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MANAGEMENT DISCUSSION & ANALYSIS

This discussion and analysis should be read in conjunction with our interim consolidated financial statements and related notes thereto for the nine months ended January 31, 2011, as well as our audited financial statements and accompanying Management's Discussion & Analysis for the year ended April 30, 2010, which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts in the financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

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.

Overview

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.

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”.

In July, 2010 we incorporated our wholly 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.

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 4.5 million shares of REGI,

representing a 16% 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 addition 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 exercise.

Products and Projects

RadMax™ Engine

Based on a review of published industry literature by our thermodynamics engineer, Dr. Allen MacKnight, PhD., we believe that the RadMax Engine could achieve improved fuel consumption when compared to gasoline and turbine engines. 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 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.

Together with REGI, we have been working with a Fortune 1000 company since April 2008 in evaluating and considering technical solutions in developing the RadMax Engine application based on a specification of its industry partner. Under the terms of a confidentiality agreement, we are prohibited from publishing the name of the partner or discussing the partner's specific application.

The agreement gives the Fortune 1000 company an option for 90 days after the completion of the evaluation period to enter into a letter of intent for exclusive commercial and military markets. They have a period of 12 months after completion of the evaluation period to enter into a letter of intent for a non-exclusive license for the RadMax Engine for certain commercial and military markets. This agreement expired on December 31, 2010.

We retained Belcan Engineering Services of Phoenix, AZ to review the Fortune 1000 diesel engine design before production of the prototype, which review was to help to ensure a streamlined and timely fabrication process. Following the design review, the next step will be to fabricate RadMax Engine parts and assemblies, validate assembly operations, and conduct component, assembly, and system tests. After multiple technical meetings with Belcan Engineering Services, the following results have been accomplished:

- familiarization with the RadMax Engine baseline design, including mechanical operation, friction;
- contributors and sealing approach;
- shared understanding of the vane actuation system;
- determination of vane loads in compressor and engine applications;
- preliminary evaluation of thermodynamics and determination of potential hot spots;
- evaluation of compression ratio, and recommendations for design modifications; and
- assessment of all bearings – main bearings which control all rotating components, linear bearings which control the vane actuators, and journal bearings which facilitate wheel operations on the fixed stators.

Belcan's technical assignment was to optimize the design of the diesel engine application which comprises the vanes, push rods, and a lift block that interface with a stator. The review of the RadMax Engine thermodynamics and vane-actuation systems were performed first. All recommendations resulting from these reviews were evaluated and changes into the RadMax Engine baseline were incorporated as appropriate.

The design review covered thermodynamic engineering work, material selections, sealing solutions, component geometry, mechanical integration, operating limitations and a vital assembly review.

The resultant thermodynamics report included recommendations for RadMax Engine materials, thicknesses, tolerances, and coatings. One specific recommendation is to fabricate the cam using lighter weight materials to take advantage of its improved thermal conductivity.

In June 2010, REGI met with representatives of the Fortune 1000 company and conducted a review of the engine analysis, design, and fabrication plans. At the completion of the review, we announced that the design review indicates the acceptance of the demonstration RadMax Engine, subject to a few minor action items that have since been resolved. The objective of the review was to obtain approval to commence fabrication of the demonstration diesel engine. A revised drawing package and computer models of the updated components were submitted to the Fortune 1000 Company for final review.

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 are underway. Our target is to complete prototype fabrication and start initial testing early 2011 after completion of our planned financing. This event represents the completion of another significant milestone.

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 will integrate 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 initial fabrication progress is as follows:

- 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

Following completion of the vanes, flame spray plating of the connecting tubes, fabrication of the apex seals, wheel assemblies, and attaching parts, the actuator components will be ready for sub component testing.

Next components planned for fabrication are the cam assemblies, rotor assemblies, stator assemblies, and enclosure assemblies. Following each of these fabrications the components will be tested. Upon successful testing of the components the entire RadMax™ engine will be prepared for friction testing, lubrication flow testing, cooling flow testing, and compression testing.

Upon successful completion of the entirety of tests performed on the RadMax™ engine, fuel and engine certification tests will be conducted by an independent recognized facility.

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.

RadMax Compressor

We then focused 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 our 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.

We 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 enter into 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.

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 Jan.31, 2011 \$	Three months ended Oct. 31, 2010 \$	Three months ended July 31, 2010 \$	Three months ended April 30, 2010 \$	Three Months ended Jan. 31, 2010 \$	Three Months ended Oct. 31, 2009 \$	Three Months ended July 31, 2009 \$	Three months ended April 30, 2009 \$
Net Revenues	0	0	0	0	0	0	0	0
Income or loss before other items								
Total	(117,920)	(92,486)	(99,643)	(177,367)	(185,081)	(167,292)	(159,926)	(207,812)
Per share	(0.00)	(0.00)	(0.00)	(0.02)	(0.004)	(0.006)	(0.00)	(0.02)
Net loss for period								
Total	(117,920)	(23,502)	(61,898)	(113,407)	(105,852)	(157,669)	(77,974)	23,512
Per share	(0.00)	(0.00)	(0.00)	(0.02)	(0.004)	(0.006)	(0.00)	(0.00)

As we are in a development stage company, variances by quarter reflect overall corporate activity and are also impacted by factors which are not recurring each quarter, such as research and development costs and financing costs.

The fluctuations in net loss are mainly due to the difficulties faced by small companies when it comes to raising funds in the current economic climate. When a financing is completed, expenditures rise, increasing the net loss. As those funds are allocated, expenditures decline, reducing the net loss.

Results of Operations

We incurred a net loss of \$187,409 for the nine months ended January 31, 2011, compared to a net loss of \$ for the nine months ended January 31, 2010. Significant changes from the first nine months in fiscal 2010 to the first nine months in fiscal 2011 are as follows:

- In 2011 we had a convertible debenture of principal amount of \$50,000. Interest of \$6,999 was recorded on the loan during the period, while we did not have such debt or related interest expense in 2010;
- We decreased shareholder communication expenses from \$51,844 in 2010 to \$18,688 in 2011 due to our continued search for efficient channels for shareholder communication during the weak world economy;
- From the first nine months of 2010 to the same period in 2011 office expenses decreased from \$44,051 to \$18,488, professional fees decreased from \$80,347 to \$50,321, rent and utility decreased from \$27,562 to \$12,229, wages and benefit decreased from \$21,616 to \$17,833, all due to our effort to streamline our operations and share costs with our associated companies;
- Research and development expenses decreased from \$98,200 to \$65,040, because we have reached a stage where one of the research members' work is not required in 2011 as much as in 2010;
- In 2010 we had stock based compensation for options granted of \$31,987; in 2011 has stock based compensation of \$20,296.

Management and director fees increased from \$39,150 in 2010 to \$49,221 in 2011 and consulting fees increased from \$13,965 in 2010 to \$25,553, as a result of these types of services provided by the new subsidiary Minewest we created in 2011.

In 2010 we recognized a gain of \$26,689 on private sale of our REGI shares when the shares were transferred to the purchasers; in 2011 we recognized the same gain of \$39,542.

In addition, in the first nine months of both 2010 and 2011 we recognized unrealized gain on warrants issued with our private sales of our REGI shares as a result of the warrant fair value calculation using Black-Scholes option pricing model, with \$144,115 in 2010 and \$78,334 in 2011. The gains were realized when warrants expired.

Liquidity and Capital Resources

As of January 31, 2011 we had a cash position of \$144,168, compared to \$364 as at the year ended April 30, 2010, representing a significant increase of \$143,804. As at January 31, 2011, we had a working capital of \$295,029, compared to a working capital of \$219,216 as at April 30, 2010.

During the nine month period ended January 31, 2011 we issued a convertible debenture for \$50,000, which bears interest at 8% per annum, payable monthly, is unsecured and due on June 1, 2011. The unpaid amount of principal can be converted at any time at the holder's option into common shares at a price of \$0.20 per share. We have the option to repay the principal and accrued interest before the due date with 30 days advance notice.

During the nine month period ended January 31, 2011, we issued 460,929 common shares for gross proceeds of \$92,186 for warrants exercised at \$0.20 per share.

During the nine months ended January 31, 2011 we raised \$266,686 from sale of our private placement subscriptions and our wholly owned subsidiary Minewest raised \$207,500 from sale of subscription of its common shares.

We are owed \$842,081 by REGI, which receivable relates to 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.

During the year ended April 30, 2010, we financed our operations by way of share subscriptions pursuant to private placements for total net proceeds of \$375,786. We also received proceeds of \$240,395 from the sale of shares of REGI, representing a gain of \$142,815.

We are still in the development stage of our business and expect to continue with research and development 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 \$250,000 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.

On February 24, 2011 we issued 1,994,333 units of private placement at \$0.15 per unit at \$0.15 per unit consisting of one common share of the Company and one share purchase warrant entitling the holder to purchase one additional share of common stock at a price of \$0.20 for one year from February 24, 2011, \$174,500 of the proceeds was received by January 31, 2011 and the remaining \$125,500 received after January 31, 2011.

Transactions with Related Parties

During the nine month period ended January 31, 2011 and 2010, we entered into the following transactions with related parties:

- At January 31, 2011, the Company is owed an aggregate of \$Nil (April 30, 2010 - \$28,455) by related parties and owed an aggregate of \$239,394 (April 30, 2010 - \$146,741) 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 nine month period ended January 31, 2011, rent of \$12,229 (2010 - \$27,562) incurred with a company having common officers and directors.
- During the nine month period ended January 31, 2011, management fees of \$22,500 (2010 - \$22,500) were accrued to a company having common officers and directors in accordance with the management agreement dated May 1, 2007. As at January 31, 2011 an aggregate balance of \$27,724 was owed to this related party by Rand and the Company. On December 1, 2010 the management agreement was amended whereby the related party agrees to accrue the \$5,000 per month management fees, but not to be paid until the Company is sufficiently funded for operations and not to charge interest on outstanding balances.
- During the nine month period ended January 31, 2011, research and development costs of \$65,040 (2010 - \$98,200) were paid to a company having common officers and directors.
- During the nine month period ended January 31, 2011, administrative and management fees, included in miscellaneous office expenses, of \$9,509 (2010 - \$20,250) and directors' fees of \$9,000 (2010 - \$9,000) 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.

At January 31, 2011, the Company is owed \$nil (April 30, 2010 - \$28,455) by related parties and owed an aggregate of \$239,394 (April 30, 2010 - \$146,741) 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.

Significant Recent Developments

Spin Off of 50% Interest in Silverknife Claims to Subsidiary

On August 9th, 2010 we announced that we intended to spin off our 50% interest in the Silverknife claims, located in Liard Mining Division, BC, to a newly created subsidiary, Minewest Silver and Gold Inc. (“Minewest”). Minewest will prepare a geological report on the Silverknife claims. Pursuant to an agreement between our company and Minewest we will perform a \$150,000 work program in the first year and a \$250,000 work program in the second year. As consideration for the 50% interest in the Silverknife claims, Minewest will issue up to 8,000,000 common shares to our company and we will retain a 5% net profit return. We plan to distribute the Minewest shares to our shareholders on a 7 to 1 basis as of a record date of August 27th, 2010.

We advised that negotiations were underway to acquire the additional 50% interest in the Silverknife claims. Minewest intends to raise \$250,000, of which \$150,000 will be flow-through shares to be spent on exploration, including drilling the known silver, lead and zinc targets, which were identified in a 3,000 foot drilling program completed in 1985.

Subsequently, we announced that we were extending the record date and distribution of the Minewest shares as a result of a letter received from Barry Price, who is associated with Rapitan Resources Inc. (“Rapitan”), one of the optionors of the Silverknife claims. In his letter Mr. Price alleges that we do not hold an interest in the claims because the work required to earn the interest was not completed by January 1, 1985. However, we assert that an amended agreement was signed by all parties extending the completion of the work program to January 1, 1986, which work program was completed before that date.

On December 21, 2010, we announced that we signed an agreement dated December 16, 2010 with Rapitan, wherein both parties confirm that there are no further disputes regarding ownership of Silverknife claims 1 and 2 and Rapitan sold its 25% interest in the Silverknife property to Minewest, who will consequently own 70% work interest in the Silverknife Claims 1 and 2, subject to a 10% net smelter return.

In February, 2011 we completed our 43-101 report which result was announced in our news release. A proposed Phase I exploration program consisting of a desk study followed by a series of on-the-ground Property boundary and drill collar location surveys, followed by geophysics and diamond drilling with a recommended budget of \$358,700 is recommended for the Silverknife Property.

On February 15, 2011 our directors declared a distribution of Minewest Silver & Gold Inc. shares on a 7 to 1 basis as of the previous record date February 15, 2011 to be extended to February 28th, 2011.

Directors and Officers

Our Board of Directors is as follows:

John Robertson
Jennifer Lorette
Suzanne Robertson
James Vandenberg
Robert Grisar

Our officers are:

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

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, 28,830,785 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.

During the nine months ended January 31, 2011, we issued 460,929 common shares for warrants exercised at \$0.20 per share.

The following is a summary of the stock options and share purchase warrants outstanding as at January 31, 2011:

Stock options:

Expiry Date	Exercise price	Number of options	Remaining contractual life (years)
	\$		
August 1, 2013	0.40	400,000	2.51
April 22, 2014	0.21	375,000	3.23
April 19, 2015	0.21	50,000	4.22
October 21, 2015	0.14	750,000	4.72
Options Outstanding		1,575,000	
Options Exercisable		393,570	

Share purchase warrants:

Expiry Date	Exercise price	Number of warrants
	\$	
July 26, 2011	0.20	551,667
September 24, 2011	0.20	1,643,333
Warrants Outstanding		2,195,000

Changes in Accounting Policies

The unaudited interim consolidated financial statements for the nine months ended January 31, 2011 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 April 30, 2010.

IFRS Implementation Plan

We have commenced the development of an International Financial Reporting Standards (“IFRS”) implementation plan to prepare for this transition, and are currently in the process of analyzing the key areas where changes to current accounting policies may be required. While an analysis will be required for all current accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures;
- Property and equipment (measurement and valuation);
- Stock-based compensation;
- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of our IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes and financial statement note disclosure. The table below summarizes the expected timing of activities related to our transition to IFRS:

Initial analysis of key areas for which changes to accounting policies may be required	In progress now
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives	In progress now
Assessment of first-time adoption (IFRS 1) requirements and alternatives	In progress now
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	In discussion with auditors
Resolution of the accounting policy change implications on the accounting processes	In analysis
Quantification of the financial statement impact of changes in accounting policies	In analysis

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.