Biosenta Inc.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2012

The following management discussion and analysis ("MD&A") of financial results is dated August 24, 2012 and reviews the business of Biosenta Inc. (the "Company" or "Biosenta"), formerly known as RXT 110 Inc., for the three and nine months ended June 30, 2012, and should be read in conjunction with the accompanying unaudited condensed interim financial statements and related notes for the three and nine months ended June 30, 2012. This MD&A and the accompanying unaudited condensed interim financial statements and related notes for the three and nine months ended June 30, 2012 have been reviewed by the Company's Audit Committee and approved by the Company's Board of Directors

This MD &A may contain forward-looking statements information and statements which constitute "forward-looking information" under Canadian securities law and which may be material regarding, among other things, the Company's beliefs, plans, objectives, estimates, intentions and expectations with respect to its capital and funding plans. Inherent in the forward-looking information and statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or predict, which give rise to the possibility that the Company's predictions, forecasts, expectations or conclusions will not prove to be accurate, that its assumptions may not be correct and that the Company's plans, objectives and statements will not be achieved. Actual results or developments may differ materially from those contemplated by the forward-looking information and statements. Consequently, undue reliance should not be placed on such forward-looking statements.

A. Core Business Strategy

The Company is developing two business units within the anti-microbial industry. These products address the demand created by the mounting health and environmental concerns. Mould can affect the immune system, nervous system, liver, kidneys, blood and cause brain damage

The Company plans to manufacture and distribute an anti-microbial filler. Calcium Carbonate is one of the most common fillers used industrially. It is susceptible like other fillers that hold moisture to attracting mould. Annual global revenue in the calcium carbonate filler industry approximates 140 billion dollars. BIOSENTA will produce anti-microbial filler that performs 'filling' and 'bulking' functions like calcium carbonate. BIOSENTA's filler product will not attract moisture and consequently mould infestation. BIOSENTA's filler with its anti-microbial high ph core in individual particles will enhance commercial product life and eradicate a broad spectrum of known bacteria, fungi, algae and other micro-organisms by suppression of their reproduction.

In addition, the Company has developed a full line of retail anti-microbial products that will effectively kill mould, bacteria and fungi on contact and prevent re-growth. The Company is currently seeking the necessary government approvals for selling the product in the United States and Canada. The Company has made applications in Canada and the United States for a trademark for the name "Zeromold".

B. Overall Performance

Anti-Microbial Filler Product Line

The Company's line of retail anti-microbial products will effectively kill mould, bacteria and fungi on contact and prevent re-growth. These products address the demand created by the mounting health and environmental concerns. Mould can affect the immune system, nervous system, liver, kidneys, blood and cause brain damage.

On June 7, 2011, the Company entered into an exclusive world-wide interim license agreement with Marcus Martin, a Director of the Company, with respect to certain intellectual property rights held by Mr. Martin relating to a process for the manufacture of anti-microbial filler product (the "MM License Agreement"). Effective October 3, 2011, the License Agreement was amended and restated to add Edward Pardiak, a Director of the Company as a co-licensor and was again amended and restated on April 10, 2012 to add 2320696 Ontario Inc. as a co-licensor. Marcus Martin and Edward Pardiak, through holding companies controlled by them, each holding 50% of the shares of the shares of 2320696 Ontario Inc.

The MM License Agreement pursuant to which the Company was granted an interim license to exploit certain intellectual property rights held by the Licensor including the right to manufacture, use, market, sell, import, export, have, hold, distribute and promote an anti-microbial filler product to be produced utilizing or exploiting the intellectual property rights and also included the right to obtain an exclusive world-wide license to the intellectual property. Pursuant to the terms of the License Agreement, the Company agreed to make payments aggregating to $150,000 for an interim license. During the term of the interim license (up to 24 months subject to specified triggers), the Company agreed to obtain all legal and regulatory approvals required in connection with the exercise of the right to the acquire the perpetual license, including the issuance of the 20 million Class A shares in consideration therefore, and had the opportunity to conduct its legal and technical due diligence with respect to the intellectual property rights subject to the MM License Agreement. Upon acquiring the exclusive world-wide license to the intellectual property pursuant to the exercise of the Company's right under the License Agreement, the Company is obligated to issue 20 million Class A Shares as the initial consideration for the license and will pay ongoing royalties based on a percentage of the gross margin on sales made by the Company. The MM License Agreement was subsequently amended and restated effective October 3, 2011 and was further amended and restated as of April 10, 2012. The Company exercised its right to acquire, and acquired with effect April 10, 2012, the perpetual world-wide license to the intellectual property. .

In July 2011, the Company announced that it entered into an exclusive retail distribution agreement with a major distributor of home renovation products for Canada and the United States for the Company's line of home improvement and construction related anti-microbial products. The distribution agreement is for an initial term of five years and may be renewed by the distributor for an additional five year term provided the distributor is in compliance with the terms of the agreement. The agreement provides for specified minimum quarterly purchase obligations by the distributor which in aggregate over of the term of the agreement amount to approximately $50 million in total revenues.

The Company is in the process of developing its pilot plant facility located in Parry Sound, Ontario. The facility will be used primarily for research and development relating to the Company's anti-microbial filler product and as testing and demonstration facility for customers. The Company has engaged electrical contractors to upgrade electrical service for the plant. Hydro One is providing a new transformer.

The Company will also manufacture and distribute a proprietary anti-microbial filler, or sub-license the technology relating thereto. Calcium Carbonate is one of the most common fillers used industrially. It is susceptible like other fillers that hold moisture to attracting mould. Annual global revenue in the calcium carbonate filler industry approximates 140 billion dollars. The Company will produce anti-microbial filler that performs "filling" and "bulking" consequently mould infestation. The Company's filler product with its anti-microbial high ph core in individual particles enhances commercial product life and eradicates a broad spectrum of known bacteria, fungi, algae and other micro-organisms by suppression of their reproduction.

Anti-Microbial Retail Product Line (Zeromold)

The Company has developed a retail anti-mold product, "Zeromold", and expects to begin manufacturing and shipments before the end of the fourth quarter of the current fiscal year. The Company has filed trademark applications for "Zeromold" in Canada and the United States and is considering trademark applications in other jurisdictions.

C. Results of Operations

This analysis of the results of the Company's operations should be read in conjunction with the Company's unaudited condensed interim financial statements for the nine months ended June 30, 2012.

Revenues

The Company's net revenue for the nine months ended June 30, 2012 were Nil and comparable to the same period last year.

Administrative Costs

Administrative expenses significantly increased to $1,407,570 for the nine months ended June 30, 2012 from $253,820 in the same period last year. For the three months ended June 30, 2012, administrative expenses significantly increased to $483,231 from $190,768 in the same period last year. Generally, all categories of costs have increased in the current period as a result of the Company actively pursuing the development of both of the Company product lines, as well as building up the test facilities. Significant components of this expense include:

1. Management and consulting fees increased to $526,101 for the nine months ended June 30, 2012 from $90,297 in the same period last year. For the three months ended June 30, 2012, these costs significantly increased to $162,000 from $68,332 in the same period last year. Management and consulting fees include engineering, technical, packaging and marketing consultants required to develop the product lines. The Company has hired additional consultants in the current period to bring the product lines to market as soon as possible;
2. Legal and accounting fees significantly increased to $379,154 for the nine months ended June 30, 2012 from $57,978 in the same period last year. For the three months ended June 30, 2012, professional fees significantly increased to $102,324 from $26,996 in the same period last year. The legal fees and professional fees are significantly higher in the current period as a result of the higher level activity for product development, license agreements, patents filings and general corporate support for a growing public Company;
3. Salaries and benefits expenses increased to $78,269 for the nine months ended June 30, 2012 from $30,355 in the same period last year. For the three months ended June 30, 2012, these costs increased to $35,300 from $30,355 in the same period last year. Head office cost increased in order to support activities of management and consultants involved in product development initiatives;

4. Rent and occupancy costs increased to $60,120 for the nine months ended June 30, 2012 from $nil in the same period last year. The head office of the Company was established in the current year; and
5. Vehicle, office and general, travel and insurance all increased dramatically in fiscal 2012 from the prior period as a result of the Company actively pursuing the development of both of the Company product lines, as well as building up the test facilities in Parry Sound, Ontario.

D. Liquidity and Capital Resources

At June 30, 2012, the Company had cash of $203,181 compared to $800,421 at September 30, 2011, and working capital of $109,405 compared to a working capital of $600,595 at September 30, 2011. The decrease in the Company's working capital is the result of Company increasing development and operating costs in order develop the product lines, despite raising net proceeds of approximately $906,000 in the current period.

Net additions to equipment for the nine months ended June 30, 2012 were $276,644 compared to $nil in the same period last year. Additions were mainly related to equipment for the test facilities in Parry Sound, Ontario which were financed by cash. Another significant use of funds was the increase in the prepaid balance which reflects the accumulated product development costs for the Zeromold product line.

In May 2012, the Company completed the closing of the fourth tranche of the private placement of up to 14,135,000 units at a price of $0.20 for gross proceeds of up to $2,827,000 announced July 14, 2011. The Company issued and sold 865,000 units for aggregate consideration of $173,000, each unit consisting of one Class A Share and one Class A Share purchase warrant.

On April 2, 2012, the Company announced the closing of the third tranche of the private placement of up to 14,135,000 units at a price of $0.20 for gross proceeds of up to $2,827,000 announced July 14, 2011. The Company issued and sold 1,805,000 units for aggregate consideration of $361,000, each unit consisting of one Class A Share and one Class A Share purchase warrant.

On February 22, 2012, the Company announced the closing of the second tranche of the private placement of up to 14,135,000 units at a price of $0.20 for gross proceeds of up to $2,827,000 announced July 14, 2011. The Company issued and sold 1,847,500 units for aggregate consideration of $369,500, each unit consisting of one Class A Share and one Class A Share purchase warrant.

In November 2011, the Company closed of the first tranche of the private placement of up to 14,135,000 units at a price of $0.20 for gross proceeds of up to $2,827,000 announced July 14, 2011. The Company issued and sold 62,500 units for aggregate consideration of $12,500, each unit consisting of one Class A Share and one Class A Share purchase warrant

In July 2011, the Company closed a private placement for gross proceeds of $1,580,000. Under the terms of the private placement, the Company issued 7,900,000 units with a unit price of $0.20. Each unit was comprised of one common share and one common share purchase warrant.

In April 2011, the Company closed a private placement for gross proceeds of $225,625. Under the terms of the private placement, the Company issued 902,500 units with a unit price of $0.25. Each unit was comprised of one common share and one common share purchase warrant.

Share Capital	June 30, 2012		September 30, 2011	
	Number of shares	$ Amount	Number of shares	$ Amount
Balance, beginning of year	36,772,503	2,679,224	17,470,003	752,063
Shares issued for cash pursuant to a private placement	4,642,500	928,500	9,302,500	1,905,625
Shares issued for license agreements	20,000,000	4,000,000	10,000,000	200,000
Shares cancelled due to licence agreements	(9,253,183)	(100,030)	-	-
Less:				
Share issue costs	-	-	-	178,464
Balance – end of period	52,161,820	7,507,694	36,772,503	2,679,224

E. Quarterly Information

Selected quarterly information for the eight most recently completed quarters is presented below in Canadian currency ($), and in accordance with Canadian generally accepted accounting principles.

	2012 Q3	Q2	Q1	2011 Q4	Q3	Q2	Q1	2010 Q4
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Revenues	-	-	-	-	-	-	-	-
Operating loss	(483)	(443)	(481)	(991)	(191)	(45)	(17)	(481)
Income/(Loss) for the period	(483)	(329)	(360)	(593)	(191)	(45)	(17)	(481)
	$	$	$	$	$	$	$	$
Income/(loss) per share	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.00)	(0.00)	(0.02)

F. Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as of June 30, 2012 or September 30, 2011.

G. Financial Instruments

The Company has not entered into any specialized financial arrangements to minimize its investment risk, currency risk or commodity risk.

H. Changes in Accounting Policies including Initial Adoption

International Financial Reporting Standards ("IFRS")

In February 2008, the CICA announced that Canadian generally accepted accounting principles ("GAAP") for publicly accountable enterprises will be replaced by IFRS for fiscal years beginning on or after January 1, 2012. Accordingly, the conversion from Canadian GAAP to IFRS was applicable to the Company's financial statements starting with the first quarter of 2012.

The key IFRS dates were October 1, 2010 which was the transition date and October 1, 2011 which was the changeover date. An opening balance sheet as of October 1, 2010 according to IRFS has been prepared to facilitate the change over to IFRS reporting for 2011. The change over date is the date which the Company's financial statements will be prepared and reported according to IFRS.

IFRS has a similar conceptual framework to that of previous Canadian GAAP. There are differences in certain areas under recognition and measurement, as well as disclosure. In order for users to understand the impact of IFRS on the Company's financial statements, included in note 22 to the unaudited condensed interim financial statements for the nine months ended June 30, 2011. Overall there is no significant change or adjustment to the financial statements, the only real impact is that reclassification of items on the financial statements and additional note disclosure.

I. Risks

The Company's strategy emphasizes developing product lines in order to leverage its investment in licenses and drive the creation of shareholder value. This strategy has required, and continues to require significant financings. Due to the nature of the Company's business, the present stage of development of its product lines, and the constraints placed upon the Company's ability to move forward by its current liquidity situation, readers should carefully review and consider the financial, environmental and operational risk factors affecting the Company.

Need for Additional Financing

The Company currently has no source of operating cash flow, and there is no assurance that additional funding will be available to the Company as and when needed for further development of its current or future product lines, or to fulfill its obligations to its existing creditors. Volatile markets may make it difficult or impossible for the Company to obtain adequate debt or equity financing in the future, or on terms acceptable to the Company. The failure to obtain additional financing could force the Company to liquidate its assets to satisfy creditor claims.

No Production Revenues

To date, the Company has not achieved a sustainable stream of revenue. There can be no assurance that significant additional losses will not occur in the near future, or that the Company will be profitable in the future. In particular, the Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel, and equipment associated with advancing the product development and commercial production of its products are added.

The Company expects to continue to incur losses until such time as its product lines enter into commercial production and generate sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues or achieve profitability.

Dependence on Management

The Company's business and operations are dependent on recruiting and retaining the services of a small number of key members of management and qualified personnel. The success of the operations and activities of the Company are dependent, to a significant extent, on the efforts and abilities of the management of the Company. Investors must be willing to rely, to a significant extent, on the discretion and judgment of the management of the Company. Furthermore, while the Company believes that it will be successful in attracting qualified personnel and retaining its current management team, there can be no assurance of such success.

Conflicts of Interest

Certain of the Company's directors and officers may serve as directors or officers of other reporting companies, companies providing services to the Company, or companies in which they may have significant shareholdings. To the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

In accordance with the laws of Canada, the directors of the Company are required to act honestly, in good faith and in the best interest of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

J. Other MD&A Requirements

Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.