Reg Technologies Inc.

Financial Statements
(Expressed in Canadian Dollars)
April 30, 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Sole Director of
Reg Technologies, Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of financial position of Reg Technologies, Inc. (the "Company") as of April 30, 2018 and 2017, and the related statements of operations, changes in equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ MaloneBailey, LLP
www.malonebailey.com
We have served as the Company's auditor since 2018.
Houston, Texas
July 27, 2018

Reg Technologies Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at April 30, 2018 $	As at April 30, 2017 $
Assets		
Current		
HST/GST receivable	4,357	4,010
	4,357	4,010
Liabilities		
Current		
Accounts payable	87,599	84,014
Accrued liabilities	75,000	45,000
Due to related parties (Note 7)	90,552	53,835
	253,151	182,849
Shareholders' Deficit		
Share Capital (Note 6)	13,636,565	13,636,565
Warrants (Note 6)	1,141,249	1,141,249
Contributed Surplus	10,864,172	10,864,172
Deficit	(25,890,780)	(25,820,825)
	(248,794)	(178,839)
	4,357	4,010

Nature and Continuance of Operations (Note 1)
Subsequent event (Note 10)

On behalf of the Board:

"Paul Chute" Director
Paul Chute

Reg Technologies Inc.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the year ended April 30, 2018 $	For the year ended April 30, 2017 $
Expenses		
Foreign exchange (gain) loss	2,525	(1,125)
Management and directors' fees (Note 7)	30,000	50,000
Office expenses	-	3,155
Professional fees	30,000	41,812
Transfer agent and filing fees	7,430	8,823
Travel and promotion	-	3,097
Loss before other income (expense)	(69,955)	(105,762)
Net and comprehensive loss	(69,955)	(105,762)
Loss per share – basic and diluted	(0.00)	(0.00)
Weighted average number of common shares outstanding – basic and diluted	49,547,092	49,372,559

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

Reg Technologies Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended April 30, 2018 $	For the year ended April 30, 2017 $
Cash flows used in operating activities		
Net loss	(69,955)	(105,762)
Adjustments to reconcile loss to net cash used by operating activities:		
Changes in non-cash working capital items:		
GST Receivable	(347)	(915)
Accounts payable and accrued liabilities	33,585	51,424
Due to related parties	36,717	55,199
Net cash used in operating activities	-	(54)
Decrease in cash	-	(54)
Cash and cash equivalent, beginning	-	54
Cash and cash equivalent, ending	-	-
Non-cash items		
Non-controlling interest reclassified to contributed surplus	-	84,547
Accounts payable settled by REGI U.S., Inc.	-	67,800
Related party balances settled by REGI U.S., Inc.	-	124,075
Supplemental Disclosures		
Interest paid	-	-
Income taxes paid	-	-

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

Reg Technologies Inc.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares #	Common Shares $	Contributed Surplus $	Warrants $	Deficit $	Total Shareholders' Equity $	Non-Controlling interest $
Balance – April 30, 2016	**49,329,670**	**13,636,565**	**10,587,750**	**1,141,249**	**(25,715,063)**	**(349,499)**	**84,547**
Disposition of assets	217,422	-	84,547	-		84,547	(84,547)
Liabilities settled by REGI U.S., Inc.	-	-	191,875	-	-	191,875	-
Net loss	-	-	-	-	(105,762)	(105,762)	-
Balance – April 30, 2017	**49,547,092**	**13,636,565**	**10,864,172**	**1,141,249**	**(25,820,825)**	**(178,839)**	-
Net loss	-	-	-	-	(69,955)	(69,955)	-
Balance – April 30, 2018	**49,547,092**	**13,636,565**	**10,864,172**	**1,141,249**	**(25,890,780)**	**(248,794)**	-

1. Nature and Continuance of Operations

Reg Technologies Inc. ("Reg Tech" or the "Company") was 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 (the "Technology"). The worldwide marketing and intellectual rights, other than in the U.S., were held by the Company. REGI U.S., Inc. ("REGI") (a U.S. public company) owned the U.S. marketing and intellectual rights. The Company and REGI had a project cost sharing agreement whereby these two companies each funded 50% of the development of the Technology.

Effective February 17, 2017 REGI purchased all of Reg Tech's assets including all rights to the Technology with the issuance of 51,757,119 shares of REGI's common stock, which were distributed to the shareholders of the Company as dividend in kind. The Company is currently actively searching for a business.

Asset Sales Agreement

On September 16, 2016, the Company entered into an asset sales/purchase agreement (the "ASA") with REGI, a public company with a common director and officer and whose common stock is listed on OTC.QB to sell all of the Company's assets to REGI, with the issuance of 46,173,916 unregistered common shares of REGI. The ASA was amended on February 14, 2017 to increase the consideration shares to an aggregate of 51,757,119 unregistered common shares of REGI and to amend the list of the assets purchased. The shares issued to the Company were distributed to the Company's shareholders as dividend in kind. The transaction was closed on February 17, 2017 upon TSX Venture Exchange approval.

Upon closing of the ASA, all assets of the Company except GST receivable were transferred from Reg Tech to REGI. In addition, upon closing of the ASA, REGI settled on behalf of Reg Tech the Company's 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.

Going Concern

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 net capital deficiency and has accumulated losses of $25,890,780 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 financial statements of the Company, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 27, 2018.

3. Significant Accounting Policies

Basis of preparation

These 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, and its 51% owned subsidiary, Rand Energy Group Inc. (“Rand”) until February 17, 2017 when it was sold to REGI and the related non-controlling interest of $84,547 was reclassified to contributed surplus.

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

Investment in associates

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

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.

3. Significant Accounting Policies (Cont'd)

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.

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 tax 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, 2018 and 2017, all of the financial instruments measured at fair value are included in Level 1.

The Company's financial instruments consist of cash, amounts due to related parties, and accounts payable; the fair values of which are considered to approximate their carrying value due to their short-term maturities or ability of prompt liquidation.

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.

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.

New standards and interpretations

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in July 2014 and will replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is adopted May 1, 2018.

Other new accounting standards and interpretations are either not applicable or not expected to have a significant impact on the Company's financial statements.

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 are 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.

(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) Going concern

The assessment of the Company’s ability to execute its strategy by funding future working capital requirements involves judgment. The directors monitor future cash requirements to assess the Company’s ability to meet these future funding requirements.

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, 2018	Accounts Payable
	$ 28,049

At April 30, 2018 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

As at April 30, 2018 and 2017, 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 9.

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.

(Expressed in Canadian Dollars)

6. Share Capital (Cont'd)

Treasury Shares

At April 30, 2016, Rand owns 217,422 shares of the Company that have been deducted from the total shares issued and outstanding as treasury shares. Upon disposition of the Company's ownership of 51% of Rand on February 17, 2018 the 217,422 ceased to be recorded as treasury shares.

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.

All options granted under the 2000 plan 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.

All options granted under the 2009 plan have the following vesting schedule:

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

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.

No options were granted or vested during the years ended April 30, 2018 and 2017. The Company had no option outstanding at April 30, 2018.

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

	Number of options	**Weighted average exercise price**
		$
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	-	-

(Expressed in Canadian Dollars)

7. Equity Accounted Investees and Related Party Transactions

REGI

The Company's investment in REGI was reduced to $nil as the Company's share of past losses exceeded the carrying value of the investment in REGI. Prior to the Company's ASA effective on February 17, 2017, the Company owned 2,744,700 shares of REGI's common stock which were distributed to the Company's shareholders as dividend in kind during the year ended April 30, 2017, and Rand owned 588,567 shares of REGI's common stock. As at April 30, 2017 REGI ceased to be recorded as an equity accounted investee of the Company.

Upon closing of the ASA, all assets of the Company except GST receivable were transferred from Reg Tech to REGI. In addition, upon closing of the ASA, the REGI settled on behalf of Reg Tech the Company's 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.

Minewest

Prior to the Company's ASA with REGI, the Company's investment of 26.10% ownership in Minewest was recorded at $Nil under equity method. Upon completion of the ASA with REGI Minewest ceased to be recorded as an equity accounted investee of the Company.

Other related parties

During the year ended April 30, 2018, management fees of $30,000 (2017 - $50,000) were accrued and not paid to the sole director and officer of the Company.

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, 2018 and 2017, the Company owed an aggregate of $90,552 and $53,835, respectively to related parties, as follows:

	April 30, 2018	**April 30, 2017**
	$	**$**
REGI	8,704	1,987
Teryl Resources Corp.	1,848	1,848
Sole director and officer	80,000	50,000
	90,552	53,835

(Expressed in Canadian Dollars)

8. 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, 2018 $	For the year ended April 30, 2017 $
Net loss before income taxes	(69,955)	(105,762)
Combined federal and provincial income tax rate	26.00%	26.00%
Expected income tax recovery	(18,188)	(27,498)
Increase due to:		
Current and prior tax attributes not recognized	18,188	27,498
Income tax expense (recovery)	-	-

The components of deferred tax assets are as follows:

	2018 $	2017 $
Non-capital and capital losses	1,427,617	1,409,429
	1,427,617	1,409,429
Unrecognized deferred tax assets	(1,427,617)	(1,409,429)
Net deferred tax assets	-	-

The Company has non-capital losses of approximately $4,265,526 that may be available to offset future income for income tax purposes. These losses expire as follows:

	$
2026	402,253
2027	316,606
2028	432,893
2029	529,882
2030	396,986
2031	412,586
2032	391,751
2033	355,773
2034	280,482
2035	334,766
2036	235,831
2037	105,762
2038	69,955
	4,265,526

At April 30, 2018, 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. The Company is open to examination for tax years 2006 through 2018 due to the carry back of net operating losses.

9. 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 maintain the Company's good standing and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company currently does not have a business, 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 and receivables.

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 share offering will be sufficient to carry its 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, 2018.

10. Subsequent Event

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