

**REG TECHNOLOGIES INC.**  
*Suite 500 – 666 Burrard Street*  
*Vancouver, BC V6C 3P6*

*July 31, 2018*

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**MANAGEMENT DISCUSSION & ANALYSIS**  
FOR THE YEAR ENDED APRIL 30, 2017

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This management report of Reg Technologies Inc. (“Reg” or the “Company”) is an addition and supplement to the audited consolidated financial statements for the year ended April 30, 2017, and should be read in conjunction with those statements as well as the audited financial 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.

**Overview**

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The Company was 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”), used in the design of lightweight and high efficiency engines, compressors and pumps. Since no marketable product was developed, no revenue has been generated from operations.

During September, 2016 the Company entered into an asset purchase and sale agreement with REGI U.S., Inc. subject to shareholder and TSX Venture Exchange approval, pursuant to which the Company sold all of its assets, including but not limited to all Intellectual Property to REGI U.S., Inc. The transaction solidified a consolidated, single focused development of the RadMax Technologies by the two companies. The concentration of efforts, resources and personnel, along with significant cost savings and efficiencies are expected to benefit shareholders of both companies.

The consideration resulted in one & one tenth (1.1) shares of REGI U.S., Inc. for each one (1) share of Reg Technologies, Inc. The Company obtained shareholder approval by special resolution at a special meeting of the shareholders on November 18, 2016. The transaction received approval from TSX Venture

Exchange on February 17, 2017. The Company received a total of 51,757,119 common shares of REGI, which together with the 2,744,700 REGI shares already owned by the Company, were distributed to the shareholders of the Company as dividend in kind in April, 2017.

As of the date of this report the Company does not have a business and is actively searching for a viable business.

The Company is a reporting issuer in British Columbia and Alberta. The Company's common shares were trading on the TSX Venture Exchange (the ("TSX.V")) under the symbol "RRE" and on the OTC BB under the symbol "REGRF". Both listings were voluntarily terminated upon TSX Venture approval of the asset sales on February 17, 2017.

Effective September 1, 2017 the Company has been subject to a cease trade order issued by the British Columbia Securities Commission ("BCSC") as the result of its failure to file its audited financial statements and annual information form for the year ended April 30, 2017. On July 11, 2018 the Company obtained a partial revocation of the cease trade order from the BCSC, whereby the Company is permitted to complete a private placement to raise proceeds of up to \$150,000. The Company intends to apply for full revocation of the cease trade order with the funds raised from the private placement.

Currently the Company is actively seeking an economically viable business.

## **Overall Performance**

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The Company was in the business of developing its Technology. During the year ended April 30, 2017, the Company sold all its assets including all rights to the Technology to REGI in exchange for 51,757,119 common shares of REGI.

## **Results of Operations**

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### **Year Ended April 30, 2017 and 2016**

We incurred a net loss of \$105,762 during the year ended April 30, 2017, compared to a net loss of \$1,646,708 during the year ended April 30, 2016. The significant difference was due to loss on write-off of receivable from REGI of \$1,456,985 recorded during 2016 as the management did not have reasonable expectations for collecting the amount. In 2016 the Company also recorded interest income of \$304 and gain on debt settlement of \$6,586.

Total general and administration expenses decreased from \$196,613 in 2016 to \$105,762 in 2017. During the year ended April 30, 2017 the Company was reorganizing and selling its rights to the Technology, resulting in research and development expenses' reduction from \$53,983 in 2016 to \$Nil in 2017. The Company was completely inactive for part of 2016, therefore management fees were incurred for only part of the year at \$42,959, which was increased to \$50,000 in 2017 as the Company actively worked on reorganizing its business. During 2017 the Company's management streamlined the operations with no supporting staff, therefore office expenses decreased from \$26,061 to \$3,155, rent and utility decreased from \$13,950 to \$Nil, and wages and benefits decreased from \$19,007 to \$Nil. Professional fees increased from \$28,159 in 2016 to \$41,812 in 2017 and travel expenses increased from \$Nil in 2016 to \$3,097 in 2017 as the Company engaged accounting, legal and other consulting services for reorganization and meeting the related regulatory requirements. In 2017, the Company did not engage shareholder communication or shareholder relation services, as the Company sold its assets and voluntarily delisted from the TSX.V. In 2016 the Company incurred \$21,276 on shareholder communication related services. In 2016 the Company incurred more filing fees than in 2017 when the Company voluntarily delisted from both TSX.V and OTC, thus transfer agent and filing fees decreased from \$15,907 in 2016 to \$8,823 in 2017. During the year ended April 30, 2017 the Company recorded foreign exchange gain of \$1,125, a decrease from \$24,689 in 2016.

## **Year Ended April 30, 2016 and 2015**

For the year ended April 30, 2016, we recorded a net and comprehensive loss of \$1,646,708 or \$0.03 per share, as compared to a net and comprehensive loss of \$994,230 or \$0.02 per share for the year ended April 30, 2015.

The significant increase in net loss was due to the write-off of receivable from REGI of \$1,456,985 as the management does not have reasonable expectations for the recovery of this amount.

We have generated no revenue from our operations. We have incurred operating expenses and operating loss of \$196,613 for the year ended April 30, 2016 (2015 - \$275,016).

Shareholder communication expenses increased from \$17,442 in 2015 to \$21,276 in 2016, as in 2016 we held our annual shareholder meeting and incurred related expenses;

Office expenses decreased from \$46,904 in 2015 to \$26,061 in 2016, office rent and utility expense decreased from \$15,034 in 2015 to \$13,950 in 2016, wages and benefits decreased from \$34,343 in 2015 to \$19,007 in 2016, and management fees decreased from \$72,315 in 2015 to \$42,959 in 2016, as in 2016 we did not record such fees in the last quarter.

Professional fees decreased from \$34,238 in 2015 to \$28,159 in 2016, because we were less active in 2016.

Travel and promotion expense significantly decreased from \$909 in 2015 to \$Nil in 2016 as in 2015 we were less active;

Transfer agent and filing fees decreased from \$32,634 in 2015 to \$15,907 in 2016 as a result of decrease in related activities in 2016;

Research and development expenses decreased from \$58,402 in 2015 to \$53,983 in 2016 as required by the stage of the research;

We recorded stock based compensation of \$26,783 in 2015 for 25% of the 1,175,000 options granted and vested. We didn't record any stock based compensation in 2016.

In 2015 we recorded loss of \$77,119 for equity pick up of our 26.10% equity interest in Minewest. In 2016 no such loss was recorded.

In 2016 we recorded gain on debt settlement of \$6,586. We did not have such debt settlement or gain or loss from such settlement in 2015.

In 2015 we recorded impairment of \$174,968 of our equity investment in Minewest and wrote off the value of Minewest shares of \$471,200 we have held for the Company's shareholders, as a result of uncertainty of Minewest's future after its cease trade since January 8, 2014. In 2016 we did no record such impairment or write-off.

## **Summary of Quarterly Results**

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

Description	Three months ended Apr. 30, 2017 \$	Three months ended Jan. 31, 2017 \$	Three months ended Oct.31, 2016 \$	Three months ended July.31, 2016 \$	Three months ended Apr. 30, 2016 \$	Three months ended Jan.31, 2016 \$	Three months ended Oct.31, 2015 \$	Three months ended July.31, 2015 \$
Net Revenues	-	-	-	-	-	-	-	-
Loss before other items								
Total	(30,399)	(29,943)	(32,979)	(12,441)	(41,617)	(31,221)	(70,860)	(52,915)
Per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Net loss								
Total	(30,399)	(29,943)	(32,979)	(12,441)	(17,925)	(37,528)	(104,838)	(1,486,417)
Per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.03)

As we were in the development stage in 2016 and in the reorganization stage in 2017 with the quarter ended July 31, 2016 largely inactive, expenses were determined by financing capacity for research and development and the corporate administration requirement.

In the three months ended October 31, 2015 we recorded write-off of receivable from REGI of \$1,456,985 as management does not have reasonable expectations for the recovery of the amount, resulting in significant loss recorded in the quarter.

### **Liquidity and Capital Resources**

As of April 30, 2017 we had a cash position of \$Nil compared to \$54 at April 30, 2016, and a working capital deficit of of \$178,839, compared to working capital deficit of \$264,952 recorded at April 30, 2016.

During the year ended April 30, 2017 the Company funded its operation with increased accounts payable and accrued liabilities of \$51,424 and increased due to related parties of \$55,199.

The Company has no business on the date of this report. We do not expect to generate significant revenues in the near future.

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 before we acquire a viable business. 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 largely 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. There is no guarantee that the Company will be successful in finding profitable business or 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.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue a viable business and to maintain a flexible capital structure for its projects for the benefit of its stakeholders.

Since inception the Company has not generated any revenues and has incurred recurring operating losses. At April 30, 2017 the Company had net capital deficiency and had accumulated losses of \$25,820,825 since inception. These factors raise substantial doubt about the Company's ability to continue as a going-concern. The ability of the Company to ability to acquire a viable business is dependent upon its successful efforts to raise additional equity financing, and/or receive funding from affiliates.

### **Transactions with Related Parties**

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Upon closing of the asset sales agreement with REGI, all assets of the Company except GST receivable were transferred from Reg Tech to REGI. In addition, upon closing of the sales, REGI settled on behalf of the Company its accounts payable of \$67,800 and balances owed to other related parties of \$124,075, the total settlement of \$191,875 was recorded as addition to contributed surplus during the year ended April 30, 2017.

During the year ended April 30, 2017 REGI made an additional payment of \$1,987 on behalf of the Company, which was recorded as due to REGI as a related party. As at April 30, 2017 the Company had a balance of \$1,987 owed to REGI and recorded as due to related parties.

At April 30, 2017, the Company is owed an aggregate of \$53,835 (2016 - \$122,711) to related parties.

During the year ended April 30, 2017, management fees of \$50,000 (2016 - \$Nil) were accrued and not paid to the sole director and officer of the Company.

During the year ended April 30, 2017, rent and utility of \$Nil (2016 - \$13,950) were incurred with a company controlled by a former director and officer.

During the year ended April 30, 2017, management fees of \$Nil (2016 - \$22,500) were accrued or paid to a company controlled by a former director and officer.

During the year ended April 30, 2017, management fees of \$Nil (2016 - \$5,459) and director fees of \$Nil (2016 - \$15,000) were accrued or paid to officers, directors and companies controlled by former 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.

At April 30, 2017 and 2016, the Company owed an aggregate of \$53,835 and \$122,711, respectively to related parties, as follows:

	<u>April 30, 2017</u>	<u>April 30, 2016</u>
	\$	\$
KLR Petroleum Inc.	-	66,672
Minewest Silve and Gold Corp.	-	6,253
SMR Investments Ltd.	-	29,782
REGI	1,987	-
Teryl Resources Corp.	1,848	1,848
Former director and officer	-	18,156
Sole director and officer	50,000	-
	<u>53,835</u>	<u>122,711</u>

## **Financial Instruments & Other Instruments**

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### *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, 2017	Accounts Payable
\$	28,049

At April 30, 2017 with other variables unchanged, a +/-10% change in exchange rates would increase/decrease pre-tax loss by approximately +/- \$2,805.

### *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.

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### 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 9 to our financial statements for the year ended April 30, 2017.

### Share Capital

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Our authorized capital consists of unlimited common shares without par value and unlimited preferred shares with a par value of \$1.00 per share and unlimited Class "A" non-voting shares without par value. Of the unlimited common shares without par value, 49,547,092 shares were outstanding as of the date of this report and at April 30, 2017 and the date of this report. There are no Preferred or Class "A" Shares currently outstanding.

No options or warrants were outstanding as of the date of this report.

The following is a summary of warrant activities during the year ended April 30, 2017:

	<b>Number of warrants</b>	<b>Weighted average exercise price \$</b>
Outstanding at April 30, 2015 and 2016	9,900,000	0.15
Expired	(9,900,000)	0.15
Outstanding at April 30, 2017 and 2018 and the date of this report	-	-

The following is a summary of option activities during the year ended April 30, 2017 and 2018:

	<b>Number of options</b>	<b>Weighted average exercise price \$</b>
Outstanding at April 30, 2016	2,550,000	0.11
Forfeited	(2,500,000)	0.11
Outstanding at April 30, 2017	50,000	0.11
Expired	(50,000)	0.11
Outstanding at April 30, 2018 and the date of this report	-	-

### Critical Accounting Policies

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The critical accounting policies of the Company are outlined in our audited consolidated financial statements for the year ended April 30, 2017. 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**

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On May 31, 2018 Reg Tech and Graph Blockchain Limited (“GBC”) entered into a non-binding Letter of Intent (the “LOI”) which outlines the general terms and conditions pursuant to which Reg Tech and GBC agreed to complete a transaction that will result in Reg Tech acquiring all of the issued and outstanding securities of GBC (the “Transaction”) pursuant to a reverse-takeover (“RTO”).

It is anticipated that the Transaction will be effected by way of merger, amalgamation, share exchange, plan of arrangement, business combination or other similar form of transaction.

RegTech and GBC will enter into a definitive agreement in respect of the Transaction (the “Definitive Agreement”) pursuant to which the common shares of GBC will be exchanged for 123,333,333 common shares in the capital of Reg Tech (collectively, the “Resulting Issuer Shares”) at a deemed price of C\$0.30 per Resulting Issuer Share on a pre-Consolidation basis and pursuant to an exchange ratio to be agreed to by the Parties in accordance with the terms of the Definitive Agreement. In addition, GBC will have the right but not the obligations to complete a private placement of common shares at a price per share of C\$0.30 for maximum gross proceeds of C\$10,000,000 concurrent with the Transaction.

Completion of the Transaction is subject to a number of conditions: (i) Reg Tech and GBC entering into the Definitive Agreement; (ii) the satisfactory completion of all legal, business and technical due diligence to the satisfaction of each party; and (iii) the receipt of all required consents and approvals, including without limitation, the approval of the TSX Venture Exchange (the “TSXV”) or the Canadian Securities Exchange (the “CSE”, and any one of the TSXV and CSE , the “Exchange”) to list the Resulting Issuer Shares for trading, and the approval of RegTech and GBC Shareholders.

Upon completion of the Transaction, it is the intention of the Parties that the Resulting Issuer will continue to focus on the current business and affairs of GBC.

On July 26, 2018 the Company issued a secured promissory note of \$29,950 to GBC at interest rate of 1% per month, secured against the Company’s current and future assets, repayable the earlier of the August 31, 2018 and the closing of the next private placement.

## **Approval**

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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**

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We have no off-balance sheet arrangements.

## **Additional Information**

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Additional information relating to our company is available on SEDAR at [www.sedar.com](http://www.sedar.com).