Reg Technologies Inc.
(A Development Stage Company)

Consolidated Financial Statements
(Expressed in Canadian Dollars)
April 30, 2014

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AChan

A CHAN AND COMPANY LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Reg Technologies Inc.

We have audited the accompanying consolidated financial statements of Reg Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2014 and April 30, 2013, and the consolidated statements of operations and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years ended April 30, 2014 and April 30, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2014 and April 30, 2013, and its financial performance and its cash flows for the years ended April 30, 2014 and April 30, 2013 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern.

"A Chan and Company LLP"
Chartered Accountants

Vancouver, British Columbia
September 15, 2014

Reg Technologies Inc.
(A Development Stage Company)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at 30 April 2014 $	As at 30 April 2013 $
Assets		
Current		
Cash	941,914	307
HST/GST and interest receivable	5,738	9,562
Prepaid expenses	1,416	1,416
Advances to REGI US (Note 7)	986,825	1,011,748
Assets held for distribution to shareholders (Note 7)	471,200	471,200
	2,407,093	1,494,233
Investment in Minewest (Note 7)	252,087	289,385
	2,659,180	1,783,618
Liabilities		
Current		
Bank indebtedness	-	4,968
Accounts payable	173,015	169,496
Accrued liabilities	26,500	25,600
Due to related parties (Note 7)	88,730	258,664
Due to Minewest (Note 7)	21,732	160,518
Convertible debt (Note 9)	-	20,000
	309,977	639,246
Shareholders' equity		
Share Capital (Note 6)	13,636,565	12,820,362
Warrants (Note 6)	1,141,249	461,471
Contributed Surplus	10,560,967	10,554,464
Deficit	(23,028,628)	(22,723,825)
	2,310,153	1,112,472
Non-controlling interest	39,050	31,900
	2,659,180	1,783,618

Nature and Continuance of Operations (Note 1)
Commitments (Note 8)
Subsequent events (Note 12)

On behalf of the Board:

"John Robertson"	Director	*"Suzan El-Khatib"*	Director
John Robertson		Suzan El-Khatib	

The accompanying notes are an integral part of these consolidated financial statements.

Reg Technologies Inc.
(A Development Stage Company)
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the year ended April 30, 2014 $	For the year ended April 30, 2013 $
Expenses		
Shareholder communication	23,590	33,914
Consulting fees	4,400	18,050
Foreign exchange gain	(4,666)	(11,991)
Interest expense	1,609	1,959
Management and directors' fees (Note 7)	45,981	46,751
Office expenses	21,834	25,360
Professional fees (Note 7)	53,830	69,228
Research and development	47,668	121,081
Rent and utilities (Note 7)	5,903	5,483
Financing cost (Note 6)	112,319	269,855
Stock-based compensation (Note 6)	6,503	48,700
Transfer agent and filing fees	28,327	33,887
Travel and promotion	10,801	1,025
Wages and benefits	10,610	12,074
Loss before other income (expense)	(368,709)	(675,376)
Other income (expense)		
Net gain (loss) on expiration and modification of financial instrument liability	-	9,315
Gain on settlement of debt (Note 6)	79,617	-
Gain on disposal of marketable securities	6,737	-
Loss in equity investment	(15,298)	(30,697)
Net and comprehensive loss	(297,653)	(696,758)
Net and comprehensive income (loss) attributable to:		
Shareholders of the Company	(304,803)	(707,833)
Non-controlling interest	7,150	11,075
	(297,653)	(696,758)
Loss per share – basic and diluted	(0.01)	(0.02)
Weighted average number of common shares outstanding – basic and diluted	37,134,122	35,063,163

Reg Technologies Inc.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended April 30 2014 $	For the year ended April 30 2013 $
Cash flows used in operating activities		
Net loss	(297,653)	(696,758)
Adjustments to reconcile loss to net cash used by operating activities:		
Imputed interest	-	62
Net gain on expiration and modification of financial instrument liability	-	(9,315)
Financing cost	112,319	269,855
Stock-based compensation	6,503	48,700
Gain on debt settlement	(79,617)	-
Loss in equity investment	15,298	30,697
Gain on disposal of REGI shares	(6,737)	-
Changes in non-cash working capital items:		
Bank indebtedness	(4,968)	4,968
HST/GST and interest receivable	3,824	5,902
Prepaid expenses	-	37,202
Due from related parties	-	1,317
Accounts payable and accrued liabilities	(37,147)	63,735
Due to related parties	97,771	121,531
	(190,407)	(122,104)
Cash flows provided by investing activities		
Advances to equity accounted investee	24,923	(18,897)
Proceeds from sale of REGI shares	6,737	-
	31,660	(18,897)
Cash flows provided by financing activities		
Repayment of convertible debt	(20,000)	-
Advance from equity accounted investee	(18,786)	13,338
Proceeds from share issuances	1,188,000	131,500
Share issuance cost	(48,860)	(4,180)
	1,100,354	140,658
Increase (decrease) in cash	941,607	(343)
Cash, beginning	307	650
Cash, ending	941,914	307
Non-cash items		
Shares issued for debt settlement	286,088	-
Supplemental Disclosures		
Interest paid	1,600	1,600
Income taxes paid	-	-

The accompanying notes are an integral part of these consolidated financial statements.

Reg Technologies Inc.
(A Development Stage Company)
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares #	Common Shares $	Subscription Received $	Contributed Surplus $	Warrants $	Convertible Debt $	Deficit $	Total Shareholders' Equity $	Non-Controlling interest $
Balance – April 30, 2012	**34,883,793**	**12,746,997**	**–**	**10,505,459**	**137,661**	**305**	**(22,015,992)**	**1,374,430**	**20,825**
Warrants extension	–	–	–	–	269,855	–	–	269,855	–
Share issued	1,315,000	77,545	–	–	53,955	–	–	131,500	–
Share issuance cost	–	(4,180)	–	–	–	–	–	(4,180)	–
Stock-based compensation	–	–	–	48,700	–	–	–	48,700	–
Equity component of convertible debt	–	–	–	305	–	(305)	–	–	–
Net loss	–	–	–	–	–	–	(707,833)	(707,833)	11,075
Balance – April 30, 2013	**36,198,793**	**12,820,362**	**–**	**10,554,464**	**461,471**	**–**	**(22,723,825)**	**1,112,472**	**31,900**
Warrants extension	–	–	–	–	112,319	–	–	112,319	–
Private placement	9,900,000	620,541	–	–	567,459	–	–	1,188,000	–
Share issuance cost	–	(90,426)	–	–	–	–	–	(90,426)	–
Stock-based compensation	–	–	–	6,503	–	–	–	6,503	–
Shares issued for debt settlement	3,230,877	286,088	–	–	–	–	–	286,088	–
Net loss	–	–	–	–	–	–	(304,803)	(304,803)	7,150
Balance – April 30, 2014	**49,329,670**	**13,636,565**	**–**	**10,560,967**	**1,141,249**	**–**	**(23,028,628)**	**2,310,153**	**39,050**

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature and Continuance of Operations

Reg Technologies Inc. ("Reg Tech" or 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™/Direct Charge Engine and other RandCam™ / 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 as at April 30, 2014 owns a 10.21% interest in REGI U.S, Inc. ("REGI") (a U.S. public company). REGI owns the U.S. marketing and intellectual rights. The Company and REGI have a project cost sharing agreement whereby these two companies each fund 50% of the development of the Technology.

On July 6, 2010, Reg Tech incorporated a wholly owned subsidiary Minewest Silver and Gold Inc. ("Minewest") under the laws of British Columbia. Pursuant to a Plan of Arrangement with Minewest, Reg Tech signed an asset transfer agreement (the "Transfer Agreement") on August 5, 2010 with Minewest to transfer Reg Tech's undivided 45% interest in mineral claims in the Liard Mining Division, located in northern British Columbia (the "Silverknife Claims") to Minewest 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 share 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.

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 $23,028,628 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. 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.

2. Statement of compliance

These consolidated financial statements of the Company and its subsidiaries, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on September 15, 2014.

3. Significant Accounting Policies

Basis of preparation

These consolidated financial statements were prepared on a going concern basis, under the historical cost convention, except for the revaluation of certain financial instruments.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Basis of consolidation and presentation

These financial statements include the accounts of the Company, its 80% owned subsidiary Minewest Silver and Gold Inc. ("Minewest") until November 18, 2011 when the Company lost control (Note 1) and its 51% owned subsidiary, Rand Energy Group Inc. ("Rand"), which owns a 1.80% (2013 – 2.00%) interest in REGI. Reg Tech also owns an 8.41% (2013 – 8.66%) 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 and consequently the investment in REGI has been accounted for as investment in associates.

Starting from November 18, 2011, the accounts of Minewest ceased to be consolidated as a result of Reg Tech's loss of control in Minewest and consequently were accounted for as investment in associates.

All significant inter-company balances and transactions have been eliminated upon consolidation.

Investment in associates

Investments in which the Company has the ability to exert significant influence but does not have control are accounted for using the equity method whereby the original cost of the investment is adjusted annually for the Company's share of earnings, losses and dividends during the current year.

3. Significant Accounting Policies (Cont'd)

Cash equivalents

Cash equivalents consist of highly liquid investments that are readily convertible to cash with original maturities of three months or less when purchased.

Equipment

Equipment consists of office furniture and equipment, and computer hardware recorded at cost and amortized on a straight-line basis over a five-year and three-year period, respectively.

Research and development costs

The Company carries on various research and development activities to develop its technology. Research costs are expensed in the periods in which they are incurred. Development costs that meet all of the criteria to be recognized as an intangible asset, including reasonable expectation regarding future benefits, are capitalized and are amortized over their expected useful lives. To date the Company has not capitalized any development costs.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates.*

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

3. Significant Accounting Policies (Cont'd)

Share - based compensation

The Company's share option plan allows Company employees, directors, officers and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future income tax asset will be recovered, it does not recognize the asset.

3. Significant Accounting Policies (Cont'd)

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted loss per share. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, diluted loss per share is not presented where the effects of various conversions and exercise of options and warrants would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Financial instruments

Initial recognition and measurement

Financial assets and liabilities are initially recognized at fair value. Financial assets are classified at initial recognition as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The Company does not use any hedging instruments. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - inputs that are not based on observable market data.

At April 30, 2014, all of the financial instruments measured at fair value are included in Level 1.

3. Significant Accounting Policies (Cont'd)

Financial instruments (Cont'd)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification. Financial assets at fair value through profit or loss includes financial assets held-for-trading which represent assets that are acquired for the purpose of selling or repurchasing in the near term. These financial assets are initially recorded in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement at fair value, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Any amortization of the effective interest rate method and any impairment is recognized in the statement of comprehensive loss.

Held-to-maturity investments represent assets to be held until a specific time period and are initially measured at fair value, including transaction costs. After initial measurement at fair value, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Any amortization of the effective interest rate method and any impairment is recognized in the statement of comprehensive loss.

Available-for-sale financial assets are investments in equity instruments that are measured at fair value with gains and losses, net of applicable taxes, included in other comprehensive income until the asset is removed from the statement of financial position. Once this occurs, the resultant gains or losses are recognized in comprehensive loss. Any permanent impairment of available-for-sale financial assets is also included in the statement of comprehensive loss.

Financial liabilities are initially recorded at fair value and are designated as fair value through profit or loss or other financial liabilities. Derivative financial liabilities are classified as fair value through profit or loss and are initially recorded in the statement of financial position at fair value with changes in fair value recognized in finance income or finance cost in the statement of comprehensive loss. Non-derivative financial liabilities are recorded at amortized cost using the effective interest rate method. Any amortization of the effective interest rate method is recognized in the statement of comprehensive loss.

Financial assets, others than those at fair value through profit and loss are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The amount of impairment loss is recognized in the statement of comprehensive loss. Any subsequent reversals of impairment are also recognized in the statement of comprehensive income (loss), except for those related to available-for-sale financial assets.

3. Significant Accounting Policies (Cont'd)

Mineral property or exploration and evaluation

The Company follows the practice of capitalizing all costs relating to the acquisition of, exploration and development of mineral claims and crediting all proceeds received for farm-out arrangements or recovery of costs against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income the costs recovered on mineral properties when the amounts received or receivable are in excess of the carrying amount.

Upon transfer of "Exploration and evaluation costs" into "Mine Development", all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized within "Mine development". After production starts, all assets included in "Mine development" are transferred to "Producing Mines".

3. Significant Accounting Policies (Cont'd)

Mineral property or exploration and evaluation (Cont'd)

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Asset retirement and environmental obligations

The fair value of a liability for an asset retirement or environmental obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement or environmental obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement or environmental cost is charged to operations using a systematic and rational method and the resulting liability is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. As of April 30, 2014 and 2013, the Company does not have any asset retirement or environmental obligations.

Impairment of assets

The carrying amount of the Company's assets (which includes the exploration and evaluation asset) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (Cont'd)

New standards and interpretations

New standards, amendments and interpretations not yet effective:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective May 1, 2014

IAS 32 Financial Instruments: Presentation	In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.
IAS 36 Impairment of Assets	In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets or a CGU for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when and asset's or a CGU's recoverable amount is based on fair value less costs of disposal.
IAS 39 Financial Instruments: Recognition and Measurement	In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met.
IFRIC 21 Levies	IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

3. Significant Accounting Policies (Cont'd)

New standards and interpretations (Cont'd)

The following standard will be effective for annual periods beginning on or after May 1, 2015:

IFRS 9 – Financial Instruments Effective January 1, 2018	In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments*, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

Unless otherwise noted, the extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

4. Critical Accounting Estimates and Judgments

Use of Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions about the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the results of operations. Significant areas requiring the use of management estimates include determination of accrued liabilities, deferred tax assets and stock-based compensation. Actual results could differ from the estimates made.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Use of judgements

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments with a significant risk of material adjustment in the next year.

(i) Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

4. Critical Accounting Estimates and Judgments (Cont'd)

Use of judgements (Cont'd)

(ii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

(iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

(iv) Depreciation for equipment

Depreciation expense is allocated based on assumed asset lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statements of comprehensive loss.

5. Financial Instruments and Risk Management

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:

April 30, 2014	Cash	Due to Related Party	Advances to Equity Accounted Investee	Accounts Payable
	$ 368	$ -	$ 604,921	$ 30,817

At April 30, 2014 with other variables unchanged, a +/-10% change in exchange rates would increase/decrease pre-tax loss by approximately +/- $57,374.

Interest rate and credit risk

As at April 30, 2014, 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 11.

(Expressed in Canadian Dollars)

6. Share Capital

Authorized

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

Treasury Shares

At April 30, 2014, Rand owns 217,422 (2013 – 217,422) shares of the Company valued at $43,484 that have been deducted from the total shares issued and outstanding. The value of these shares has been deducted from share capital.

Private placements

On February 27, 2013, the Company completed a private placement, whereby 585,000 units at $0.10 per unit were issued for gross proceeds of $58,500. Each private placement unit consisted of one common share and share purchase warrant. Each warrant entitles the holder to purchase one additional share of common stock at a price of $0.15 per share for one year. The fair value of the warrants included in the units was estimated to be $0.04 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate of 1.01%, expected volatility of 223%, an expected life of 1 year and no expected dividends.

On March 21, 2013, the Company completed a private placement, whereby 730,000 units at $0.10 per unit were issued for gross proceeds of $73,000. Each private placement unit consisted of one common share and share purchase warrant. Each warrant entitles the holder to purchase one additional share of common stock at a price of $0.15 per share for one year. The fair value of the warrants included in the units was estimated to be $0.04 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate of 1.02%, expected volatility of 215%, an expected life of 1 year and no expected dividends.

On March 26, 2014 the Company issued 2,200,000 units of private placement at $0.12 per unit for gross proceeds of $264,000, with each unit comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 per share for a period of three years. The fair value of the warrants included in the units was estimated to be $0.08 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate of 1.23%, expected volatility of 204%, an expected life of 3 years and no expected dividends.

On April 30, 2014 the Company issued 7,700,000 units of private placement at $0.12 per unit for gross proceeds of $924,000, with each unit comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.15 per share for a period of three years. The fair value of the warrants included in the units was estimated to be $0.11 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate of 1.18%, expected volatility of 206%, an expected life of 3 years and no expected dividends.

6. Share Capital (Cont'd)

Shares for Debt

In December, 2013 the Company signed debt settlement agreements with certain related parties to issue 3,230,877 shares to settle outstanding balance of $387,705, of which 2,230,877 shares valued at a fair value of $0.10 per share and 1,000,000 shares valued at a fair value of $0.085 per share received approvals by the TSX Venture Exchange in January, 2014 and March, 2014 respectively. (Note 7). A gain on debt settlement of $79,671 was recorded in relation to the debt settlement.

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 year ended April 30, 2014, the Company recorded stock-based compensation of $6,503 (2013 - $48,700) as a general and administrative expense.

On April 11, 2013, the Company granted 1,850,000 stock options to the directors and certain consultants of the Company at $0.11 per share, up to April 11, 2018. 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 1.24%, expected volatility of 180%, an expected option life of 5 years and no expected dividends. The weighted average fair value of options granted was $0.11 per option.

(Expressed in Canadian Dollars)

6. Share Capital (Cont'd)

Stock Options(Cont'd)

On August 1, 2013 and April 22, 2014, 300,000 options exercisable at $0.40 per share and 375,000 options exercisable at $0.21 per share into the Company's common stock expired without being exercised respectively.

On August 21, 2013, the Company granted 300,000 stock options to the directors and certain consultants of the Company at $0.10 per share, up to August 21, 2018. 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 1.98%, expected volatility of 187%, an expected option life of 5 years and no expected dividends. The weighted average fair value of options granted was $0.09 per option.

As at April 30, 2014, as the Company believes that it is not probable that any options would vest except the first 25% of the options that vested immediately at a date of the First Exercise, the fair value of the first 25% of the options that vested were charged to the consolidated statements of loss and comprehensive loss.

The following is a summary of options activities during the years ended April 30, 2014 and 2013:

	Number of options	**Weighted average exercise price**
		$
Outstanding at April 30, 2012	1,475,000	0.21
Granted	1,850,000	0.11
Outstanding at April 30, 2013	3,325,000	0.16
Expired without being exercised	(675,000)	0.29
Forfeited	(50,000)	0.11
Granted	300,000	0.10
Outstanding at April 30, 2014	2,900,000	0.12

The following options were outstanding at April 30, 2014:

Expiry Date	**Exercise price**	**Number of options**	**Remaining contractual life (years)**
	$		
April 19, 2015	0.21	50,000	0.97
October 21, 2015	0.14	750,000	1.48
April 11, 2018	0.11	1,800,000	3.95
August 21, 2018	0.10	300,000	4.31
Options Outstanding		2,900,000	
Options Exercisable		725,000	

(Expressed in Canadian Dollars)

6. Share Capital (Cont'd)

Share Purchase Warrants

On May 28, 2012, 1,063,300 warrants of the Company exercisable at $0.20 per share into the Company's common stock were extended from June 9, 2012 to June 9, 2013. The fair value of warrant extension was estimated at $107,986 using the Black-Scholes option pricing model using the following weighted average assumptions: risk free interest rate of 1.03%, expected volatility of 177.89%, an expected option life of one year and no expected dividends.

On March 6, 2013, 2,115,375 warrants of the Company exercisable at $0.15 per share into the Company's common stock were extended from March 20, 2013 to September 20, 2013. The fair value of warrant extension was estimated at $161,869 using the Black-Scholes option pricing model using the following weighted average assumptions: risk free interest rate of 0.99%, expected volatility of 259.93%, an expected option life of one year and no expected dividends.

On June 9, 2013, 1,063,300 warrants exercisable at $0.20 per share into the Company's common stock expired without being exercised.

On September 10, 2013, 2,115,375 warrants of the Company exercisable at $0.15 per share into the Company's common stock were extended from September 20, 2013 to September 20, 2014. The fair value of warrant extension was estimated at $112,319 using the Black-Scholes option pricing model using the following weighted average assumptions: risk free interest rate of 1.35%, expected volatility of 225.54%, an expected option life of 1.03 years and no expected dividends.

The following is a summary of warrant activities during the years ended April 30, 2013 and 2014:

	Number of warrants	**Weighted average exercise price $**
Outstanding at April 30, 2012 and 2013	3,178,675	0.17
Expired, unexercised	(1,063,300)	0.20
Issued	9,900,000	0.15
Outstanding at April 30, 2014	12,015,375	0.15

(Expressed in Canadian Dollars)

6. Share Capital (Cont'd)

Share Purchase Warrants

The following warrants were outstanding at April 30, 2014:

Expiry Date	Exercise price $	Number of warrants
September 20, 2014	0.15	2,115,375
March 26, 2017	0.15	2,200,000
April 30, 2017	015	7,700,000
	0.15	12,015,375

7. Equity Accounted Investees and Related Party Transactions

REGI

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 April 30, 2014, the Company is owed an aggregate of $986,825 (2013 - $1,011,748) by REGI. The amounts owed are unsecured, non-interest bearing and due on demand.

The following summarizes the consolidated financial information of REGI.

	April 30, 2014	April 30, 2013
	US$	US$
Total current assets and total assets	1,876	16,377
Total current liabilities and total liabilities	1,767,640	1,725,587

	Years Ended April 30, 2014	2013
	US$	US$
Revenue	-	-
Loss from operations	(586,108)	(556,452)
Other expense	(1,440)	(1,440)
Net loss	(587,548)	(557,892)

(Expressed in Canadian Dollars)

7. Equity Accounted Investees and Related Party Transactions (Cont'd)

REGI (Cont'd)

Effective April 30, 2008, the investment in REGI has been accounted for as investment in associates. The Company's annual and accumulated share of REGI's losses that were not recognized after the investment was written down to zero is as follows:

	Unrecognized share of loss
2008	US$ 259,682
2009	159,115
2010	158,645
2011	28,104
2012	45,575
2013	59,471
2014	59,989
Accumulated loss	US$ 770,581
Investment in REGI written off at cost in 2008	CAD$ 215,800

Minewest

On July 20, 2010 the Company signed an asset transfer agreement with its newly incorporated wholly owned subsidiary Minewest for the purpose of acquiring and exploring mineral properties. In accordance with the agreement the Company transfers its 100% ownership in its undivided 45% interest subject to a 5% net smelter return in 33 mining claims situated in the Tootsee River area in the Province of British Columbia for following consideration:

- Cash payment of $25,000 on or before August 15, 2010 (paid);
- Issuance of 8,000,000 shares of Minewest voting common shares (issued).

Effective December 15, 2010 Minewest signed a purchase agreement with Rapitan Resources Inc. ("Rapitan"), wherein Minewest purchased 100% of Rapitan's 25% interest in the Silverknife property for the following consideration:

- Cash payment of $10,000 (paid);
- Issuance of 2,000,000 shares of common stocks of Minewest (issued).

Effective November 18, 2011 Reg Tech obtained court approval for the Plan of Arrangement. On December 14, 2011, Reg Tech declared approximately 4,712,263 Minewest shares to be distributed to as dividend to Reg Tech shareholders on the record date of December 21, 2011, whereby one Minewest share is to be distributed for seven Reg Tech shares of holders. As at April 30, 2014 and the date of this report, these shares have not been distributed and are recorded as assets held for distribution to shareholders, $471,200. The distribution is subject to Minewest being listed on the Canadian Stock Exchange.

(Expressed in Canadian Dollars)

7. Equity Accounted Investees and Related Party Transactions (Cont'd)

Minewest (Continued)

As a result of the dividend declaration, Reg Tech retains approximately 3,287,737 shares of Minewest, representing approximately 26.10% of the issued and outstanding common shares of Minewest at April 30, 2014 (2013 – 26.10%), and has its controlling interest reduced to significant influence effective November 18, 2011.

As at April 30, 2014 the Company's investment in Minewest is recorded at $252,087 under equity method (investment of $328,800 less equity loss of $54,713 and reciprocal interest of $22,000) and held 26.10% ownership in Minewest.

During the year ended April 30, 2014 the Company issued 1,000,000 common shares valued at a fair value of $0.085 per share to settle debt of $120,000 resulting a gain on debt settlement of $35,000. At April 30, 2014, the Company owed an aggregate of $21,732 (2013 - $160,518) to Minewest. The amounts owed are unsecured, non-interest bearing and due on demand.

The following summarizes the financial information of Minewest:

Minewest Silver and Gold Inc. (in CAD$)

	April 30, 2014	April 30, 2013
	$	$
Current asset	108,394	162,615
Non-current asset	299,771	305,196
Total current assets and total assets	408,164	467,811
Total current liabilities and total liabilities	128,638	129,669

	Years Ended April 30,	
	2014	2013
	$	$
Revenue	-	-
Operating expenses and loss from operations	(23,616)	(117,616)
Other loss	(35,000)	-
Net loss	(58,616)	(117,616)

7. Equity Accounted Investees and Related Party Transactions (Cont'd)

Other related parties

At April 30, 2014, the Company is owed an aggregate of $88,730 (2013 - $258,664) to related parties after debt settlement of $267,705 with issuance of 2,230,877 common shares valued at a fair value of $0.10 per share resulting in a gain on debt settlement of $44,617. 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 year ended April 30, 2014, rent of $5,903 (2013 - $5,483) incurred with a company having common officers and directors.

During the year ended April 30, 2014, management fees of $30,000 (2013 - $30,000) were incurred to a company having common officers and directors.

During the year ended April 30, 2014, management fees of $4,598 (2013 - $4,751) and director fees of $11,400 (2013 - $12,000) were paid to officers, directors and companies controlled by officers and directors for services rendered.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

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 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 patented technology and will receive 5% of all net profits from sales, licenses, royalties or income derived from the patented technology.

iii) A 1% net profit royalty will be payable to a former director on all U.S. – based sales.

b) The Company is committed to fund 50% of the further development of the Rand Cam™/Direct Charge Engine Technology, with the remaining 50% funded by REGI.

9. Convertible Debenture

On June 1, 2010, the Company issued a convertible debenture for total proceeds of $50,000 which bore interests at 8% per annum payable monthly, was unsecured and due one year from date of issuance. The unpaid amount of principal could be converted at any time at the holder's option into shares of the Company's common stock at a price of $0.20 per share. The Company had the option to repay principal and accrued interest before the due date with 30 days' notice.

The fair value of the debt component of the convertible loan was estimated using discounted cash flow at 10% for equivalent debt without the conversion feature. The fair value of equity component was estimated to be a difference between the fair value of the debt and the face value of the instrument. The debt and equity components of the convertible loans were then measured using the residual value method and were initially recorded at $49,242 and $758 respectively.

On February 18, 2011 principal amount of $30,000 was repaid to the debt holder, with loss on early payment of $170 recorded as financing cost.

On June 1, 2011, the convertible debenture for total principal of $20,000 matured and renewed to June 1, 2012. The debenture bore interests at 8% per annum payable monthly and was unsecured. The unpaid amount of principal could be converted at any time at the holder's option into shares of the Company's common stock at a price of $0.20 per share.

The fair value of the debt component of the convertible loan was estimated using discounted cash flow at 10% for equivalent debt without the conversion feature. The fair value of equity component was estimated to be the fair value of the debt and the face value of the instrument. The debt and equity components of the convertible loans were then measured using the residual value method and were initially recorded at $19,695 and $305 respectively.

On June 1, 2013, the convertible debenture for total principal of $20,000 matured and renewed to June 1, 2014. The debenture bore interests at 8% per annum payable monthly and was unsecured. The unpaid amount of principal could be converted at any time at the holder's option into shares of the Company's common stock at a price of $0.20 per share.

During the year ended April 30, 2014, the full amount of the convertible debt was repaid without conversion.

During the year ended April 30, 2014, interest of $1,600 (2013 - $1,600) was paid for the debt.

(Expressed in Canadian Dollars)

10. Income Taxes

Income tax expense differs from the amount that would result from applying the combined federal and provincial income tax rate to earnings before income taxes. These differences result from the following items:

	For the year ended April 30, 2014	For the year ended April 30, 2013
	$	$
Net loss before income taxes	(297,653)	(696,758)
Combined federal and provincial income tax rate	26.00%	25.00%
Expected income tax recovery	(77,390)	(174,190)
Increase (decrease) due to:		
Non-deductible expenses	(12,323)	94,224
Current and prior tax attributes not recognized	89,713	79,966
Income tax expense (recovery)	-	-

The components of deferred tax assets are as follows:

	2014	2013
	$	$
Non-capital losses	970,098	898,949
Intangible assets and other	51,223	32,693
Equipment	1,215	1,182
	1,022,536	932,823
Unrecognized deferred tax assets	(1,022,536)	(932,823)
Net deferred tax assets	-	-

The Company has non-capital losses of approximately $3,731,000 that may be available to offset future income for income tax purposes. These losses expire as follows:

	$
2015	211,935
2026	402,253
2027	316,606
2028	432,893
2029	529,882
2030	396,986
2031	412,586
2032	391,751
2033	355,773
2033	280,482
	3,731,147

At April 30, 2014, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

11. 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.

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 year ended April 30, 2014.

12. Subsequent Events

Options Granted

On July 10, 2014, the Company granted to certain directors and consultants 1,175,000 options exercisable at $0.10 per share into the Company's common stock up to July 10, 2019, vesting as follows:

(a) no more than 25% of an option may be exercised during any 90 day period during the term of the option; and

(b) each optionee is restricted from selling more than 25% of the shares that may be acquired upon exercise of an option during any 90 day period.