producing mineral properties at this time, and our technologies are not yet commercially viable. The recoverability of amounts shown for investments, mineral properties, and the related deferred expenditures is dependent upon the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the exploration, the profitability of future production or our ability to dispose of those assets on a profitable basis. Our ongoing operation is dependent upon cash flow from loans and equity financing.

Results of Operations

We incurred a net loss of $198,846 for the three months ended July 31, 2012, compared to a net loss of $145,292 for the three months ended July 31, 2011.

The increase was largely due to the financing fees we recorded for the extension by one year of the 1,063,300 warrants exercisable into the Company’s common stock at $0.20 per share.

During the three months ended July 31, 2012 we incurred shareholder communication expense of $645

and transfer agent and filing fees of $4,834 compared to $17,195 and $10,756 respectively during the three months ended July 31, 2011, as we consolidated Minewest financial information in the three months ended July 31, 2011 which is not consolidated in the three months ended July 31, 2012 because we ceased to have control of Minewest in November, 2011.

During the three months ended July 31, 2012 we recorded foreign exchange gain of $13,695 instead of loss of $8,629 during the three months ended July 31, 2011.

Professional fees increased from $13,979 during the three months ended July 31, 2011 to $27,465 in the three months ended July 31, 2012 due to our costs incurred relating to completing the spin off of Minewest.

Research and development expenses decreased from $59,147 in the three months ended July 31, 2011 to $43,235 in the three months ended July 31, 2012, after we moved to the new phase of the development of our technology.

Wages and benefits decreased from $10,169 in the three months ended July 31, 2012 to $3,100 in the three months ended July 31, 2011, due to our continuing effort to streamline our operations.

During the three months ended July 31, 2011 we recorded unrealized gain on financial instrument liability of $19,713, which decreased to $636 during the three months ended July 31, 2012. The calculation was using Black-Scholes model which takes into consideration the market conditions and the terms of the instruments.

During the three months ended July 31, 2012 we recorded loss on equity investment – our investment in Minewest. It was absent in the three months ended July 31, 2011 when we had control over Minewest and consolidated Minewest's financials.

Summary of Quarterly Results

The following is a summary of our financial results of eight of our most recently completed quarters:

Description	**Three months ended July.31, 2012 $**	**Three months ended Apr.30, 2012 $**	**Three months ended Jan.31, 2012 $**	**Three months ended Oct. 31, 2011 $**	**Three months ended July 31, 2011 $**	**Three months ended April 30, 2011 $**	**Three Months ended Jan. 31, 2011 $**	**Three Months ended Oct. 31, 2010 $**
Net Revenues	0	0	0	0	0	0	0	0
Income or loss before other items								
Total	(195,295)	(69,221)	(131,068)	(118,765)	(165,005)	(117,920)	(92,486)	(99,643)
Per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Net loss for period								
Total	(198,844)	(3,058)	(118,765)	(118,765)	(145,292)	(117,920)	(23,502)	(61,898)
Per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Liquidity and Capital Resources

As of July 31, 2012 we had a cash position of $2,114, compared to $650 at April 30, 2012, representing an increase of $1,464. As at July 31, 2012 we had a working capital of $986,358ed to working capital of $1,075,173 at April 30, 2012.

We are owed $1,034,508 by REGI including ludes REGI's 50% share of recent project costs for the RadMax Engine pursuant to the project cost sharing agreement. REGI currently lacks the liquidity to fund its share of the costs.

We are still in the development stage of our business and expect to continue with research and development activities and mineral exploration activities for the near future. We do not expect to generate significant revenues in the near future and will have to continue to rely upon the sale of equity securities to raise capital or shareholder loans. Fluctuations in our share price may affect our ability to obtain future financing and the rate of dilution to existing shareholders.

We have no funding commitments or arrangements for additional financing at this time and there is no assurance that we will be able to obtain any additional financing on terms acceptable to us, if at all. Any additional funds raised will be used for general and administrative expenses, and to continue with our research and development activities. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise.

We estimate that we will require approximately $350,000 to fund our general and administrative expenses for the next twelve months. We will also require approximately $250,000 to fund our share of the costs for the RadMax Engine, being the master design integrator, prototype fabrication and labour expense. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise.

Since its incorporation, the Company has financed its operations almost exclusively through the sale of its common shares to investors and by borrowing from related parties. The Company expects to finance operations through the sale of equity in the foreseeable future as it generates limited revenue from business operations. There is no guarantee that the Company will be successful in arranging financing on acceptable terms. To a significant extent, the Company's ability to raise capital is affected by trends and uncertainties beyond its control. These include the market prices for base and precious metals and results from the Company's exploration program. The Company's ability to attain its business objectives may be significantly impaired if the technologies cannot be commercialized or prices for metals fall or if results from exploration programs on its properties are unsuccessful.

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 exploration of its mineral claims and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is not earning significant revenues from operations, its principal source of funds is from the issuance of common shares.

Transactions with Related Parties

At July 31, 2012, the Company is owed $Nil (April 30, 2012 - $1,317) by related parties and owed an aggregate of $155,924 (April 30, 2012 - $137,135) 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, 2012, rent of $1,342 (2012 - $1,818) was incurred with a company having common officers and directors.

- During the three month period ended July 31, 2012, management fees of $Nil (2012 - $7,500) were paid to a company having common officers and directors.

- During the three month period ended July 31, 2012, research and development costs of $Nil (2012 - $18,750) were paid to a company controlled by a former director of the Company.

- During the three month period ended July 31, 2012, administrative and management fees, included in miscellaneous office expenses, of $1,204 (2012 - $1,712) and directors' fees of $3,000 (2012 - $3,000) were paid to an officer and director or a company controlled by the officer and director for services rendered.

The above transactions were in the normal course of operations and are recorded at their exchange amounts.

Financial Instruments & Other Instruments

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.

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, 2012	Cash	Due to Related Party	Advances to Equity Accounted Investee	Accounts Payable
	$ 33	$ 112	$ 604,869	$ 43,039

At July 31, 2012 with other variables unchanged, a +/-10% change in exchange rates would increase/decrease pre-tax loss by approximately +/- $64,799.

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.

Interest rate and credit risk

The Company has minimal cash balances and no interest-bearing debt other than the convertible debt of $20,000. 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 11 to our interim financial statements for the three months ended July 31, 2012.

Share Capital

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, 32,768,418 shares (excluding the 217,422 shares owned by Rand) were outstanding as of the date of this report. There are no Preferred or Class "A" Shares currently outstanding.

The following is a summary of the stock options and share purchase warrants outstanding as at July 31, 2012:

Stock options:

Expiry Date	Exercise price	Number of options	Remaining contractual life (years)
	$		
August 1, 2013	0.40	300,000	1.01
April 22, 2014	0.21	375,000	1.73
April 19, 2015	0.21	50,000	2.72
October 21, 2015	0.14	750,000	3.23
Options Outstanding		1,475,000	
Options Exercisable		368,750	

Share purchase warrants:

Expiry Date	Exercise price $	Number of warrants
June 9, 2013	0.20	1,063,300
March 20, 2013	0.15	2,115,375
Warrants Outstanding		3,178,675

Critical Accounting Policies

The critical accounting policies of the Company are outlined in our unaudited consolidated financial statements for the three months ended July 31, 2012 and our audited consolidated financial statements for the year ended April 30, 2012. Accounting policies are critical if they rely on a substantial amount of judgment in their application or if they result from a choice between accounting alternatives and that choice has a material impact on reported results or financial position.

Subsequent Events

There are no significant subsequent events other than normal course of business.

Directors and Officers

Our Board of Directors is as follows:

John Robertson
Suzanne Robertson
James Vandeberg
Suzan El-Khatib

Our officers are:

John Robertson	President, Chief Executive Officer and Corporate Secretary
James Vandeberg	Chief Financial Officer

Approval

Our Board of Directors have approved the disclosures in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Additional Information

Additional information relating to our company is available on SEDAR at www.sedar.com.