

**RXT 110 INC.**

**INTERIM FINANCIAL STATEMENTS**

**JUNE 30, 2011**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under national Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**RXT 110 INC.  
INTERIM FINANCIAL STATEMENTS  
JUNE 30, 2011**

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**RXT 110 INC.**  
**INTERIM STATEMENT OF LOSS AND DEFICIT**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2011**  
(Unaudited)

	<b>2011</b> <b>(3 months)</b> <b>\$</b>	<b>2010</b> <b>(3 months)</b> <b>\$</b>
<b>SALES</b>	<u>-</u>	<u>-</u>
<b>ADMINISTRATIVE EXPENSES</b>	<u><b>190,768</b></u>	<u>4,037</u>
<b>NET LOSS BEFORE INCOME TAXES</b>	<b>(190,768)</b>	<b>(4,037)</b>
Income taxes	<u>-</u>	<u>-</u>
<b>NET LOSS</b>	<b>(190,768)</b>	<b>(4,037)</b>
<b>DEFICIT, beginning of period</b>	<u><b>(814,241)</b></u>	<u>(310,504)</u>
<b>DEFICIT, end of period</b>	<u><b>(1,005,009)</b></u>	<u>(314,541)</u>
<b>NET LOSS PER SHARE</b>	<u><b>0.00675</b></u>	<u>0.00023</u>

See accompanying notes

**RXT 110 INC.**  
**INTERIM STATEMENT OF LOSS AND DEFICIT**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2011**  
(Unaudited)

	<b>2011</b> <b>(9 months)</b> <b>\$</b>	<b>2010</b> <b>(9 months)</b> <b>\$</b>
<b>SALES</b>	<u>-</u>	<u>-</u>
<b>ADMINISTRATIVE EXPENSES</b>	<u><b>253,820</b></u>	<u>22,917</u>
<b>NET LOSS BEFORE INCOME TAXES</b>	<b>(253,820)</b>	<b>(22,917)</b>
Income taxes	<u>-</u>	<u>-</u>
<b>NET LOSS</b>	<b>(253,820)</b>	<b>(22,917)</b>
<b>DEFICIT, beginning of period</b>	<u><b>(796,413)</b></u>	<u>(291,624)</u>
<b>DEFICIT, end of period</b>	<u><b>(1,050,233)</b></u>	<u>(314,541)</u>
<b>NET LOSS PER SHARE</b>	<u><b>0.00898</b></u>	<u>0.00131</u>

See accompanying notes

**RXT 110 INC.**  
**INTERIM BALANCE SHEET**  
**AS AT JUNE 30, 2011 AND SEPTEMBER 30, 2010**  
(Unaudited)

	<u>2011</u> <u>JUNE 30</u>	<u>2010</u> <u>SEPTEMBER 30</u>
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	-	242
Sales taxes	27,786	2,565
Prepaid expenses	22,500	-
Advances to RX 100 Inc.	<u>65,447</u>	<u>-</u>
	<u>115,733</u>	<u>2,807</u>
 <b>LICENSE - (Note 3)</b>	 <u><b>500,000</b></u>	 <u>-</u>
	<u><b>615,733</b></u>	<u><b>2,807</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness	1,500	-
Accounts payable	<u>212,403</u>	<u>47,159</u>
	<u><b>213,903</b></u>	<u><b>47,159</b></u>
<b>SHAREHOLDERS EQUITY</b>		
<b>SHARE CAPITAL - (Note 6)</b>	<b>1,452,063</b>	752,063
<b>DEFICIT</b>	<u><b>(1,050,233)</b></u>	<u>(796,415)</u>
	<u><b>401,830</b></u>	<u>(44,352)</u>
	<u><b>615,733</b></u>	<u><b>2,807</b></u>

See accompanying notes

ON BEHALF OF THE BOARD:

(s) Bruce Lewis, Director

**RXT 110 INC.**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2011**  
(Unaudited)

	<u>2011</u> <u>(3 months)</u> \$	<u>2010</u> <u>(3 months)</u> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	(190,768)	(4,037)
<b>NON-CASH COMPONENTS OF WORKING CAPITAL</b>		
(Increase) decrease in sales taxes recoverable	(18,483)	-
(Decrease) increase in accounts payable	30,349	-
(Increase) decrease in prepaid expenses	<u>(12,500)</u>	<u>-</u>
Net change in non-cash components of working capital	<u>(634)</u>	<u>4,034</u>
	<u>(191,402)</u>	<u>(3)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances (to) from RX 100 Inc.	<u>(65,447)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of Class A shares	<u>200,000</u>	<u>-</u>
<b>(DECREASE) IN CASH</b>	(56,849)	(3)
<b>CASH, beginning of period</b>	<u>55,349</u>	<u>237</u>
<b>(BANK INDEBTEDNESS) CASH, end of period</b>	<u>(1,500)</u>	<u>234</u>

See accompanying notes

**RXT 110 INC.**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2011**  
(Unaudited)

	<u>2011</u> <u>(9 months)</u> \$	<u>2010</u> <u>(9 months)</u> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	(253,820)	(22,917)
<b>NON-CASH COMPONENTS OF WORKING CAPITAL</b>		
(Increase) decrease in sales taxes recoverable	(25,221)	-
(Decrease) increase in accounts payable	165,246	-
(Increase) decrease in prepaid expenses	<u>(22,500)</u>	<u>-</u>
Net change in non-cash components of working capital	<u>117,525</u>	<u>23,008</u>
	<u>(136,295)</u>	<u>91</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
License	(500,000)	-
Advances (to) from RX100 Inc.	<u>(65,447)</u>	<u>-</u>
	<u>(565,447)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of Class A shares	<u>700,000</u>	<u>-</u>
<b>(DECREASE) INCREASE IN CASH</b>	(1,742)	91
<b>CASH</b> , beginning of period	<u>242</u>	<u>143</u>
<b>(BANK INDEBTEDNESS) CASH</b> , end of period	<u>(1,500)</u>	<u>234</u>

See accompanying notes

**RXT 110 INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
(Unaudited)

**1. ACCOUNTING POLICIES**

These unaudited interim financial statements and the notes thereto should be read in conjunction with the most recent annual financial statements of the Company as they have been prepared using the same accounting policies.

**2. ACCOUNTING CHANGES**

The Accounting Standards Board has confirmed that the adoption of International Financial Reporting Standards (IFRS) will be effective for interim and annual periods beginning on or after January 1, 2011, for Canadian publicly accountable profit-oriented enterprises. The Company adopted these new standards effective in the second quarter of Fiscal 2011 which had no material effect on the company's business operations or cash flow.

**3. LICENSE**

On November 26, 2010, the Company entered into an exclusive license agreement with Rx100 Inc. to manufacture, import, market and sell in Canada filler products for stopping mould at source.

Pursuant to the terms of the License Agreement, and as compensation for Rx100 Inc. entering into the License Agreement, the Company issued to Rx100 Inc. 10,000,000 Class A shares in the capital of the company and granted an ongoing royalty equal to 3% of all the company's revenues generated from the sale of Rx products. The term of the License Agreement continues until the expiration of the last of the Rx100 Inc. patents.

On June 2, 2011 RXT 110 Inc. served notice of revocation of the license granted pursuant to the Rx100 Inc. License Agreement. The Company has secured a release of any liability from Rx100 Inc. and related entities in connection with the Company's activities and the Company does not foresee that it will be subject to the 3% royalty on the sale of products. The Company has not yet determined if it will pursue damages against the licensor.

On June 10, 2011, the Company entered into an exclusive world-wide license agreement with Marcus Martin, a Director of the Company and also the inventor, 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"). The MM License Agreement provides for an interim license period during which time the Company has the opportunity to prove out the process and obtain all legal and regulatory approvals. Pursuant to the terms of the MM License Agreement, the Company agreed to make payments aggregating to \$150,000 over the course of the four month period for the interim license. The Company has the option to convert the interim license to a license and upon the exercise of such option the Company is required to issue 20,000,000 Class A Shares to the licensor and pay a royalty equal to 7% of the gross margin actually received by the Company on the sale and manufacture of products by the Company utilizing the license.



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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
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**4. SEGMENTED INFORMATION**

All the company's sales are derived from management. The Company operates in Canada.

**5. OFF BALANCE SHEET ARRANGEMENTS**

The Company has no off balance sheet arrangements.

**6. SHARE CAPITAL**

The Company can issue an unlimited number of Class A shares, voting and participating.

**(a) Issued and outstanding**

	<b>Nine months ended June 30</b>			
	2011		2010	
	Shares	Amount	Shares	Amount
	#	\$	#	\$
<b>Class A shares</b>				
Balance - beginning of period	17,470,003	752,063	17,470,003	752,063
Issued	<u>10,800,000</u>	<u>700,000</u>	<u>-</u>	<u>-</u>
Balance, end of period	<u>28,270,003</u>	<u>1,452,063</u>	<u>17,470,003</u>	<u>752,063</u>

**7. CONTRACTUAL OBLIGATIONS**

On August 5, 2011, the Company entered into a 3 year lease obligation for its head office located at 1120 Finch Avenue West, Toronto, Ontario, ending August 31, 2014 paying a basic rent of \$13,116 annually plus landlord's additional rent.

On August 11, 2011, the Company entered into an Executive Employment Agreement with the President and CEO of the Company commencing March 1, 2011 and ending December 31, 2016, paying an annual salary of \$250,000, a car allowance and reimburseable expenses.

On August 18, 2011, the Company entered into a lease obligation for its warehouse and manufacturing facility located in Parry Sound, Ontario, for the 5 year period commencing September 1, 2011 to August 31, 2016. The basic rent, not including utilities and other assessed levies is as follows for each fiscal year:

2011	-	\$ 1,115
2012	-	\$37,848
2013	-	\$53,307
2014	-	\$53,307
2015	-	\$53,307
2016	-	\$48,865

**RXT 110 INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2011**  
(Unaudited)

**8. SUBSEQUENT EVENTS**

On August 16, 2011, The Company announced that the board of directors has adopted a "rolling" employee stock option plan pursuant to which the Company may issue options to eligible employees, officers, directors and consultants to purchase up to 10% of the Class A Shares in the Company.

The board of directors of the Company also conditionally approved the grant of 1,750,000 options under the Option Plan, exercisable, subject to vesting, at any time during the period of five years from the date of the grant at an exercise price of \$0.20 per optioned share. Such options vest 25% on the date of the grant and in equal installments on the next three anniversaries of the grant date.

The Option Plan and grant of options thereunder is subject to regulatory approval and approval of the shareholders of the Company which will be sought at the next meeting of shareholders.