

Distribution of Dividend in Kind

12/21/2016

Effective November 18th, 2016, a Majority of Reg Technologies, Inc. (REG) shareholders approved the sale of all its assets to Regi U.S., Inc. As compensation for those assets, Regi U.S. issued 50,596,043 Restricted Common shares to REG. These shares have been distributed from Regi U.S. to REG.

Nevada Agency and Transfer Company (NATCO), the Security Transfer Agent for Regi U.S., Inc. (REGI), has placed these REG shares into a Registered Holding account at NATCO belonging to Reg Technologies, Inc.

These shares will be distributed to shareholders of Reg Technologies. All shareholders of Reg Technologies will receive 1.1 shares of Regi U.S. for each share of Reg Technologies. We had hoped to have completed the distribution by now, but TSX.V is waiting for regulatory paper work to finalize before releasing the shares. There are NO issues relating to the Asset Sale; TSX.V Securities needs additional time to complete all regulatory processing per their requirements.

Shares Distribution Process:

****Please wait for notification of the Distribution before contacting your broker or NATCO****

All **Beneficial Shareholders** (i.e. those who already have their REG shares in a Banking or Brokerage account) will be notified by their Broker about how their shares will be deposited. Please contact your Broker directly for clarification of their process. DO NOT CONTACT NATCO, only your Broker.

All **Registered Shareholders** (i.e. those that hold Share Certificates previously managed by Computershare) will now have their shares held by NATCO in Book Entry Form via Direct Registration Statements. Individuals may call NATCO directly at (775) 322-0626 or e-mail info@natco.org to:

- Request transfer of their shares to another location
- Request traditional Paper Certificates, mailed to verified address
- Remain in an individual Registered Shareholders account (Book Entry Form) at NATC for later handling. These account holders will receive Direct Registration Statements ref. their account holdings.
- There are some individuals who have moved with no forwarding address, or trusts that are not managed, where all available contact information is outdated. State Escheatment Laws require turning over shares to the state of last known residence if we are unable to locate the shareholders that have been deemed lost.

If you have not received the recent Shareholders newsletter or proxy voting material, there is a good chance your address is unknown. Please contact NATCO to verify your address immediately.

Unrestricted Shares:

Management has decided to file a Full Registration Statement with the SEC for all Dividend shares to be issued as **Unrestricted**. Filings and SEC approvals are anticipated to take 4 months. Unrestricted shares will be free trading once this process is complete.

Taxable Event:

We are not tax advisors; any information offered here is for discussion with your tax advisor.

The receipt of Regi U.S. shares as a “Dividend in Kind” may be a taxable event. There are two aspects to this event: a) receipt of shares of Regi U.S. as a “dividend in kind”, and b) a (capital) loss in Reg Technologies which will have no value after distribution of its assets and no longer trading.

However, this empty Shell may be of some value to another company wanting a TSX.V registered trading vehicle. We currently do not have an offer but will keep the original Reg Technologies shareholders informed if one materializes. Make sure your tax advisor is aware of this situation.

This “dividend in kind” may be considered a “Return on Capital.” This would mean that one’s cost basis may be lowered by the value received. The date and rate of Valuation has yet to be determined, awaiting a Full Valuation of Reg Technologies Assets sold to Regi U.S., Inc.

The distribution will not be completed in 2016.

Receipt of this Dividend in Kind does not eliminate one’s Reg Technologies shares. Reg Technologies was not merged with Regi U.S., nor was it a consolidation or was the Dividend the result of Reg Technologies liquidation. One’s Reg Technologies shares still exist, although they are valueless. These shares cannot be sold, but they can be abandoned or written off as worthless, creating possible capital loss that can be recognized this calendar year. However, remember that your “cost basis” may be lowered by the value of the Regi U.S. shares received.

Please consult your Tax Advisor for definitive rules and tax application.

Further updates and continual progress on our RadMax technology is available on our web site radmaxtech.com.

Happy Holiday Season to All
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