

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended January 31, 2015

[] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period _____ to

Commission File Number **0-23920**

REGI U.S., INC.

(Exact name of Small Business Issuer as specified in its charter)

Oregon

(State or other jurisdiction of incorporation or organization)

91-1580146

(IRS Employer Identification No.)

**#240 – 11780 Hammersmith Way
Richmond, BC, Canada**

(Address of principal executive offices)

V7A 5A9

(Postal or Zip Code)

Issuer's telephone number, including area code:

(604) 278-5996

NA

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

Indicate by check mark whether the registrant (1) has 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.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 32,779,298 shares of common stock with no par value outstanding as of March 23, 2015.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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Item 2. Management's Discussion and Analysis of Financial Condition and 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, 2014. 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.

All dollar amounts in this Quarterly Report are in U.S. dollars unless otherwise stated.

Nature of Business

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 "RadMax® Engine"), used in the design of lightweight and high efficiency engines, compressors and pumps. We have a project cost sharing agreement, whereby the development of the RadMax™ Engine will be funded equally by us and by Reg Technologies Inc. ("Reg Tech"), a public company listed for trading on the TSX Venture Exchange and on OTC.BB. Reg Tech holds approximately 10.17% of our issued and outstanding shares.

Recent Development

On September 16, 2014 we announced that the RadMax™ test fixture is completed. Mr. Paul Porter, our chief engineer reported the following:

- The test fixture has been completed and assembled.
- Several seal combinations have been tested in the fixture.
- The fixture will allow the Company to quickly and inexpensively evaluate sealing combinations, vane designs and lubrication and cooling methods without risking damage or modifying the current prototype.
- With the test fixture, we can evaluate wear patterns, seal life and friction created in the combustion chamber.
- We can locate and quantify potential sealing or wear problems rapidly and cost effectively.
- The test chamber is a major step toward optimizing the performance of the RadMax™ prototype and all future engine builds. and

- The test fixture can be easily modified to test vanes for use in both smaller and larger engine builds.

Mr. Porter stated that the test fixture would be the key to the rapid development of future engine designs. New prototypes can now be designed and tested with greater confidence, lower costs and with greater efficiency.

Going Concern

We incurred net losses of \$332,232 for the nine months ended January 31, 2015 and have a working capital deficit of \$1,927,514 and an accumulated deficit of \$12,648,351 at January 31, 2015. Further losses are expected until we enter into a licensing agreement with a manufacturer and reseller. These factors raise substantial doubt about the ability of the Company to continue as a going concern.

We may receive interim support from affiliated companies and plan to raise additional capital through debt and/or equity financings. We may also raise additional funds through the exercise of warrants and stock options, if exercised. However, there is no assurance that any of these activities will be successful.

Due to the uncertainty of our ability to generate sufficient revenues from our operating activities and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due, in their report on our financial statements for the year ended April 30, 2013, our registered independent auditors included additional comments indicating concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that led to this disclosure by our registered independent auditors. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Results of Operations for the Nine Months Ended January 31, 2015 Compared to the Nine Months Ended January 31, 2014

We had a net loss of \$332,232 during the nine months ended January 31, 2015, a decrease from net loss of \$486,240 during the nine months ended January 31, 2014.

Research and development expenses increased to \$47,824 in nine months ended January 31, 2015 from \$21,697 in nine months ended January 31, 2014.

General and administrative expenses decreased from \$463,463 in the nine months ended January 31, 2014 to \$283,328 in 2015. Our non-cash, option and warrants based expenses decreased from \$292,890 in 2014 to \$68,285 in the nine months ended January 31, 2015.

Other general and administrative expense comparisons are as follows:

- Professional fees including legal, accounting, audit and auditors' review expenses decreased slightly from \$25,100 during the nine months ended January 31, 2014 to \$23,474 in the nine months ended January 31, 2015;
- Office and administrative expenses increased from \$16,884 during the nine months ended January 31, 2014 to \$67,940 during the nine months ended January 31, 2015;
- Transfer agent and filing fees decreased from \$12,981 in 2014 to \$10,075 in 2015 as we had fewer equity transactions in 2015;
- Consulting and management fees were consistent at \$112,500, of which \$90,000 was donated services for the nine months ended January 31, 2014 and 2015;

- Technology related travel expense of \$3,108 in 2014 decreased to \$1,054 in 2015; and

During the nine months ended January 31, 2015 and January 31, 2014, we recorded interest expense of \$1,080 on a promissory note issued to a related party.

We have not attained profitable operations and are dependent upon obtaining financing to pursue exploration activities. For these reasons our auditors believe that there is substantial doubt that we will be able to continue as a going concern.

Results of Operations for the Three Months Ended January 31, 2015 Compared to the Three Months Ended January 31, 2014

We had a net loss of \$93,480 during the three months ended January 31, 2015, a decrease from net loss of \$188,661 during the three months ended January 31, 2014.

Research and development expenses increased to \$25,886, in the three months ended January 31, 2015 from \$nil in the three months ended January 31, 2014.

General and administrative expenses decreased from \$188,301 in the three months ended January 31, 2014 to \$67,234 in the three months ended January 31, 2015. Our non-cash, option and warrants based expenses decreased from \$156,569 in 2014 to \$nil in the three months ended January 31, 2015.

General and administrative expense comparisons are as follows:

- Professional fees including legal, accounting, audit and auditors' review expenses increased from \$5,300 during the three months ended January 31, 2014 to \$6,022 during the three months ended January 31, 2015, as our transaction volume decreased from 2014 to 2015;
- Consulting and management fees were consistent at \$37,500 during 2014 and 2015;
- Office and administrative expenses increased from \$8,668 in 2014 to \$25,083 in 2015;
- Transfer and filing expenses decreased from \$1,524 in 2014 to \$1,625 in 2015;
- Technology related travel expense of \$nil in 2014, increased to \$1,054 in 2015; and
- Foreign exchange gain of \$21,261 in 2014 decreased to foreign exchange gain of \$4,050 in 2015.

During the three months ended January 31, 2014 and January 31, 2015, we recorded interest expense of \$360 on a promissory note issued to a related party.

We have not attained profitable operations and are dependent upon obtaining financing to pursue exploration activities. For these reasons our auditors believe that there is substantial doubt that we will be able to continue as a going concern.

Liquidity and Capital Resources

During the nine months ended January 31, 2015, we financed our operations mainly through proceeds of \$12,197 from the sale of common stock net of share issuance costs and advances from related parties of \$216,506.

At January 31, 2015, the total amount owing to related parties is \$1,748,692 or 90.69% of total liabilities as of January 31, 2015. This funding was necessary with a downturn in the financial market to complete the RadMax™ Engine and place us in a position to attain profit. The balances owing to related parties are non-interest bearing, unsecured and repayable on demand. Our affiliated companies have indicated that they will not be demanding repayment of these funds during the next fiscal year.

We also plan to raise additional capital through debt and/or equity financings. We cannot provide any assurance that additional funding will be available to finance our operations on acceptable terms in order to enable us to complete our plan of operations. There are no assurances that we will be able to achieve further sales of our common stock or any other form of additional financing. If we are unable to achieve the financing necessary to continue our plan of operations, then we will not be able to continue the development of our RadMax™ Engine and our business will fail.

Off-Balance Sheet Arrangements

We have 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 that is material to our stockholders.

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, 2015, attached hereto.

Contractual Obligations

We do not currently have any contractual obligations requiring any payment obligation from us.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the *Securities Exchange Act of 1934* and are not required to provide the information under this item.

Item 4. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures*

Based upon an evaluation of the effectiveness of our disclosure controls and procedures performed by our management, with participation of our Chief Executive Officer and our Chief Financial Officer as of the end of the period covered by this report, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were not effective due to inadequate segregation of duties.

As used herein, “*disclosure controls and procedures*” mean controls and other procedures of our company that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

We are taking 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 need to appoint additional qualified personnel to address inadequate segregation of duties, 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.

(b) *Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting during the quarter ended January 31, 2015 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

We are not a party to any pending legal proceeding. Management is not aware of any threatened litigation, claims or assessments.

Item 1A. Risk Factors

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

From May 1, 2014 to the date of this report, we sold an aggregate of 135,000 units of private placement for cash proceeds of \$12,197, net of issuance costs of \$1,303. Each unit consists of one common share and one common stock purchase warrant, with one warrant exercisable at \$0.15 per share for one year into the one share of the Company's common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibit(s)

- 31.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the *Sarbanes-Oxley Act of 2002*
- 31.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the *Sarbanes-Oxley Act of 2002*
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act of 2002*
- 32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act of 2002*

SIGNATURES

Pursuant to the requirements of the *Securities Exchange Act of 1934*, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

March 23, 2015

REGI U.S., INC.

/s/ John G. Robertson

John G. Robertson,
President and Chief Executive Officer