REGI U S INC
Form 10-Q
March 19, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2010

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________________ to ______________________

Commission File No. 0-23920

REGI U.S., Inc.

(Exact name of registrant in its Charter)

Oregon	91-1580146
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No)

#240-11780 Hammersmith Way
Richmond, BC V7A 5E9 Canada
(Address of Principal Executive Offices)

(604) 278-5996
Registrant s telephone number

(Former Name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes [X] No [ ] (2) Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filed, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer [   ] Accelerated filer [   ] Non-accelerated filer [   ] Smaller reporting company **[X]**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [   ] No [X]

ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Not applicable

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

March 18, 2010

Common   28,707,824 shares

Management s Responsibility for Financial Statements

The preparation of the financial statements, conforming with GAAP, requires the Company's management to make estimates and assumptions in order to make a determination of the future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Actual results may differ from those estimates.

Management maintains a system of internal controls to provide reasonable assurance that the Company s assets are safeguarded and to facilitate the preparation of relevant and timely information.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The unaudited consolidated financial statements of REGI U.S., Inc. (we, us, our, the Company and REGI) as of January 31, 2010 and for the three and nine months ended January 31, 2010 and January 31, 2009 and for the period from inception through January 31, 2010 are attached hereto. Our consolidated financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

It is the opinion of management that the interim consolidated financial statements referred to above include all adjustments necessary in order to ensure that the consolidated financial statements are not misleading. These statements reflect all adjustments, which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented in accordance with accounting principles generally accepted in the United States of America. Except where noted, these interim consolidated financial statements follow the same accounting policies and methods of their application as the Company s April 30, 2009 audited annual consolidated financial statements. All adjustments are of a normal recurring nature. It is suggested that these interim consolidated financial statements be read in conjunction with the Company s April 30, 2009 audited annual consolidated financial statements.

Operating results for the nine months ended January 31, 2010 are not necessarily indicative of the results that can be expected for the year ending April 30, 2010.

REGI U.S., Inc.
(A Development Stage Company)
Consolidated Balance Sheets
(Unaudited)

	January 31, 2010	April 30, 2009
ASSETS		
Current Assets:		
Cash	$ 583	$ -
Due from related parties	161,446	260,136
Prepaid expenses	2,246	4,500
Total Current Assets	$ 164,275	$ 264,636
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current Liabilities:		
Bank indebtedness	$ 8,635	$ 1,789
Accounts payable and accrued liabilities	189,844	154,318
Due to related parties	993,230	863,194
Derivative liabilities	275,812	-
Total Current Liabilities	1,467,521	1,019,301
Stockholders Deficit:		
Capital stock, 100,000,000 shares authorized, no par value, 28,704,824 and 27,997,824 shares issued and outstanding, respectively	8,804,692	10,668,488
Deficit accumulated during the development stage	(10,107,938)	(11,423,153)
Total Stockholders Deficit	(1,303,246)	(754,665)
Total Liabilities and Stockholders Deficit	$ 164,275	$ 264,636

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

REGI U.S., Inc.
(A Development Stage Company)
Consolidated Statements of Expenses
(Unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,		July 27, 199 (Inception) Through January 31
	2010	**2009**	**2010**	**2009**	**2010**
Operating Expenses:					
Amortization	$ -	$ -	$ -	$ -	$ 130,53
General and administrative	305,933	124,472	662,786	729,370	7,835,50
Impairment loss	-	-	-	-	72,82
Gain on settlement of accounts payable	-	-	-	-	(200,35
Research and development	55,280	24,251	126,883	83,041	4,374,31
Loss from Operations:	(361,213)	(148,723)	(789,669)	(812,411)	(12,212,82
Other Expense:					
Gain on change in fair value of derivative liabilities	106,269	-	4,676	-	4,67
Net loss	$ (254,944)	$ (148,723)	$ (784,993)	$ (812,411)	$ (12,208,14
Net loss per share basic and diluted	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.03)	
Weighted average shares outstanding basic and diluted	28,332,000	27,961,000	28,127,000	27,944,000	

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

REGI U.S., Inc.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended January 31, 2010	Nine Months Ended January 31, 2009	July 27, 1992 (Inception) Through January 31, 2010
Cash flows from operating activities:			
Net Loss	$ (784,993)	$ (812,411)	$ (12,208,146)
Adjustments to reconcile loss to net cash used by operating activities:			
Amortization	-	-	130,533
Donated services	112,500	112,500	1,260,000
Impairment loss	-	-	72,823
Shares issued for services	189,100	29,550	340,300
Options expense	215,300	223,566	1,272,535
Amortization of deferred compensation	-	-	373,795
Gain on settlement of accounts payable	-	-	(200,351)
Write-off of intellectual property	-	-	578,509
Gain on change in fair value of derivative liability	(4,676)	-	(4,676)
Changes in operating assets and liabilities:			
Accounts receivable	-	-	(4,500)
Prepaid expenses	2,254	(978)	(746)
Accounts payable and accrued liabilities	35,526	52,537	398,351
Net cash used in operating activities	(234,989)	(395,236)	(7,991,573)
Cash flows from investing activities:			
Patent protection costs	-	-	(38,197)
Purchase of equipment	-	-	(198,419)
Net cash used in investing activities	-	-	(236,616)
Cash flows from financing activities:			
Advances from related parties	228,726	410,956	1,143,031
Bank indebtedness	6,846	-	8,635
Proceeds from convertible debentures	-	-	5,000
Proceeds from the sale of common stock	-	(16,224)	7,072,106

Net cash from financing activities		235,572		394,732		8,228,772
Net increase in cash and cash equivalents		583		(504)		583
Cash and cash equivalents, beginning of period		-		5,298		-
Cash and cash equivalents, end of period	$	583	$	4,794	$	583
Supplemental disclosures:						
Interest paid	$	-	$	-	$	-
Income tax paid		-		-		-
Non-Cash Investing and Financing Activities:						
Warrants issued for equity line of credit	$	-	$	-	$	1,561,406
Shares issued to settle debt		-		-		496,000
Shares issued for convertible debenture		-		-		5,000
Shares issued for intellectual property		-		-		345,251
Affiliate s shares issued for intellectual property		-		-		200,000
Cumulative effect of change in accounting principle		280,488		-		280,488

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

REGI U.S., Inc.

(A Development Stage Company)

Consolidated Statement of Changes in Stockholders Deficit

(Unaudited)

	Common Stock Shares	Common Stock Amount	Deficit Accumulated During the Development Stage	Total Stockholders Deficit
Balances April 30, 2009	27,997,824	10,668,488	(11,423,153)	(754,665)
Cumulative effect of change in accounting principle May 1, 2009 reclassification of embedded feature of equity linked financial instruments to derivative liabilities	-	(2,380,696)	2,100,208	(280,488)
Cashless exercise of options	57,000	46,100	-	46,100
Shares issued for services	650,000	143,000		143,000
Options expense	-	215,300	-	215,300
Donated consulting services	-	112,500	-	112,500
Net loss	-	-	(784,993)	(784,993)
Balances January 31, 2010	28,704,824	$ 8,804,692	$ (10,107,938)	$ (1,303,246)

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

REGI U.S., Inc.
(A Development Stage Company)
Notes to Consolidated Financial Statements
(Unaudited)

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of REGI U.S., Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended April 30, 2009 filed on Form 10K with the SEC. In the opinion of management, the accompanying unaudited interim consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial position and the results of operations for the interim period presented herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year or for any future period. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for fiscal 2009 as reported in the Form 10K have been omitted.

Derivative Financial Instruments

REGI does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. REGI evaluates all of it financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to income. For option-based derivative financial instruments, REGI uses the Black-Scholes option-pricing model to value the derivative instruments at inception and subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Fair Value Measurements

Effective January 1, 2008 REGI adopted FASB ASC 820, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

As defined in FASB ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). REGI utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. REGI classifies fair value balances based on the observability of those inputs. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy defined by FASB ASC 820 are as follows:

Level 1   Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities. Level 2   Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date.

Level 2 - Includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

Level 3 Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management s best estimate of fair value.

The following table sets forth by level within the fair value hierarchy REGI s financial assets and liabilities that were accounted for at fair value as of January 31, 2010.

	January 31, 2010			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
LIABILITIES:				
Derivative liabilities	$ -	$ 275,812	$ -	$ 275,812

NOTE 2. GOING CONCERN

REGI incurred a net loss of $784,993 for the nine months ended January 31, 2010 and has a working capital deficit of $1,303,246 and an accumulated deficit of $10,107,938 at January 31, 2010. These factors raise substantial doubt about the ability of REGI to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. As a result, REGI s interim consolidated financial statements as of January 31, 2010 and for the nine month period ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.

REGI plans to raise funds through loans from Rand Energy Group Inc., a private company with officers and directors in common with REGI. Further, Rand owns approximately 9% of the shares of REGI, and may sell shares as needed to meet ongoing funding requirements if traditional equity sources of financing prove to be insufficient. REGI also receives interim support from affiliated companies and plans to raise additional capital through debt and/or equity financings. REGI has an equity line of credit whereby the investor agreed to purchase up to $10,000,000 of REGI s common stock. There continues to be insufficient funds to provide enough working capital to fund ongoing operations for the next twelve months. REGI may also raise additional funds through the exercise of warrants and stock options, if exercised. There is no assurance that any of these activities will be successful.

NOTE 3. RELATED PARTIES

Amounts due to and from related parties are unsecured, non-interest bearing and due on demand. Related parties consist of companies controlled or significantly influenced by the President of REGI. As of January 31, 2010, there was $161,446 due from related parties and $993,230 due to related parties. As of April 30, 2009, there was $260,136 due from related parties and $863,194 due to related parties. There is no right of offset associated with these payables and receivables. The balance due from related parties was collected in full between February 1, 2010 and March 17, 2010.

As part of an agreement with a professional law firm in which a partner of the firm is an officer and director of REGI, REGI agreed to pay a cash fee equal to 5% of any financings with parties introduced to REGI by the law firm. REGI also agreed to pay an equity fee equal to 5% of the equity issued by REGI to parties introduced by the law firm, in the form of options, warrants or common stock. During the nine month periods ended January 31, 2010 and 2009, fees in the aggregate of $938 and $27,333, respectively, for legal services have been paid or accrued to the law firm.

During the nine month period ended January 31, 2010, the President, CEO and director of REGI provided consulting services to REGI. These services were valued at $67,500, which was accounted for as donated capital and charged to expense during the period. A similar amount was recorded in the nine month period ended January 31, 2009.

During the nine month period ended January 31, 2010, the Vice President and director of REGI provided consulting services to REGI. These services were valued at $22,500, which was accounted for as donated capital and charged to expense during the period. A similar amount was recorded in the nine month period ended January 31, 2009.

During the nine month period ended January 31, 2010, the CFO, COO and director of REGI provided consulting services to REGI. These services were valued at $22,500, which was accounted for as donated capital and charged to expense during the period. A similar amount was recorded in the nine month period ended January 31, 2009.

NOTE 4. STOCKHOLDERS EQUITY

a) Common Stock Options and Warrants

During the nine month periods ended January 31, 2010 and 2009, REGI recorded stock-based compensation of $215,300 and $223,566, respectively, for common stock options and warrants. At January 31, 2010, REGI had $513,142 and $832,067, respectively, of total unrecognized compensation cost related to non-vested stock options and warrants, which will be recognized over future periods.

On July 6, 2009, REGI granted 100,000 common stock warrants from the 2000 Stock Option Plan to a consultant exercisable at $0.25 per share, up to January 6, 2010. The fair value of options was estimated at the date of grant using the Black-Scholes option pricing model using the following weighted average assumptions: risk free interest rate of 0.51%, expected volatility of 192%, an expected option life of 0.5 years and no expected dividends.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. The subjective input assumptions can materially affect the fair value estimate.

A summary of REGI s stock option activity for the nine month period ended January 31, 2010 is as follows:

	January 31, 2009	
	Options	**Weighted Average Exercise Price**
Outstanding at beginning of period	1,128,000	$ 1.19
Granted	-	-
Exercised	(27,000)	1.30
Expired	-	-
Cancelled	-	-
Outstanding at end of period	1,101,000	$ 1.19
Exercisable at end of period	719,750	$ 1.26

At January 31, 2010, the range of exercise prices and the weighted average remaining contractual life of the outstanding options was $0.20 to $1.37 per share and 2.12 years, respectively. The intrinsic value of in the money options at January 31, 2010 was $1,500.

A summary of REGI s common stock warrant activity for the nine month period ended January 31, 2010 is as follows:

	January 31, 2010	
	Warrants	**Weighted Average Exercise Price**
Outstanding at beginning of period	3,667,950	$ 1.15
Granted	100,000	0.25
Exercised	(30,000)	0.37
Expired	(145,000)	0.61
Cancelled	-	-
Outstanding at end of period	3,592,950	$ 1.15
Exercisable at end of period	3,174,200	$ 1.15

At January 31, 2010, the range of exercise prices and the weighted average remaining contractual life of the outstanding warrants was $0.25 to $2.20 per share and 2.05 years, respectively. The intrinsic value of in the money warrants at January 31, 2010 was nil.

b) Non-Cash Consideration

During the nine months ended January 31, 2010, consultants exercised 57,000 stock options and received 57,000 shares of common stock. The exercise price for these options totalled $46,100. REGI accepted services in lieu of cash for the exercise price, which resulted in additional expense of $35,100 for services rendered.

During the nine months ended January 31, 2010, the Company issued 650,000 common shares of the Company to a private company for consulting work on market analysis and shareholder communication. The common shares were valued at $0.22 per share for a total value of $143,000 based on the fair market value of the shares on the date of the issuance.

NOTE 5. WARRANT DERIVATIVES

Effective May 1, 2009, ASC 815-15 lays out a procedure to determine if an equity-linked financial instrument (or embedded feature) is indexed to its own common stock. 2,059,000 of REGI s warrants that were previously classified in equity were reclassified to derivative liabilities on May 1, 2009 due to the presence of a reset feature that allows for a reduction in the strike price of the warrant in the event that REGI issues similar instruments at a lower strike price in a future period. REGI estimated the fair value of these liabilities as of May 1, 2009 to be $280,488 and recorded a decrease of $2,380,696 to Additional Paid-in Capital and a reduction of $2,100,208 to Accumulated Deficit. The effect of this adjustment is recorded as a cumulative effect of change in accounting principle in our consolidated statement of changes in stockholders equity (deficit).

These warrants were fair valued as of January 31, 2010 and marked to market at that date. The fair value of the warrants at January 31, 2010 was $275,812 resulting in a gain on the decrease in fair value of derivatives of $4,676 for the nine months ended October 31, 2009.

REGI used the Black-Scholes option pricing model to value the warrants using the following assumptions: number of warrants as set forth in the warrant agreements; no expected dividend yield; expected volatility ranging from 129% to 198%; risk-free interest rates ranging from 0.82% to 4.57%; and expected terms ranging from 1.79 to 5.00 years.

NOTE 6. COMMITMENTS

a) Pursuant to a letter of understanding dated December 13, 1993 between REGI, Rand and Reg Technologies Inc. (collectively called the grantors) and West Virginia University Research Corporation (WVURC), the grantors have agreed that WVURC shall own 5% of all patented technology with regards to RC/DC Engine technology and will receive 5% of all net profits from sales, licenses, royalties or income derived from the patented technology. To date no sales have been accrued and no royalties have been accrued or paid.

b) Pursuant to an agreement dated August 20, 1992, REGI acquired the U.S. rights to the original RC/DC Engine from Rand. REGI will pay Rand and the original owner a net profit royalty of 5% and 1%, respectively. To date no sales have been accrued and no royalties have been accrued or paid.

c) REGI is committed to fund 50% of the further development of the RC/DC Engine.

d) REGI entered into an agreement with a professional law firm in which a partner of the law firm is an officer and director of REGI. REGI agreed to pay a cash fee equal to 5% of any financings with parties introduced to REGI by the law firm. REGI also agreed to pay an equity fee equal to 5% of the equity issued by REGI to parties introduced by the law firm, in the form of options, warrants or common stock.

NOTE 7. SUBSEQUENT EVENTS

The following events occurred subsequent to January 31, 2010 and were evaluated through March 17, 2010:

1. On February 19, 2010, the Company reduced the exercise price of 850,000 outstanding stock options from $1.30 to $0.50 per share and reduced the exercise price of 25,000 outstanding stock options from $1.37 to $0.50 per share.

2. On February 19, 2010, the Company granted 50,000 stock options from the 2000 Stock Option Plan to a director exercisable at $0.50 per share, up to February 19, 2015, with the following vesting schedule:

   a. 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 .

   b. 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 .

   c. 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 .

   d. The fourth and final 25% of the option may be exercised at any time after 90 days from the date of the Third Exercise.

3.

In February 2010, a consultant exercised 3,000 stock warrants and received 3,000 common shares. The exercise price for these warrants totaled $3,900. REGI accepted services in lieu of cash for the exercise price, which resulted in additional expense of $3,900 for services rendered.

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR RESULTS OF OPERATIONS.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q constitute "forward-looking statements." These statements, identified by words such as plan, "anticipate," "believe," "estimate," "should," "expect" and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth in our 10-K for the fiscal year ended April 30, 2009. We do not intend to update the forward-looking information to reflect actual results or changes in the factors affecting such forward-looking information. We advise you to carefully review the reports and documents we file from time to time with the Securities and Exchange Commission (the SEC), particularly our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K.

As used in this Quarterly Report, the terms "we," "us," "our, and REGI mean REGI U.S., Inc. unless otherwise indicated. All dollar amounts in this Quarterly Report are in U.S. dollars unless otherwise stated.

CORPORATE BACKGROUND

We were organized under the laws of the State of Oregon on July 27, 1992 as Sky Technologies, Inc. On August 1, 1994, our name was officially changed by a vote of a majority of our shareholders to REGI U.S., Inc. Rand Energy Group Inc., a privately held British Columbia corporation ("Rand Energy") holds approximately 5% of the common shares of REGI. Rand Energy is controlled 51% by Reg Technologies Inc., a publicly held British Columbia corporation ("Reg Tech"). Reg Tech holds approximately 12% of the common shares of REGI. The Company formed a wholly-owned subsidiary, Rad Max Technologies, Inc. (Rad Max) on April 10, 2007 in the State of Washington. Rad Max hopes to win military contracts for custom versions of the RC/DC Engine. The accounts of the subsidiary are incorporated in the accounts of the Company as at January 31, 2010.

We are a development stage company engaged in the business of developing and building an improved axial vane-type rotary engine known as the RadMax® rotary technology (the "Technology" or the RadMax® Engine), used in the design of lightweight and high efficiency engines, compressors and pumps. The Company has a project cost sharing agreement, whereby it will fund 50% of the further development of the RadMax® Engine and Reg Tech will fund 50%.

Our principal offices are located at 240-11780 Hammersmith Way, Richmond, British Columbia V7A 5E9, Canada. Our telephone number is (604) 278-5996 and our facsimile number is (604) 278-3409. Our website is www.regtech.com.

OVERVIEW

The following discussion of our financial condition, changes in financial condition and results of operations for the nine-month periods ended January 31, 2010 and January 31, 2009 should be read in conjunction with our most recent audited annual consolidated financial statements for the financial year ended April 30, 2009, the unaudited interim consolidated financial statements included herein, and, in each case, the related notes.

The Company is developing for commercialization an improved axial vane type rotary engine known as the RadMax® rotary technology used in the design of lightweight and high efficiency engines, compressors and pumps. The RadMax® engine has only two moving parts, the vanes (up to 12) and the rotor, compared to the 40 moving parts in a simple four-cylinder piston engine. This design makes it possible to produce up to 24 continuous power impulses per one rotation that is vibration-free and extremely quiet. The RadMax® engine also has multi-fuel capabilities allowing it to operate on fuels including gasoline, natural gas, hydrogen, propane and diesel. REGI U.S., Inc. and Reg Technologies Inc., are currently designing and testing prototype RadMax® diesel engines, compressors and pumps intended for aviation, automotive, industrial processes and military applications.

The world-wide marketing and intellectual rights, other than the U.S., are held by Rand Energy Group Inc. which is a controlling shareholder of the Company. The Company owns the U.S. marketing and intellectual rights and has a project cost sharing agreement, whereby it will fund 50% of the further development of RadMax® Diesel Engine and Reg Technologies Inc. will fund 50%.

REGI U.S., Inc. is a development stage company. 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 suffered recurring operating losses as is normal in development stage companies. As of January 31, 2010, the Company has a working capital deficit of $1,303,246 and has an accumulated deficit of $10,107,938 since inception. Further losses are expected until we complete a licensing agreement with a manufacturer and reseller. Our only assets are related party receivables totaling $161,446 and prepaid expenses totaling $2,246. 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.

Summary of Quarterly Results

The following information is provided for each of the Company s eight most recently completed quarters:

Quarter Ending	Revenue $	Net Loss $	Per Share $	Diluted per share $
January 31, 2010	Nil	(254,944)	(0.01)	(0.01)
October 31, 2009	Nil	(342,258)	(0.01)	(0.01)
July 31, 2009	Nil	(187,791)	(0.01)	(0.01)
April 30, 2009	Nil	(182,055)	(0.01)	(0.01)
January 31, 2009	Nil	(148,723)	(0.01)	(0.01)
October 31, 2008	Nil	(232,270)	(0.01)	(0.01)
July 31, 2008	Nil	(431,418)	(0.02)	(0.02)
April 30, 2008	Nil	(159,448)	(0.01)	(0.01)

PLAN OF OPERATION

The following contains forward-looking statements relating to revenues, expenditures and sufficiency of capital resources. Actual results may differ from those projected in the forward-looking statements for a number of reasons, including those described in this quarterly report.

The consolidated financial statements for the nine months ended January 31, 2010 have been prepared assuming that the Company will continue as a going-concern. As discussed in Note 2 to the consolidated financial statements, the Company has no revenues and limited capital, which together raise substantial doubt about its ability to continue as a going-concern. Management s plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

RESULTS OF OPERATIONS

Nine months ended January 31, 2010 compared to the nine months ended January 31, 2009.

Summary

	Nine Months Ended January 31,		
	2010 $	2009 $	Percentage Increase / (Decrease) %
Revenue	-	-	-
Operating Expenses	(789,669)	(812,411)	(2.80)
Other Expense	4,676	-	-
Net Loss	(784,993)	(812,411)	(3.37)

Operating Expenses

Our operating expenses for the nine months ended January 31, 2010 and 2009 consisted of the following:

	Nine Months Ended January 31,		
	2010 $	2009 $	Percentage Increase / (Decrease) %
General and administrative:			
Accounting and legal	48,311	104,241	(53.7)
Consulting fees	277,324	202,880	36.7
Investor relations	56,034	89,785	(37.6)
Other	25,791	20,778	24.1
Travel and accommodation	14,746	29,377	(49.8)
Wages and benefits	25,280	58,743	(57.0)
Stock-based compensation	215,300	223,566	(3.7)
Research and development	126,883	83,041	52.8
Total operating expenses	789,669	812,411	(2.8)

The decrease of $22,742 in our general and administrative expenses for the nine months ended January 31, 2010 as compared to the nine months ended January 31, 2010 is attributable to the planned decrease in accounting and legal, investor relations, travel and accommodation and wages and benefits expenses in response to the downturn in the investment market. Included in the decrease was stock-based compensation expense which declined by $8,266 due to the vesting terms of outstanding options and warrants. Research and development expenses increased by $43,842 compared to 2009 as specialized labor was required for the final stages of engine development. Consulting fees increased by $74,444 as a result of the 650,000 common shares of the Company issued for consulting on market analysis and shareholder communications. These shares are valued at $143,000 based on the fair market value of the shares on the date of the issuance.

Revenues

We did not earn any revenues from product licensing during the nine months ended January 31, 2010. We do not expect to earn any other sources of revenue in the near future.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

	January 31, 2010 $	April 30, 2009 $
Current Assets	164,275	264,636
Current Liabilities	(1,467,521)	(1,019,301)
Working Capital Deficit	(1,303,246)	(754,665)

Cash Flows

	Nine Months Ended January 31,	
	2010 $	2009 $
Net Cash Used in Operating Activities	(234,989)	(395,236)
Net Cash Used in Investing Activities	-	-
Net Cash Provided by Financing Activities	235,572	394,732
Net Decrease in Cash During Period	583	(504)

Because of the downturn in the financial markets, we financed our operations for the nine months ended January 31, 2010 mainly through net proceeds from related parties in the amount of $228,726. These amounts are unsecured, non-interest bearing and due on demand.

As at January 31, 2010, we had a working capital deficit of $1,303,246. Working capital is not adequate to meet development costs for the next twelve months.

Financing Requirements

We will require additional financing if we are to continue as a going concern. We anticipate that any external financing that we are able to obtain will be through the sale of our common stock or other equity based securities. We do not have any arrangements in place for the sale of any of our securities and there is no assurance that we will be able to raise the additional capital that we require to continue operations.

The Company plans to raise funds through loans from Rand Energy Group Inc. (Rand), a private company with officers and directors in common with the Company. Further, Rand owns approximately 9.0% of the shares of the Company, having an approximate current market value of $568,356 as of January 31, 2010, and may sell shares as needed to meet ongoing funding requirements if traditional equity sources of financing prove to be insufficient. The

Company also receives interim support from affiliated companies and plans to raise additional capital through debt and/or equity financings. The Company has an equity line of credit whereby the investor agreed to purchase up to $10,000,000 of the Company s common stock. The Company may also raise additional funds through the exercise of warrants and stock options, if exercised. The equity line of credit has been lapsed as of November 2009.

We have been successful in the past in acquiring capital through the issuance of shares of our common stock, and through advances from related parties.

We anticipate that our cash requirements for the twelve months ending January 31, 2011 will remain consistent with those for the previous twelve months.

OFF-BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

CRITICAL ACCOUNTING POLICIES

We have identified certain accounting policies that are most important to the portrayal of our current financial condition and results of operations. Our significant accounting policies are disclosed in Note 1 of the consolidated financial statements for the nine months ended January 31, 2010, attached hereto this Form 10-Q.

Changes in Accounting Policies including Initial Adoption

In June 2008, the FASB finalized FASB ASC 815-15 which lays out a procedure to determine if an equity-linked financial instrument (or embedded feature) is indexed to its own common stock. FASB ASC 815-15 is effective for fiscal years beginning after December 15, 2008. 2,059,000 of REGI s warrants that were previously classified in equity were reclassified to derivative liabilities on May 1, 2009 due to the presence of a reset feature that allows for a reduction in the strike price of the warrant in the event that the company issues similar instruments at a lower strike price in a future period. REGI estimated the fair value of these liabilities as of May 1, 2009 to be $280,488 and recorded a decrease of $2,380,696 to Additional Paid-in Capital and a reduction of $2,100,208 to Accumulated Deficit. The effect of this adjustment is recorded as a cumulative effect of change in accounting principle in our consolidated statement of changes in stockholders equity (deficit).

These warrants were fair valued as of January 31, 2010 and marked to market at that date. The fair value of the warrants at January 31, 2010 was determined to be $275,812 resulting in a gain on the change in fair value of derivatives of $4,676 for the nine months ended January 31, 2010.

Overall Performance and Period Highlights - November 1, 2009 to March 17, 2010

We are working with Reg Technologies Inc., and a Fortune 1000 Company in developing a RadMax® Diesel Engine application based on a specification of its industry partner. Under the terms of a non disclosure, we are prohibited from publishing the name of the partner or discussing the partner s specific application.

Reg Technologies, Inc. has the worldwide rights, excluding the U.S. rights, to the RadMax® technology by paying 50% of the R&D costs.

The RadMax® Diesel Engine which we are developing must be technologically superior or at least equal to other engines that competitors offer and must have a competitive price/performance ratio to adequately penetrate its potential markets.

A number of rotary engines have been designed over the past 80 years but only one, the Wankel, has been able to achieve mechanical practicality and any significant market acceptance.

We believe the RadMax® Diesel Engine could achieve improved fuel consumption when compared to gasoline and turbine engines. This was based on a review by our thermodynamics engineer, Dr. Allen MacKnight, PhD, of published industry literature. Specifically, a given volume of diesel fuel contains approximately 30% more energy that the same volume of gasoline and diesel engines consume approximately 0.4 pounds of fuel for every horsepower hour. As a point of reference, all turbine engines consume approximately 0.8 pounds of fuel for every horsepower hour.

To bring the RadMax® Diesel Engine from concept to reality, a number of milestones, or steps, are required for ultimate qualification. These start with concept drawings and presentations, and lead to testing by independent agencies to validate the emissions, horsepower, and other critical metrics.

We entered into an agreement in April 2008 with a Fortune 1000 Company to evaluate and consider technical solutions in developing a RadMax® rotary engine technology for certain commercial and military applications. The Fortune 1000 Company then had a period of 12 months after completion of the evaluation period to execute a letter of intent to a non-exclusive license for the REGI rotary engine for certain commercial and military markets.

The agreement with the Fortune 1000 Company was extended to December 31, 2009 to complete the evaluation and technical assessment of the REGI U.S. RadMax® Engine design. The project scope will also include a performance evaluation report that compares actual performance with the initial set of requirements that will be used to provide the basis for recommendations arising from the assessment pursuant to our evaluation agreement. We are in the process of finalizing a further extension to cover the period through December 31, 2010.

The Fortune 1000 Company and REGI U.S. engineers have been carrying out a joint technical assessment of the REGI U.S. RadMax® engine and their engineers made several improvements and changes. The Fortune Company recommended Belcan Engineering (www.belcan.com) to complete an assessment of the new design and recommend any further changes before the fabrication of the engine commences.

Belcan Engineering Services of Phoenix, AZ (www.belcan.com) was retained to review the Fortune 1000 diesel engine design before production of the prototype. This thorough review will help to ensure a streamlined and timely fabrication process. Immediately following the design review, REGI will fabricate RadMax® parts and assemblies, validate assembly operations, and conduct component, assembly, and system tests.

We announced in December 2009, that Path Technologies, Inc has been selected to fabricate the prototype RadMax® diesel engine. We note that the Company is familiar with Path Technologies as we have used them in the past to fabricate RadMax® parts. We are in Phase 3 of a 4 phase program.

Phase 3, Detail Design, is to be completed mid 2010, includes the following top level tasks:

- Retain engineering analysis organization to provide independent validation of all RadMax design elements: functions, tolerances, and material selections
- Verify environmental conditions (temperatures, pressures, centrifugal forces, etc.).
- Identify components that require detail stress and strain analysis
- Perform complete integration of all of components and evaluate their performance and strength under non-operating and operating conditions.

Phase 4, Demonstrator Fabrication and Test, planned for completion by end 2010, includes the following top-level tasks:

- Fabricate and test demonstrator (estimated 2 to 3 months).
- Build and functionally verify a test stand.
- Install demonstrator engine on test stand, test all fluid lines, and verify that instruments are calibrated.
- Engine testing initially verifies mechanical integrity of the engine.
- Next, the RadMax engine is motor driven. Compression and temperatures of the combustion chamber are measured.
- After satisfactory compression and temperature measurements are achieved, the RadMax engine is brought up in speed and load.
- After several test runs, the engine is disassembled for inspection to determine effects on the components.
- Engine testing is a multiple stage process. It is estimated to require 3 to 6 months to complete.

During this period, we completed a rigorous thermodynamics analysis of the engine. The report is currently in review by our technology partners. The recommendations include fabricating the cam using Aluminum instead of steel to take advantage of the improved thermal conductivity.

All RadMax components have been modeled and manufacturing drawings have been produced. These are in review by our technology partners.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is a smaller reporting company and is not required to provide the disclosure under this item.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the nine-month period covered by this quarterly report on Form 10-Q was carried out by us under the supervision and with the participation of our Chief Executive Officer Mr. John Robertson. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, at January 31, 2010, our disclosure controls and procedures are not effective due to inadequate segregation of duties and effective risk assessment.

We plan to take steps to enhance and improve the design of our disclosure controls. During the period covered by this interim report, we have not been able to remediate the material weaknesses identified above. To remediate such weaknesses, we plan to appoint additional qualified personnel to address inadequate segregation of duties and ineffective risk management, and adopt sufficient written policies and procedures for accounting and financial reporting. These remediation efforts are largely dependent upon securing additional financing to cover the costs of implementing the changes required. If we are unsuccessful in securing such funds, remediation efforts may be adversely affected.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended January 31, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

The Company is subject to a number of risk factors due to the nature of its business and the present stage of development. The following risk factors should be considered:

Trends

The Company s financial success is dependent upon the successful completion of development of the RadMax® engine in order to achieve a commercially feasible design. Such development could take several years to complete and the resulting income, if any, is difficult to determine at this time, There can be no assurance that we or potential licensees will be able to achieve and maintain end user acceptance of our engine. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company s sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Financing

There is no assurance that we will be able to secure the financing necessary to continue our development and operations. Our expectations as to the amount of funds needed for development and the timing of the need for these funds is based on our current operating plan, which can change as a result of many factors, and we could require additional funding sooner than anticipated. Our cash needs may vary materially from those now planned because of results of development or changes in the focus and direction of our development program, competitive and technological advances, results of laboratory and field testing, requirements of regulatory agencies and other factors.

We have no credit facility or other committed sources of capital. To the extent capital resources are insufficient to meet future capital requirements, we will have to raise additional funds to continue our development and operations. There can be no assurance that such funds will be available on favorable terms, or at all. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of such securities could result in dilution to our shareholders. If adequate funds are not available, we may be required to curtail operations significantly or to obtain funds on unattractive terms. Our inability to raise capital would have a material adverse effect on us.

Commercially Feasible Product

We have no assurance at this time that a commercially feasible design will ever be perfected, or if it is, that it will become profitable. Our profitability and survival will depend upon our ability to develop a technically and commercially feasible product which will be accepted by end users. The RadMax® engine which we are developing must be technologically superior or at least equal to other engines that competitors offer and must have a competitive price/performance ratio to adequately penetrate its potential markets. If we are not able to achieve this condition or if we do not remain technologically competitive, we may be unprofitable and our investors could lose their entire investment. There can be no assurance that we or potential licensees will be able to achieve and maintain end user acceptance of our engine.

Market Acceptance

Our profitability and survival will depend upon our ability to develop a technically and commercially feasible product which will be accepted by end users. The RadMax® engine must be technologically superior or at least equal to other engines which our competitors offer and must have a competitive price/performance ratio to adequately penetrate our potential markets. A number of rotary engines have been designed over the past 80 years but only one, the Wankel, has been able to achieve mechanical practicality and any significant market acceptance. If we are not able to achieve this condition or if we do not remain technologically competitive, we may be unprofitable and our investors could lose their entire investment. There can be no assurance that we or our potential licensees will be able to achieve and maintain end user acceptance of our engine.

Our future success may be dependent on the success of our products and services. The success of our business depends on a variety of factors, including:

- the quality and reliability of our products and services;
- our ability to develop new products and services superior to that of our competitors;
- our ability to establish licensing relationships and other strategic alliances;
- our pricing policies and the pricing policies of our competitors;
- our ability to introduce new products and services before our competitors;
- our ability to successfully advertise our products and services; and
- general economic trends.

Management and Directors

The Company is dependent on a relatively small number of directors and officers. The loss of certain members of our management and engineering staff, could adversely affect our business and the successful development of the engine. Our present officers and directors have other full-time positions or part-time employment unrelated to our business. Some officers and directors will be available to participate in management decisions on a part-time or as-needed basis only. Our management may devote time to other companies or projects which may compete directly or indirectly with us. We do not have "key man" life insurance on such officers and currently have no plans to obtain such insurance.

Conflicts of Interest

Several of the Company s directors and officers are also directors, officers or shareholders of other companies. Some of our directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Such associations may give rise to conflicts of interest from time to time The Company s directors are required by law to act honestly and in good faith with a view to the best interests of the

Company and to disclose any interest which they many have in any project or opportunity in respect of which the Company is proposing to enter into a transaction.

Consultants and Outside Manufacturing Facilities

Since our present plans do not provide for a significant technical staff or the establishment of manufacturing facilities, we will be primarily dependent on others to perform these functions and to provide the requisite expertise and quality control. There is no assurance that such persons or institutions will be available when needed at affordable prices. It will likely cost more to have independent companies do research and manufacturing than for us to handle these resources.

Intellectual Property

Our business depends on the protection of our intellectual property and may suffer if we are unable to adequately protect our intellectual property. The success of our business depends on our ability to patent our engine. Currently, we have been granted several U.S. Patents. We cannot provide assurance that our patents will not be invalidated, circumvented or challenged, that the rights granted under the patents will give us competitive advantages or that our patent applications will be granted.

New technology

New technology or refinement of existing technology could render our RadMax products less attractive or obsolete. Our success depends in part upon its ability to anticipate changes in technology and industry standards and to successfully develop and introduce new and improved engines on a timely basis. There is no assurance that we will be able to do so.

Competitive Conditions

While not a highly competitive business in terms of numbers of competitors, the business of developing engines of a new design and attempting to either license or produce them is nonetheless difficult because most existing engine producers are large, well financed companies which are very concerned about maintaining their market position. These companies possess greater technical resources and market recognition than us, and have management, financial and other resources not yet available to us. Existing engines are likely to be perceived by many customers as superior or more reliable than any new product until it has been in the marketplace for a period of time. There is no assurance that we will be able to compete effectively with these companies.

Limited Operating History: Losses

The Company has experienced losses in all years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As of January 31, 2010 the Company s accumulated deficit was $10,107,938.

Price Fluctuations: Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many development stage companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSIONS OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

A. <u>Transactions with Related Parties</u>

Amounts due to and from related parties are unsecured, non-interest bearing and due on demand. Related parties consist of companies controlled or significantly influenced by the President of the Company. As of October 31, 2009, there was $161,446 due from related parties and $993,230 due to related parties. As of April 30, 2009, there was $260,136 due from related parties and $863,194 due to related parties. There is no right of offset associated with these payables and receivables.

As part of an agreement with a professional law firm (the Law Firm) in which a partner of the firm is an officer and director of the Company, the Company agreed to pay a cash fee equal to 5% of any financings with parties introduced to the Company by the Law Firm. The Company also agreed to pay an equity fee equal to 5% of the equity issued by the Company to parties introduced by the Law Firm, in the form of options, warrants or common stock. During the nine month period ended October 31, 2009 and 2008, fees in the aggregate of $938 and $27,333, respectively, for legal services have been paid or accrued to the Law Firm.

During the nine month period ended January 31, 2010, the President, CEO and director of REGI provided consulting services to REGI. These services were valued at $67,500, which was accounted for as donated capital and charged to expense during the period. A similar amount was recorded in the nine month period ended January 31, 2009.

During the nine month period ended January 31, 2010, the Vice President and director of REGI provided consulting services to REGI. These services were valued at $22,500, which was accounted for as donated capital and charged to expense during the period. A similar amount was recorded in the nine month period ended January 31, 2009.

During the nine month period ended January 31, 2010, the CFO, COO and director of REGI provided consulting services to REGI. These services were valued at $22,500, which was accounted for as donated capital and charged to expense during the period. A similar amount was recorded in the nine month period ended January 31, 2009.

B. Significant Projects without Operating Revenue

The Company is developing for commercialization an improved axial vane type rotary engine known as the RadMax® rotary technology (the "Technology" or the RadMax® Engine), used in the design of lightweight and high efficiency engines, compressors and pumps. The RadMax® engine has only two moving parts, the vanes (up to 12) and the rotor, compared to the 40 moving parts in a simple four-cylinder piston engine. This design makes it possible to produce up to 24 continuous power impulses per one rotation that is vibration-free and extremely quiet. The RadMax® engine also has multi-fuel capabilities allowing it to operate on fuels including gasoline, natural gas, hydrogen, propane and diesel. REGI U.S., Inc. and Reg Technologies Inc., are currently designing and testing prototype RadMax® Diesel Engines, compressors and pumps intended for aviation, automotive, industrial processes and military applications.

The world-wide marketing and intellectual rights, other than the U.S., are held by Reg Technologies Inc. REGI U.S., Inc. owns the U.S. marketing and intellectual rights and has a project cost sharing agreement, whereby it will fund 50% of the further development of RadMax® Engine and Reg Technologies Inc. will fund 50%.

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

We believe that a large market would exist for a practical rotary engine which could be produced at a competitive price and which could provide a good combination of fuel efficiency, power density and exhaust emissions.

Based on the market potential, we believe the RadMax® Engine is well suited for application to internal combustion engines, pumps, compressors and expansion engines. The mechanism can be scaled to match virtually any size requirement. This flexibility opens the door to large markets being developed.

We have tested the RadMax® technology for interested customers who want a license agreement. To date we have granted an option for a license for certain applications for a Fortune 1000 company who are evaluating the RadMax® design and are currently assisting in the development at no cost to the Company.

During the nine months ended January 31, 2010, the Company s efforts have been focused on the research, development and design of the RadMax® rotary technology (see also *Period Highlights* above).

C. **Other MD&A Requirements**

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosures concerning the Company s research and development costs, deferred development costs and general and administrative expenses are provided as follows:

During the nine months ended January 31, 2010, the Company incurred the $126,883 in research and development costs.

Disclosure of Outstanding Share Data:

The Company s authorized share capital consists of:

100,000,000 Common shares without par value

As of January 31, 2010, there were 28,701,824 common shares issued and outstanding. As at February 26, 2010, there were 28,707,824 common shares issued and outstanding.

Commitments:

Outstanding Stock Options

Options outstanding at January 31, 2010 are as follows:

Expiry Date	Exercise price ($)	Number of Shares
May 27, 2010	0.45	50,000
November 1, 2011	1.37	25,000
April 12, 2012	1.30	926,000
May 10, 2012	0.20	75,000
November 7, 2012	1.30	25,000
		1,101,000

Outstanding Share Purchase Warrants

Share purchase warrants outstanding January 31, 2010 are as follows:

Expiry Date	Exercise price ($)	Number of warrants
April 21, 2011	2.20	75,000
October 1, 2011	0.60	55,000
November 1, 2011	1.37	100,000
November 14, 2011	1.00	492,000

November 17, 2011	1.00	1,567,000
January 30, 2012	1.30	200,000
February 21, 2012	1.50	120,000
July 30, 2012	1.50	579,950
October 4, 2012	1.50	32,000
November 9, 2012	1.50	76,000
December 17, 2012	1.50	95,000
January 13, 2013	0.50	100,000
February 14, 2013	1.50	51,000
April 23, 2014	0.25	50,000
Warrants Outstanding		3,592,950

Directors and Officers

As of March 1, 2010, the Company had the following directors and officers:

John Robertson	Director, President and Secretary
Jennifer Lorette	Director
James Vandeberg	Director, Chief Operating Officer and Chief Financial Officer
Thomas Robertson	Director
Brian Cherry	Vice President

The Company is dependent on a small number of key directors and officers. Loss of any one of those persons could have an adverse affect on the Company; however, the Company does not maintain key-man insurance with respect to any of its management.

Conflicts of Interest

Officers and directors of the Company are officers and/or directors of, or are associated with other public companies. Such associations may give rise to conflicts of interest. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional Information relating to the Company is on EDGAR at www.sec.gov and on SEDAR at www.sedar.com.

ITEM 6. EXHIBITS

Exhibits:

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of John G. Robertson, President and Chief Executive Officer (Principal Executive Officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2

Certification of James Vandeberg, Chief Operating Officer and Chief Financial Officer (Principal Financial Officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 18, 2010

REGI U.S., INC.

By: */s/ John G. Robertson*
John G. Robertson, President and Chief Executive Officer
(Principal Executive Officer)

By: */s/ James Vandeberg*
James Vandeberg, Chief Operating Officer and Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED BY SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John G. Robertson certify that:

1. I have reviewed this quarterly report on Form 10-Q of REGI U.S., Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a -15(e) and 15d -15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 18, 2010

/s/ John G. Robertson

John G. Robertson

President and

Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED BY SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James Vandeberg, of REGI U.S., Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of REGI U.S., Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a -15(e) and 15d -15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 18, 2010

/s/ James Vandeberg

James Vandeberg

Chief Operating Officer and

Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of REGI U.S., Inc. (the "Company") on Form 10-Q for the period ending January 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John G. Robertson, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

1. I have reviewed the Report;

2. based on my knowledge, the Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Report; and

3. based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in the Report.

/s/ John G. Robertson

John G. Robertson, President and Chief Executive Officer

(Principal Executive Officer)

March 18, 2010

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of REGI U.S., Inc. (the "Company") on Form 10-Q for the period ending January 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Vandeberg, Chief Operating Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

1. I have reviewed the Report;

2. based on my knowledge, the Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Report; and

3. based on my knowledge, the financial statements, and other financial information included in the Report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in the Report.

/s/ James Vandeberg

James Vandeberg, Chief Operating Officer and Chief Financial Officer

(Principal Financial Officer)

March 18, 2010