

Enertopia Corp.  
Form 10-Q  
January 10, 2018

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

**FORM 10-Q**

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the quarterly period ended **November 30, 2017**

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number **000-51866**

**ENERTOPIA CORPORATION**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or  
organization)

**20-1970188**

(IRS Employer Identification No.)

**156 Valleyview Rd, Kelowna, BC**

(Address of principal executive offices)

**V1X 3M4**

(Zip Code)

**250-765-6412**

(Registrant's telephone number, including area code)

**Enertopia Corporation**

(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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting

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company in Rule 12b-2 of the Exchange Act

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) 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

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

☐ YES ☐ NO

**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.

**104,898,031 common shares issued and outstanding as of November 30, 2017**

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**PART 1 FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

Our unaudited condensed financial statements for the three months period ended November 30, 2017 form part of this quarterly report. They are stated in United States Dollars (US\$) and are prepared in accordance with United States generally accepted accounting principles.

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**ENERTOPIA CORP.**  
**UNAUDITED CONDENSED INTERIM BALANCE SHEETS**  
**(Expressed in U.S. Dollars)**

	November 30 2017	August 31 2017
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 51,593	\$ 150,870
Accounts receivable	14,209	9,060
Prepaid expenses and deposit	60,533	18,782
Total current assets	126,335	178,712
<b>Non-Current</b>		
Long term investments (Note 5)	1	1
Lithium Technology (Note 7)	12,500	12,500
<b>Total Assets</b>	<b>\$ 138,836</b>	<b>\$ 191,213</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable	\$ 289,191	\$ 287,706
Shares Subscription Received	-	-
Due to related parties (Note 8)	148,385	141,035
<b>Total Current Liabilities</b>	<b>437,576</b>	<b>428,741</b>
<b>STOCKHOLDERS' EQUITY</b>		
<b>Share capital</b>		
Authorized: 200,000,000 common shares with a par value of \$0.001 per share		
Issued and outstanding: 104,898,031 common shares at November 30, 2017 and August 31, 2017: 102,298,031	104,899	102,299
<b>Additional paid-in capital (Note 9)</b>	<b>13,031,466</b>	<b>12,901,936</b>
<b>Deficit accumulated during the exploration stage</b>	<b>(13,435,105)</b>	<b>(13,241,763)</b>
<b>Total Stockholders' Equity</b>	<b>(298,740)</b>	<b>(237,528)</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 138,836</b>	<b>\$ 191,213</b>

The accompanying notes are an integral part of these unaudited condensed interim financial statements

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**ENERTOPIA CORP.**  
**CONDENSED INTERIM STATEMENTS OF STOCKHOLDERS' EQUITY (unaudited)**  
**(Expressed in U.S. Dollars)**

	COMMON STOCK		ADDITIONAL	DEFICIT	TOTAL
	SHARES	AMOUNT	PAID-IN CAPITAL	ACCUMULATED	STOCKHOLDERS' EQUITY
Balance, August 31, 2016	89,528,460	89,528	12,214,934	(12,440,597)	(136,135)
Stock Based Compensation	-	-	39,646	-	227,428
Shares issued for private placement on September 23	3,858,571	3,859	93,792	-	97,651
Shares issued for Definitive Agreement on October 7	175,000	175	6,825	-	7,000
Comprehensive income (loss):	-	-	-	(165,712)	(165,712)
Balance, November 30, 2016	93,562,031	93,562	12,355,197	(12,606,309)	(157,550)
Stock Based Compensation	-	-	187,782	-	187,782
Shares issued for Private Placement on January 20	1,000,000	1,000	28,600	-	29,600
Shares issued for Private Placement on February 28	4,250,000	4,250	115,119	-	119,369
Warrant conversion on April 21	95,500	96	5,590	-	5,686
Warrant conversion on April 28	166,500	167	11,488	-	11,655
Shares issued for Private Placement	3,224,000	3,224	198,161	-	201,385

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on April 28

Comprehensive income (loss):	-	-	-	(635,454)	(635,454)
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Balance, August 31, 2017	102,298,031	\$	102,299	\$	12,901,936	\$	(13,241,763)	\$	(237,528)
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Stock Based Compensation	-	-	31,237	-	31,237
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Shares issued for Private Placement on November 1	2,600,000	2,600	98,293	-	100,893
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Comprehensive income (loss):	-	-	-	(193,342)	(193,342)
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Balance, November 30, 2017	104,898,031	104,899	13,031,466	(13,435,105)	(298,740)
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The accompanying notes are an integral part of these unaudited condensed interim financial statements

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**ENERTOPIA CORP.**  
**CONDENSED INTERIM STATEMENTS OF OPERATIONS (unaudited)**  
**(Expressed in U.S. Dollars)**

	Quarter Ended	
	November 30 2017	November 30 2016 (Note 13)
<b>Revenue</b>		
Net Sales	-	-
<b>Cost of Product Sales</b>	-	-
<b>Gross Profit</b>	-	-
<b>Expenses</b>		
Accounting and audit	6,118	14,800
Sales & Marketing	-	-
Bank charges and interest expense	357	1,252
Consulting (Note 8)	10,700	39,128
Mineral exploration costs	-	31,509
Fees and dues	11,804	11,268
Insurance	3,002	3,548
Investor relations	12,651	27,255
Legal and professional	3,748	6,336
Office and miscellaneous	1,775	(2,379)
Research and Development	108,748	-
Rent	1,362	4,724
Stock based compensation	31,237	39,646
Telephone	(203)	697
Training & Conferences	-	-
Travel	2,631	527
<b>Total expenses</b>	193,931	178,311
<b>Loss for the period before other items</b>	(193,931)	(178,311)
<b>Other income (expense)</b>		
Foreign exchange gain	589	-
Gain on marketable securities (Note 4)	-	12,599
<b>Net loss and comprehensive loss for the period</b>	\$ (193,342)	\$ (165,712)
<b>Basic and diluted loss per share</b>	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding - basic and diluted</b>	102,504,606	81,823,821

The accompanying notes are an integral part of these unaudited condensed interim financial statements





**ENERTOPIA CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS (unaudited)**  
**(Expressed in U.S. Dollars)**

	<b>Quarter End</b>	
	<b>November 30</b>	<b>November 30</b>
	<b>2017</b>	<b>2016</b>
<b>Cash flows used in operating activities</b>		
Net Income (loss)	\$ (193,342)	\$ (165,712)
Changes to reconcile net loss to net cash used in operating activities		
Stock based compensation	31,237	39,646
Gain on owned securities	-	(12,599)
Change in non-cash working capital items:		
Accounts receivable	(5,149)	(2,599)
Prepaid expenses and deposit	(41,751)	26,759
Accounts payable and accrued liabilities	1,485	(13,404)
Due to related parties	7,350	11,086
Net cash (used in) operating activities	(200,170)	(116,823)
<b>Cash flows from (used in) investing activities</b>		
Proceeds from sale of marketable securities	-	25,979
Mineral resource properties acquisition	-	(5,000)
Net cash from investing activities	-	20,979
<b>Cash flows from financing activities</b>		
Net proceeds from subscriptions received	100,893	97,651
Net cash from financing activities	100,893	97,651
Increase (Decrease) in cash and cash equivalents	(99,277)	1,807
Cash and cash equivalents, beginning of period	150,870	31,034
Cash and cash equivalents, end of period	\$ 51,593	\$ 32,841
<b>Supplemental information of cash flows</b>		
Interest paid in cash	\$ -	\$ -
Income taxes paid in cash	\$ -	\$ -
The accompanying notes are an integral part of these unaudited condensed interim financial statements		

**ENERTOPIA CORP.**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS (unaudited)**  
**November 30, 2017**  
**(Expressed in U.S. Dollars)**

**1. ORGANIZATION**

The unaudited condensed interim financial statements for the period ended November 30, 2017 included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with United States generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These unaudited condensed interim financial statements should be read in conjunction with the August 31, 2017 audited annual financial statements and notes thereto.

The Company was formed on November 24, 2004 under the laws of the State of Nevada and commenced operations on November 24, 2004. The Company was an independent natural resource company engaged in the exploration, development and acquisition of natural resources in the United States and Canada. In the fiscal year 2010, the Company shifted its strategic plan from its non-renewal energy operations to its planned renewal energy operations and natural resource acquisition and development. In late summer of 2013, the Company had another business sector in alternative health and wellness. During spring of 2016, the Company shifted its strategic plan to natural resource acquisitions and Lithium brine extraction technology. The Company office is located in Kelowna, B.C., Canada.

**2. GOING CONCERN UNCERTAINTY**

The accompanying unaudited condensed interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business for the foreseeable future. The Company had a working capital deficit of \$311,241 for the quarter ended November 30, 2017 [deficit of \$250,029 for the year ended August 31, 2017]. The Company incurred a net loss of \$193,342 for the three months ended November 30, 2017 [net loss of \$165,712 for the three months ended November 30, 2016] and as at November 30, 2017 has incurred cumulative losses of \$13,435,105 that raises substantial doubt about its ability to continue as a going concern. Management has been able, thus far, to finance the operations through equity financing and cash on hand. There is no assurance that the Company will be able to continue to be adequately financed on this basis.

In view of these conditions, the ability of the Company to continue as a going concern is in substantial doubt and dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing as may be required, to receive the continued support of the Company's shareholders, and ultimately to obtain successful operations. There are no assurances that we will be able to obtain further funds required for our continued operations. As noted herein, we are pursuing various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other obligations as they become due. In such event, we will be forced to scale down or perhaps even cease our operations. There is significant uncertainty as to whether we can obtain additional financing. These unaudited interim condensed financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and

therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying unaudited condensed interim financial statements.

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### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Presentation

The accompanying unaudited condensed interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States ( U.S. GAAP ) for interim financial information and the instructions to Securities and Exchange Commission ( SEC ) Form 10-Q and Article 10 of SEC Regulation S-X. They do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Therefore, these financial statements should be read in conjunction with our audited financial statements and notes thereto for the year ended August 31, 2017.

#### b) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, we evaluate our estimates, judgments, and assumptions, including those related to revenue recognition, inventory valuation, and stock based compensation (expense and liability). Our estimates, judgments, and assumptions are based on historical experience, future expectations, and other factors which we believe to be reasonable. Actual results could differ from those estimates and assumptions.

#### c) Recently Adopted Accounting Pronouncements

In May 2015, the FASB issued guidance to remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value per share practical expedient. The guidance is effective for the Company in the first quarter of fiscal 2017 and early adoption is permitted. Adoption of the new guidance, effective for the quarter beginning September 1, 2017, had no impact on the Company's balance sheets or statements of operations or cash flows.

#### d) New Accounting Pronouncements

##### Restricted Cash

In November 2016, ASU No. 2016-18 was issued related to the inclusion of restricted cash in the statement of cash flows. This new guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The adoption of this guidance will result in the inclusion of the restricted cash balances within the overall cash balance and removal of the changes in restricted cash activity, which are currently recognized in Other financing activities, on the Statements of Consolidated Cash Flows. Furthermore, an additional reconciliation will be required to reconcile Cash and cash equivalents and restricted cash reported within the Consolidated Balance Sheets to sum to the total shown in the Statements of Consolidated Cash Flows. The Company is currently evaluating this guidance and the impact it will have on the Financial Statements and disclosures.

##### Intra-Entity Transfers

In October 2016, ASU No. 2016-16 was issued related to the intra-entity transfers of assets other than inventory. This new guidance requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The Company is currently

evaluating this guidance and the impact it will have on the Financial Statements and disclosures.

**Statement of Cash Flows**

In August 2016, ASU No. 2016-15 was issued related to the statement of cash flows. This new guidance addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The Company is currently evaluating this guidance and the impact it will have on the Financial Statements and disclosures.

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### **Leases**

In February 2016, ASU No. 2016-02 was issued related to leases. The new guidance modifies the classification criteria and requires lessees to recognize the assets and liabilities arising from most leases on the balance sheet. This update is effective in fiscal years, including interim periods, beginning after December 15, 2018 and early adoption is permitted. The Company is currently evaluating the updated guidance.

### **Investments**

In January 2016, ASU No. 2016-01 was issued related to financial instruments. The new guidance requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. This new guidance also updates certain disclosure requirements for these investments. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is not permitted. The Company is currently evaluating the updated guidance.

### **Revenue recognition**

In May 2014, ASU No. 2014-09 was issued related to revenue from contracts with customers. This ASU was further amended in August 2015, March 2016, April 2016, May 2016 and December 2016 by ASU No. 2015-14, No. 2016-08, No. 2016-10, No. 2016-12 and No. 2016-20, respectively. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. In August 2015, the effective date was deferred to reporting periods, including interim periods, beginning after December 15, 2017 and will be applied retrospectively. Early adoption is not permitted. The Company is currently evaluating the updated guidance.

## **4. MARKETABLE SECURITIES**

As at November 30, 2017 and August 31, 2017, the Company held no marketable securities.

During the quarter end November 30, 2016, the Company disposed of 134,000 common shares of Lexaria. The proceeds from the sales of sales were \$25,979. The Company recorded a gain of \$12,599 in profit and loss on the sale of marketable securities.

## **5. LONG TERM INVESTMENTS**

### **Global Solar Water Power Systems Inc. ( GSWPS )**

During the year ended August 31, 2013, based on the management's assessment of GSWPS's current operations, the Company decided to write down long-term investment in GSWPS to \$1.

## **6. MINERAL PROPERTY**

During the year ended August 30, 2017 the company staked lode and placer claims of BLM lands in Esmerelda county Nevada covering approximately 160 Acres subject to adjustment. The Company has a 100% interest in the lands and is only responsible for the yearly maintenance fees to keep its 100% interest. The claims are in good standing until August 31, 2018.

## **7. LITHIUM TECHNOLOGY**

On August 15, 2016, a binding Letter of Intent ( LOI ) was signed by Enertopia and Genesis Water Technologies, Inc. ("GWT") with regard to the acquisition by Enertopia of the exclusive worldwide licensing rights (the "Licensing Rights") by Enertopia of all of the technology used in the process of recovering and extraction of

battery grade lithium carbonate powder  $\text{Li}_2\text{CO}_3$  grading 99.5% or higher purity from brine solutions.

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Upon the execution of this LOI, Enertopia issued 250,000 common shares valued at \$12,500 to GWT.

On December 6, 2016, and amended on October 9, 2017, Enertopia and GWT signed a Definitive Commercial Agreement with regard to the acquisition by Enertopia of the exclusive licensing rights in the United States of America, Argentina, Bolivia and Chile of all of the technology used in the process of recovering and extraction of battery grade lithium carbonate powder  $\text{Li}_2\text{CO}_3$  grading 99.5% or higher purity from brine solutions.

The following are key points of the terms of the formal Definitive Commercial Agreement:

- a) Enertopia to pay within 30 days to GWT \$10,000 (paid) for the bench testing of four lithium brine samples to confirm the June 2016 feasibility report. During the period ended November 30, 2017, the Company signed a Lab Testing Service Agreement with GWT and paid \$96,475 for the purpose of additional bench testing services with a further \$96,475 due December 15, 2017 (paid subsequent to the three month period ended November 30, 2017) plus materials costs of \$8,998 (paid subsequent to the three month period ended November 30, 2017). Within 30 days of successful independent 3<sup>rd</sup> party lab testing of the bench test results, Enertopia will issue 250,000 common shares to GWT.
- b) Upon successful test pilot facility results, start the construction of commercial Lithium recovery production facility.
- c) Upon receipt of a patent for the process for extracting lithium from wastewater, Enertopia will issue 250,000 common shares to GWT.
- d) GWT has granted Enertopia exclusive rights and relicensing rights to the usage of GWT's patent pending technology covering United States of America, Argentina, Bolivia and Chile as per the Commercialization Agreement in return for 10 per cent of net sales royalty payments for battery grade Lithium Carbonate  $\text{Li}_2\text{CO}_3$  produced.
- e) In order to maintain its exclusive rights, Enertopia will need to make the following minimal payments to GWT on the anniversary of bench testing achieving 99.5% battery grade  $\text{Li}_2\text{CO}_3$  recovery verified by independent laboratory testing:
  - a. On or before the first anniversary, the greater of 10 per cent of Enertopia net Lithium Carbonate  $\text{Li}_2\text{CO}_3$  sales from brine sources or \$50,000;
  - b. On or before the second anniversary, the greater of 10 per cent of Enertopia net Lithium Carbonate  $\text{Li}_2\text{CO}_3$  sales from brine sources or \$150,000;
  - c. On or before the third anniversary annually until the seventh anniversary, the greater of 10 per cent of Enertopia net Lithium Carbonate  $\text{Li}_2\text{CO}_3$  sales from brine sources or \$200,000;
  - d. Right of first refusal to renew exclusive rights and relicensing rights for another 10 years after the first seven year licensing period on the same net sales terms as those of 2023 or \$250,000 per annum.

## 8. RELATED PARTIES TRANSACTION

For the three months ended November 30, 2017, the Company was party to the following related party transactions:

Incurred \$10,500 (November 30, 2016: \$19,500) to the President of the Company in consulting fees.  
Incurred CAD\$Nil (November 30, 2016: CAD\$22,500) in consulting fees to a company controlled by the former CFO of the Company.  
\$148,385 (August 31, 2017: \$141,035) was payable to the President of the Company.  
Incurred share based compensation expenses of \$19,523 in relation to stock options issued to a director of the Company (November 30, 2016: \$nil).

The related party transactions are recorded at the exchange amount established and agreed to between the related parties.

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## 9. COMMON STOCK

On September 23, 2016, the Company closed the final tranche of a private placement of 3,858,571 units at a price of CAD\$0.035 per unit for gross proceeds of CAD\$135,050 (equivalent of \$100,037). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price \$0.07. A cash finders' fee of CAD\$4,830 and 138,000 full broker warrants that expire September 23, 2018 was paid to Canaccord Genuity and Leede Jones Gable Inc.

On October 7, 2016, the Company issued 175,000 shares with a fair value of \$7,000 per the definitive agreement signed on May 12, 2016 to purchase a 100% interest in approximately 2,560 acres of placer mining claims in Churchill, Lander and Nye Counties Nevada, USA. Also see Note 7. The value of the shares was capitalized to Mineral Properties.

On January 20, 2017, the Company closed the first tranche of a private placement of 1,000,000 units at a price of CAD\$0.04 per unit for gross proceeds of CAD\$40,000 (equivalent of \$29,630). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finders' fee of CAD\$800 and 20,000 full broker warrants that expire January 20, 2019 was paid to Leede Jones Gable Inc.

On February 28, 2017, the Company closed the first tranche of a private placement of 4,250,000 units at a price of CAD\$0.04 per unit for gross proceeds of CAD\$170,000 (equivalent of \$125,926). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finders' fee of CAD\$11,100 and 227,500 full broker warrants that expire February 28, 2019 was paid to Leede Jones Gable Inc., Canaccord Genuity and Duncan McKay.

On April 21, 2017, the Company issued 95,500 shares for gross proceeds of \$5,685 from the exercise of warrants of previous financings at \$0.05 and \$0.07.

On April 30, 2017, the Company issued 166,500 shares for gross proceeds of \$11,655 from the exercise of warrants from a previous financing at \$0.07.

On April 30, 2017, the Company closed the final tranche of a private placement of 3,224,000 units at a price of CAD\$0.09 per unit for gross proceeds of CAD\$290,160 (equivalent of \$214,933). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.12. A cash finders' fee of CAD\$20,736 and 230,400 full broker warrants that expire April 28, 2019 was paid to Leede Jones Gable and Canaccord Genuity.

On November 1, 2017, the Company closed the first tranche of a private placement of 2,600,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$130,000 (equivalent of \$100,893). Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06.

As at November 30, 2017 the Company had 104,898,031 shares issued and outstanding and as at August 31, 2017, the Company had 102,298,031 shares issued and outstanding.



**10. STOCK OPTIONS AND WARRANTS****Stock Options**

On July 15, 2014, the shareholders approved and adopted at the Annual General Meeting the Company's 2014 Stock Option Plan. On April 14, 2011, the shareholders approved and adopted at the Annual General Meeting to consolidate the Company's 2007 Equity compensation plan and the Company's 2010 Equity Compensation Plan into a new Company 2011 Stock Option Plan. The purpose of these Plans is to advance the interests of the Corporation, through the grant of Options, by providing an incentive mechanism to foster the interest of eligible persons in the success of the Corporation and its affiliates; encouraging eligible persons to remain with the Corporation or its affiliates; and attracting new Directors, Officers, Employees and Consultants.

On October 23, 2015, the Company granted 1,850,000 stock options to directors, officers and consultant of the Company with an exercise price of \$0.05 vested immediately, expiring October 23, 2020.

On February 4, 2016, the Company granted 100,000 stock options to Advisor of the Board of the Company with an exercise price of \$0.05 vested immediately, expiring February 4, 2021.

On September 19, 2016, the Company granted 800,000 stock options to consultant of the Company with an exercise price of \$0.07 vested immediately, expiring September 19, 2021.

On January 20, 2017, the Company granted 1,535,000 stock options to directors, officers and consultant of the Company with an exercise price of \$0.07 vested immediately, expiring January 20, 2022.

On January 31, 2017, the Company granted 1,500,000 stock options to consultant of the Company with an exercise price of \$0.07 vested immediately, expiring January 31, 2022.

On May 2, 2017, the Company granted 500,000 stock options to consultant of the Company with an exercise price of \$0.10, vested immediately, expiring May 2, 2022.

On November 1, 2017, the Company granted 800,000 stock options to a director and consultant of the Company with an exercise price of \$0.05, expiring November 2, 2022.

For the three months ended November 30, 2017, the Company recorded \$31,237 (November 30, 2016 \$39,646) stock based compensation expenses.

A summary of the changes in stock options for the three months ended November 30, 2017 is presented below:

	Number of Shares	Options Outstanding Weighted Average Exercise Price
Balance, August 31, 2017	7,295,000	\$ 0.07
Granted	800,000	0.05
Balance, November 30, 2017	8,095,000	\$ 0.07

The fair value of options granted has been estimated as of the date of the grant by using the Black-Scholes option pricing model with the following assumptions:

	November 30, 2017	November 30, 2016
Expected volatility	204%	223%
Risk-free interest rate	2.03%	1.22%

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Expected life	5.00 years	5.00 years
Dividend yield	0.00%	0.00%
Estimated fair value per option	\$0.04	\$0.05

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The Company has the following options outstanding and exercisable.

November 30, 2017

Exercise prices	Options outstanding and exercisable	
	Number of shares	Remaining contractual life
\$0.05	800,000	4.91 years
\$0.10	500,000	4.42 years
\$0.07	1,500,000	4.17 years
\$0.07	1,535,000	4.14 years
\$0.07	800,000	3.81 years
\$0.05	1,460,000*	2.90 years
\$0.10	1,000,000	1.93 years
\$0.06	500,000	0.93 years
	8,095,000	3.40 years

\*Subsequent to the three month period ended November 30, 2017, 240,000 options were exercised for net proceeds of \$12,000.

August 31, 2017

Exercise prices	Options outstanding and exercisable	
	Number of shares	Remaining contractual life
\$0.10	500,000	4.67 years
\$0.07	1,500,000	4.42 years
\$0.07	1,535,000	4.39 years
\$0.07	800,000	4.05 years
\$0.05	1,460,000	3.15 years
\$0.10	1,000,000	2.18 years
\$0.06	500,000	1.18 years
	7,295,000	3.43 years

\*The aggregate intrinsic value for options outstanding and exercisable as at November 30, 2017 was \$Nil.

## Warrants

On December 16, 2015, the Company submitted to the CSE the Form 13 for extending two classes of warrants by two years with all other terms and conditions remaining the same. The Company approved the expiry extension from January 31, 2016 till January 31, 2018 on 2,167,160 warrants that remain outstanding as of November 30, 2017 from the non-brokered private placement that closed on January 31, 2014. The Company approved the expiry extension from February 13, 2016 until February 13, 2018 on 7,227,340 warrants that remain outstanding as of November 30, 2017 from the non-brokered private placement that closed on February 13, 2014. The warrants were evaluated against ASC 815 Derivatives and Hedging, and determined to be equity instrument at initial recognition.

On February 28, 2017, the Company signed a Letter of Engagement with Adam Mogil and issued 1,000,000 warrant options to convert to 1,000,000 common shares to Adam Mogil to provide corporate services. The warrants have an exercise price of \$0.09 and expire August 28, 2017. The fair value of the warrants granted has been estimated as of the date of the grant by using the Black-Scholes option pricing model with the following assumptions: expected volatility: 182%, risk-free interest rate: 1.22%, expected life: 0.50 years, dividend yield: 0.00% . The Company has recorded \$29,168 in stock based compensation expense.

On April 21, 2017, the Company issued 95,500 shares for gross proceeds of \$5,685 from the exercise of warrants of previous financings at \$0.05 and \$0.07.

On April 30, 2017, the Company issued 166,500 shares for gross proceeds of \$11,655 from the exercise of warrants from a previous financing at \$0.07.

During the year ended August 31, 2017, the Company issued 12,332,571 warrants attached to units issued in multiple private placements, see Note 9 for disclosure of individual amounts and terms of warrants by private placement. In addition, the Company issued 615,900 brokers warrants in connection with these private placements, also disclosed in Note 9. The fair value of the brokers warrants was \$33,213, recorded as share issuance costs off-setting the gross proceeds of private placements in additional-paid-in-capital, and was calculated using the Black Scholes option pricing model, with the following weighted average assumptions: expected volatility 168%, risk-free interest rate: 1.14%, expected life: 2 years, dividend yield: 0.00% .

During the three month period ended November 30, 2017, the Company issued 2,600,000 warrants attached to units in a private placement, see Note 9 for disclosure of the terms of the warrants.

A summary of warrants as at November 30, 2017 and August 31, 2017 is as follows:

	Number of warrant	Warrant Outstanding Weighted Average Exercise Price
Balance, August 31, 2017	39,191,810	\$ 0.09
Expired	-	-
Issued	2,600,000	0.06
Balance, November 30, 2017	41,791,810	\$ 0.09



<b>Number Outstanding <sup>1</sup></b>	<b>Exercise Price</b>	<b>Expiry Date</b>
2,600,000	\$0.06	November 1, 2019
3,454,400	\$0.12	April 28, 2019
4,477,500	\$0.06	February 28, 2019
1,020,000	\$0.06	January 20, 2019
2,167,160	\$0.15	January 31, 2018
7,227,340	\$0.15	February 13, 2018
1,787,640	\$0.15	January 30, 2018
637,200	\$0.10 and \$0.15 after 24 months	March 12, 2018
6,882,666	\$0.05 and \$0.10 after 18 months	May 20, 2019
3,253,333	\$0.05 and \$0.10 after 18 months	June 8, 2019
4,288,000	\$0.07	August 9, 2018
3,996,571	\$0.07	September 23, 2018
41,791,810		

1. Each warrant entitles a holder to purchase one common share.

## 11. COMMITMENTS - OTHER

- (a) The Company has a consulting agreement with the President of the Company for corporate administration and consulting services for \$5,000 per month plus goods and services tax ( GST ) on a continuing basis. Effective March 1, 2014, the Company entered into a new consulting contract with the consulting services at \$6,500 per month plus GST. Effective July 1, 2017, the Company entered into a new consulting contract for consulting service at \$3,500 per month plus GST.
- (b) On September 19, 2016, the Company entered into a one year Investor Relations Consulting agreement with Duncan McKay. Based on the terms of the agreement, Mr. McKay can earn up to a maximum of 10% commissions on capital raised.

## 12. SEGMENTED INFORMATION

As at November 30, 2017 and August 31, 2017, the Company is operating its business in one reportable segment: natural resource acquisitions. All of the Company's material long-lived assets are located in the United States.

## 13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. These reclassifications did not affect prior periods' net losses.

## 14. SUBSEQUENT EVENT

On December 8, 2017, the Company closed the second tranche of a private placement of 3,954,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD \$197,700. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finder's fee of CAD \$12,770 and 230,400 full broker warrants was paid to third parties. Each full broker warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06.



**(a) Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*Forward-Looking Statements*

This quarterly report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors", that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our unaudited condensed financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our unaudited condensed financial statements and the related notes that appear elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this quarterly report, particularly in the section entitled "Risk Factors" of this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "CDN\$" refer to Canadian dollars and all references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report, the terms "we", "us", "our" and "Company" mean Company and/or our subsidiaries, unless otherwise indicated.

**Overview**

Enertopia Corp. was formed on November 24, 2004 under the laws of the State of Nevada and commenced operations on November 24, 2004.

From inception until April 2010, we were primarily engaged in the acquisition and exploration of natural resource properties. Beginning in April 2010, we began our entry into the renewable energy sector by purchasing an interest in a solar thermal design and installation company. In late summer 2013, we began our entry into medicinal marijuana business. During our 2014 fiscal year end our activities in the clean energy sector were discontinued. During fiscal 2015 our activities in the Medicinal Marijuana sector were discontinued. During fiscal 2016 our activities in the Women's personal healthcare sector were discontinued.

The Company is actively pursuing business opportunities in the resource sector, whereby we signed a definitive agreement for a Lithium Brine Project in May 2016. In May 2017 the Company dropped the Lithium Brine Project and subsequently acquired the Clayton Valley, NV Lithium Project announced in August 2017. The Company's main focus is in natural resource sector and licensed patent pending technology from Genesis Water Technologies, used for Lithium extraction through brines.

The address of our principal executive office is 156 Valleyview RD, Kelowna, British Columbia V1X 3M4. Our telephone number is (250) 765-6412. Our current location provide adequate office space for our purposes at this stage of our development.

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Due to the implementation of British Columbia Instrument 51-509 on September 30, 2008 by the British Columbia Securities Commission, we have been deemed to be a British Columbia based reporting issuer. As such, we are required to file certain information and documents at [www.sedar.com](http://www.sedar.com).

Effective September 25, 2009, we effected a one (1) for two (2) share consolidation of our authorized and issued and outstanding common stock. As a result, our authorized capital decreased from 75,000,000 shares of common stock with a par value of \$0.001 to 37,500,000 shares of common stock with a par value of \$0.001 and our issued and outstanding shares decreased from 29,305,480 shares of common stock to 14,652,740 shares of common stock. The consolidation became effective with the Over-the-Counter Bulletin Board at the opening for trading on September 25, 2009 under the new stock symbol **GLCP**. Our new CUSIP number at that time was 38079Q207.

On February 8, 2010, the Company changed its name from Golden Aria Corp. to Enertopia Corp. Our new CUSIP number is 29277Q1047 On February 22, 2010, the Company increased its authorized share capital to 200,000,000 common shares.

On February 28, 2010, the Company entered into an Asset and Share Purchase Agreement with Mr. Mark Snyder to acquire up to 20% ownership interest of Global Solar Water Power Systems Inc. ( **GSWPS** ).

Effective March 26, 2010, Enertopia Corp. (the **Company** ) had its stock quotation under the symbol **GLCP** deleted from the OTC Bulletin Board. The symbol was deleted for factors beyond the **Company**'s control due to various market makers electing to shift their orders from the OTCBB to the Pink OTC Markets Inc. As a result of these market makers not providing a quote on the OTCBB for four consecutive days the **Company** was deemed to be deficient in maintaining a listing standard at the OTCBB pursuant to Rule 15c2-11. That determination was made entirely without the **Company**'s knowledge.

On April 7, 2010, FINRA confirmed the name change from Golden Aria Corp. to Enertopia Corp., and approved the **Company**'s new symbol as **ENRT**. On February 5, 2010, the **Company**'s shareholders approved an amendment to the **Company**'s articles of incorporation to change its name from Golden Aria Corp. to Enertopia Corp. The name change was effected with the Nevada Secretary of State on February 8, 2010.

On May 31, 2010, the **Company** closed a private placement financing of 557,500 units at a price of \$0.15 per unit for gross proceeds of \$83,625. Each unit consisted of one common share in the capital of the **Company** and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share in the capital of the **Company** until May 31, 2012, at a purchase price of \$0.30 per share.

On August 12, 2010, the **Company** was approved for listing on the Canadian National Stock Exchange ( **CNSX** ). Trading date commenced on August 13, 2010 with the symbol **TOP**.

On October 25, 2010 **Company** disposed of the Coteau Lake interests for cash consideration of \$100,000 plus an additional potential payout which shall be based on a 10% profit interest on any and all productive wells drilled on the property, up to \$150,000. No receivable was recorded as the future potential payout cannot be reasonably determined.

On January 31, 2011, the **Company** entered into a letter of intent and paid \$7,500 deposit to Wildhorse Copper Inc. and its wholly owned subsidiary Wildhorse Copper (AZ) Inc. (collectively, the **Optionors** ). On April 11, 2011, the **Company** signed a Mineral Purchase Option Agreement ( **Option Agreement** ) with the **Optionors** respecting an option to earn a 100% interest, subject to a 1% NSR capped to a maximum of \$2,000,000 in a property known as the Copper Hills property. The Copper Hills property is comprised of 56 located mining claims covering a total of 1,150 acres located in New Mexico, USA. The **Optionors** hold the Copper Hills property directly and indirectly through property purchase agreements between the **Optionors** and third parties (collectively, the **Indirect Agreements** ). Pursuant to the **Option Agreement** the **Optionors** have assigned the **Indirect Agreements** to the **Company**. In order to earn the interest in the Copper Hills property, the **Company** is required to make aggregate cash payments of \$591,650 over an eight

year period and issue an aggregate of 1,000,000 shares of its common stock over a three year period. As at August 31, 2013, the Company has issued 500,000 shares at price of \$0.15 per share and 150,000 shares at price of \$0.10 per share to the Optionors and made aggregate cash payment of \$106,863 (August 31, 2012-\$106,863); the Company has expensed exploration costs of \$143,680 (August 31, 2012-\$143,680). On June 26, 2013, the Company announced the termination of its Option Agreement. the Company had made aggregate cash payments of \$106,863 and issued 500,000 shares at price of \$0.15 per share and 150,000 common shares at \$0.10 per share to Wildhorse Copper Inc. On June 26, 2013, the Company terminated its Option Agreement with Wildhorse Copper Inc. on Copper Hills property.

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On March 3, 2011, the Company closed a private placement of 8,729,000 units at a price of CAD\$0.10 per unit for gross proceeds of CAD\$872,900, or US\$893,993. Each unit consisted of one common share in the capital of our company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share in the capital of our company until March 3, 2013, subject to accelerated expiry as set out in the warrant certificate, at a purchase price of CAD\$0.20. As per the terms of the Subscription Agreement, our company grants to the Subscribers a participation right to participate in future offerings of our securities as to their pro rata shares for a period of 12 months from the closing of the Private Placement. We paid broker commissions of \$48,930 in cash and issued 489,300 brokers warrants. Each full warrant entitled the holder to purchase one additional common share in the capital of our company that expired on March 3, 2013, which was subject to accelerated expiry as set out in the warrant certificate, at a purchase price of CAD\$0.20.

On March 16, 2011, we entered into a debt settlement agreement with an officer of our company, whereby we issued 78,125 shares of common stock in connection with the settlement of \$12,500 debt at a deemed price of \$0.16 per share pursuant to a consulting agreement. We recorded \$12,422 in additional paid in capital for the gain on the settlement of the debt.

On April 14, 2011, we held our Annual and Special Meeting of Shareholders for the following purposes:

1. To elect Robert McAllister, Dr. Gerald Carlson and Chris Bunka as directors of the Company for the ensuing year.
2. To ratify Chang Lee LLP, independent public accounting firm for the fiscal year ending August 31, 2011, and to allow directors to set the remuneration.
3. To approve, ratify and confirm the consolidation of the 2007 Stock Option Plan and the 2010 Equity Compensation Plan into one plan and approve the terms of this new plan, the 2011 Stock Option Plan.

All proposals were approved by the shareholders. The proposals are described in detail in our definitive proxy statement filed with the Securities and Exchange Commission on March 9, 2011.

On April 27, 2011, we entered into a debt settlement agreement with the President of our Company, who is a related party, in the amount of \$46,000, whereby \$25,000 was settled by issuing common shares of 100,000, and \$21,000 was forgiven for Nil consideration. In connection with the debt settlement, we recorded \$100 in share capital and \$45,900 in additional paid in capital for the gain on the settlement of the debt.

On May 31, 2011, the Company settled the amount due to related parties into two promissory notes of \$80,320 (CAD\$84,655) and \$90,000. Both promissory notes were unsecured, non-interest bearing and due on May 31, 2012 at an imputed interest rate of 12% per annum upon the settlement. On April 27, 2011, we entered into debt settlement agreement with one of the holders, a company controlled by the Chairman/CEO of the Company, whereby the Company issued common shares of 360,000 to the holder, and the holder agreed to accept the shares as full and final payment of the promissory note of \$90,000. On the same day, we entered into a debt settlement agreement with another holder, a company controlled by the Chairman/CEO of our Company, whereby the holder agreed to forgive the repayment of debt for Nil consideration. In connection with the settlements and forgiveness of the above promissory notes, the Company recorded \$79,997 and \$77,415 in additional paid in capital for the gain on settlement of debt, respectively.

On June 22, 2011, Chang Lee LLP ( Chang Lee ) resigned as our independent registered public accounting firm because Chang Lee was merged with another company: MNP LLP ( MNP ). Most of the professional staff of Chang Lee continued with MNP either as employees or partners of MNP and will continue their practice with MNP.

On June 22, 2011, we engaged MNP as our independent registered public accounting firm.

On July 19, 2011, the Company entered into a letter of intent and paid US\$15,000 deposit to Altar Resources. Subsequent to August 31, 2011, on October 11, 2011, the Company signed a Mineral Purchase Option Agreement with Altar Resources with respect to an option to earn 100% interest, subject to a 2.5% NSR in a property known as Mildred Peak. The mining claims are in Arizona covering approximately 7,148 acres from Altar Resources which holds the mining claims directly and indirectly through federal mining claims and state mineral exploration leases; or, represented that it would hold such claims in good standing at the time of closing a definitive agreement. The Company is required to make aggregate cash payments of \$881,000 over a five year period and issue an aggregate of 1,000,000 shares of its common stock over a four year period. As at February 28, 2013, the Company had made aggregate cash payments of \$124,980 (August 31, 2012-\$84,980) and issued 100,000 shares at price of \$0.10 per share and 100,000 common shares at \$0.06 per share to Altar Resources; along with expensed incurred exploration costs of \$13,380. On May 30, 2013, the Company terminated the Option Agreement and has written off \$140,980 of capital costs.

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On March 19, 2012, the Company's Board has appointed Dr. John Thomas as Director and Mr. Tony Gilman and Dr. Stefan Kruse as Advisors of the Company. The Company has granted additional 450,000 stock options to Directors and Advisors of the Company. The exercise price of the stock options is \$0.15, of which are 225,000 options vest immediately, 225,000 options vest on August 15, 2012. The options expire March 19, 2017.

On April 10, 2012, Enertopia Corporation ( Enertopia or the Company ) held its Annual and Special Meeting of Shareholders for the following purposes:

1. To elect Robert McAllister, Donald Findlay, Greg Dawson and Chris Bunka as directors of the Company for the ensuing year.
2. To ratify MNP LLP, independent public accounting firm for the fiscal year ending August 31, 2012, and to permit directors to set the remuneration.
3. To transact such other business as may properly come before the Meeting.

All proposals were approved by the shareholders. The proposals are described in detail in the Company's definitive proxy statement filed with the Securities and Exchange Commission on March 13, 2012.

On April 10, 2012, the Company issued 93,750 common shares in connection with the settlement of debt of \$9,375 at a price of \$0.10 per common share pursuant to a consulting agreement.

On April 13, 2012, the Company closed an offering memorandum placement of 2,080,000 units at a price of CAD\$0.10 per unit for gross proceeds of CAD\$208,000, US\$208,000. Each Unit consisted of one common share of the Issuer and one common share purchase warrant. One warrant will be exercisable into one further common share at a price of US\$0.15 per warrant share for a period of twelve months following closing; or at a price of US\$0.20 per warrant for the period that is twelve months plus one day to twenty-four months following closing. The Company paid broker commissions of \$14,420 in cash and issued 144,200 brokers warrants in connection with the private placement.

On August 24, 2012, the Company closed the second tranche of an offering memorandum placement of 160,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$8,000 or US\$8,000. Each warrant will be exercisable into one further share at a price of US\$0.10 per warrant share for a period of twelve months following closing; or at a price of US\$0.20 per warrant share for a period that is twelve months and one day to thirty-six months following closing. The Company's President participated in the private placement for \$4,000.00 dollars. The Company issued 16,000 brokers warrants in connection with the private placement for broker commissions.

On September 28, 2012, the Company closed an offering memorandum placement of 995,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$49,750 or US\$49,750. Each Unit consisted of one common share of the Issuer and one common share purchase warrant. One warrant will be exercisable into one further common share at a price of US\$0.10 per warrant share for a period of twelve months following closing; or at a price of US\$0.20 per warrant for the period that is twelve months plus one day to twenty-four months following closing. The Company issued 79,500 shares, 79,500 warrants and 79,500 broker warrants in connection with the private placement.

On October 24, 2012, the Company issued 100,000 common shares in connection with Altar Resources, Mildred Peak property for an amount of \$6,000 at a price of \$0.06.

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On November 15, 2012, the Company closed an offering memorandum placement of 1,013,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$50,650 or US\$50,650. Each Unit consisted of one common share of the Issuer and one common share purchase warrant. One warrant will be exercisable into one further common share at a price of US\$0.10 per warrant share for a period of twelve months following closing; or at a price of US\$0.20 per warrant for the period that is twelve months plus one day to twenty-four months following closing. The Company issued 38,000 common shares, 101,300 units, and 101,300 broker warrants in connection with the private placement.

On March 1, 2013, the Company settled the debt incurred of \$16,000 from September 1, 2011 to February 28, 2013 for consulting fees with Mr. Mark Snyder by issuing 160,000 restricted common shares of the Company at a price of \$0.10 per share.

On March 1, 2013, the Company settled the debt incurred of \$16,000 from September 1, 2011 to February 28, 2013 for consulting fees with Mr. Mark Snyder by issuing 160,000 restricted common shares of the Company at a price of \$0.10 per share.

On May 30, 2013, the Company terminated its Option Agreement with Altar Resources on Mildred Peak property.

On June 26, 2013, the Company terminated its Option Agreement with Wildhorse Copper Inc. on Copper Hills property.

On September 17, 2013 we entered into an AMI Participation Agreement with Downhole Energy LLC to participate in 100% gross interest and 75% net revenue interest for drilling, completion and production of up to 100 oil wells on certain oil and gas leases covering 2,924 in the historic field located in Forest and Venango counties, Pennsylvania. On execution of this agreement we issued 100,000 of our common shares to Downhole Energy LLC. The Company decided not to continue with the agreement and wrote off the asset.

On October 4, 2013 we entered into a consulting agreement with Olibri Acquisitions and issued 750,000 of our common shares to Olibri.

We entered into a Letter of Intent Agreement (“LOI”) on November 1, 2013 with 0786521 BC Ltd. (also known as World of Marijuana Productions Ltd.) (the “Vendor”) to acquire 51% of the issued and outstanding capital stock of the Vendor. The Vendor is the owner, operator of a Medical Marijuana operation located at 33420 Cardinal Street, Mission, British Columbia, Canada. The LOI was not comprehensive and subject to the negotiation of a definitive agreement. On the execution of the LOI, we issued 10,000,000 of our common shares to the Vendor. The LOI was superseded by our joint venture agreement with World of Marijuana Productions Ltd. dated January 16, 2014, described below.

On November 5, 2013 we granted 675,000 stock options to directors, officers, and consultant of our Company with an exercise price of \$0.06 vested immediately, expiring November 5, 2018.

On November 18, 2013, we granted 25,000 stock options to consultant of our with an exercise price of \$0.09 vested immediately, expiring November 18, 2018.

On November 18, 2013, we entered into an investor relations contract with Coal Harbour Communications Inc. The initial term of this agreement shall begin on the date of execution of this Agreement and continue for **two months**. Thereafter the agreement will continue on a month-by-month basis pending cancelation by written notification with 30 days notice. In consideration for the services the Company will pay the Provider a one-time payment of two hundred thousand shares (200,000) of restricted common stock in Enertopia Corporation. The stock will be issued in the name of Dale Paruk for 100,000 shares and Neil Blake for 100,000 shares. In consideration of the services provided, the Company shall pay. We also agree to pay to Coal Harbour Communications a monthly fee of \$5,000 payable on the 1st day of each monthly period starting 60 days from the signing of the agreement and \$500 per month to cover

expenses incurred on our Company's behalf. Any expenses above \$500 per month must be pre-approved.

On November 26, 2013, our Company closed the first tranche of a private placement of 2,720,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$136,000 (\$136,000). Each warrant is exercisable into one further share at a price of US\$0.10 per warrant share for a period of thirty six month following the close.

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On November 29, 2013, our wholly-owned subsidiary, Target Energy, Inc was discontinued and dissolved.

On December 23, 2013, we closed the final tranche of a private placement of 2,528,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$126,400 (\$126,400). Each warrant is exercisable into one further share at a price of \$0.10 per warrant share for a period of thirty six months following closing. We also paid a cash finders' fee of \$10,140 and 202,800 broker warrants to Canaccord Genuity and Wolverton Securities that are exercisable into one common share at a price of \$0.10 that expire on December 23, 2016.

On January 1, 2014, we entered into a Social Media/Web Marketing Agreement with Stuart Gray. The initial term of this agreement shall begin on the date of execution of this Agreement and continue for three months. In consideration for the services we will pay Stuart Gray a monthly fee of \$5,000. As additional compensation we issued 200,000 stock options to Mr. Gray. The exercise price of the stock options is \$0.075, with 100,000 stock options vested immediately, 50,000 stock options vested 30 days after the grant and 50,000 stock options vested 60 days after the grant, expiring January 1, 2019.

On January 13, 2014, we entered into a corporate development agreement with Don Shaxon for an initial term of twelve months. Thereafter the agreement continued on a month-by-month basis pending cancelation by written notification with 30 days notice. In consideration for the services we paid to Mr. Shaxon a signing stock bonus of 250,000 of our common shares, a one-time cash bonus of \$40,000, and a monthly fee of \$3,500 plus \$500 in monthly expenses. Upon execution of the Agreement we also granted 250,000 stock options. to Mr. Shaxon with an exercise price of \$0.16, vesting immediately and expiring January 13, 2019.

On January 16, 2014 we entered into a Joint Venture Agreement with World of Marijuana Productions Ltd. ("WOM") to acquire up to a 51% ownership interest in a joint venture between WOM and our company. WOM was to acquire a medical marijuana production licence from Health Canada to in order to establish a medical marijuana production facility to be located at 33420 Cardinal Street, Mission, British Columbia.. The Joint Venture Agreement superseded the Letter of Intent between our company and WOM dated November 1, 2013 (the "LOI"). Our company issued 16,000,000 common shares and paid a total of \$375,000 to WOM to acquire a 31% interest in the joint venture. Subsequent to year end, on October 16, 2014 we entered into a termination and settlement agreement, dated effective October 14, 2014, with WOM and Mathew Chadwick (the "Settlement Agreement"), pursuant to which the parties have entered into mutual releases, Mr. Chadwick has resigned from our board of directors and as an officer of our company, and WOM has returned for cancellation 15,127,287 of our common shares that had been issued to it. Given the foregoing, all relationships between the parties, including but not limited to the joint venture, have been terminated.

On January 31, 2014, we accepted and received gross proceeds of CAD\$40,500 (US\$37,500), for the exercise of 350,000 stock options; 100,000 at \$0.075 each, 150,000 stock options at \$0.10 each, and 100,000 stock options at \$0.15 each; into 350,000 common shares of our Company.

On January 31, 2014, we closed the first tranche of a private placement of 4,292,000 units at a price of US\$0.10 per unit for gross proceeds of US\$429,200. Each Unit consists of one share of our common stock and one half (1/2) of one non-transferable common share purchase warrant Each whole warrant is exercisable to purchase one common share at a price of US\$0.15 per share for a period of twenty four (24) months following closing. A cash finders' fee consisting of \$29,616 and 296,160 full broker warrants that expire on January 31, 2016 with an exercise price of \$0.15 was paid to Canaccord Genuity, Leede Financial and Wolverton Securities.

On February 5, 2014, Ryan Foster joined our Company as an advisor. We granted 50,000 stock options to Mr. Foster with an exercise price of \$0.35 per common share expiring February 5, 2019. 25,000 of the stock options vested immediately and 25,000 vested on July 1, 2014.

On February 13, 2014, we closed the final tranche of a private placement by issuing 12,938,000 units at a price of US\$0.10 per unit for gross proceeds of US\$1,293,800. Each unit consists of one common share and one half (1/2) of

one non-transferable share purchase warrant with each whole warrant exercisable into one common share at a price of US\$0.15 per share for a period of twenty four (24) months following closing. One director and one officer of our Company participated in the final tranche for \$30,000. A cash finders' fee consisting of \$98,784; 8,000 common shares in lieu of \$800 and 995,840 full broker warrants that expire on February 13, 2016 with an exercise price of \$0.15 was paid to Canaccord Genuity, Global Market Development LLC and Wolverton Securities.

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On February 13, 2014, 50,000 stock options were exercised at a price of \$0.06 by a Director and 50,000 stock options were exercised at a price of \$0.075 by a Consultant for net proceeds to our Company of CAD\$7,050 (US\$6,750) into 100,000 common shares of the Company.

On February 13, 2014, 541,500 warrants from previous private placements were exercised into 541,500 common shares of our Company for net proceeds of \$101,100.

On February 27, 2014, 585,000 warrants from previous private placements were exercised into 585,000 common shares of our Company for net proceeds of \$115,000.

On February 27, 2014, we signed a \$50,000 12 month marketing agreement with Agoracom payable in shares of our common stock. The first quarter payment of \$12,500 was paid with the issuance of 54,347 common shares of our Company at a market price of \$0.23 per share.

On February 28, 2014, we entered into a Joint Venture Agreement with The Green Canvas Ltd. ("GCL") pursuant to which we may acquire up to a 75% interest in the business of GCL, being the business of legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, and selling marijuana for medical purposes. We paid \$100,000 to the GCL upon execution of the agreement. Subsequently, we issued to GCL an aggregate of 10,000,000 of our common shares at a price of \$0.235 per share; and paid to GCL the aggregate sum of \$500,000, to earn a 49% interest in GCL's business. With the exception of \$113,400 payable to Wolverton Securities, the full amount of the \$500,000 is to be used by GCL to upgrade the its existing medical marijuana production facility to meet the standards introduced by the Marijuana for Medical Purposes Regulations ("MMPR") administered by Health Canada. Subsequent to quarter end, this agreement has been terminated.

On March 5, 2014, our Company and our CEO and Director, Robert McAllister, entered into a Joint Venture Agreement with Lexaria Corp. to jointly source and develop business opportunities in the medical marijuana industry. Pursuant to the terms of the agreement, Lexaria Corp. issued to our Company 1 million restricted common shares and issued 500,000 common shares to Mr. McAllister for his participation as a key representative for the joint venture. Additionally Lexaria agreed to issue to Mr. McAllister options to purchase 500,000 common shares of Lexaria in consideration for Mr. McAllister's participation on the Lexaria Advisory Board.

On March 10, 2014, our Company's Board appointed Mathew Chadwick as Senior Vice President of Marijuana Operations and our company entered into a Management Agreement with Mr. Chadwick for his services. The initial term of the agreement began on the date of execution of this agreement and continued for six months. Thereafter the agreement continued on a month-by-month basis until it was terminated on October 16, 2014 pursuant to a termination and settlement agreement, dated effective October 14, 2014, with World of Marijuana Productions Ltd. and Mr. Chadwick. We paid in total \$125,000 to Mr. Chadwick pursuant to the Management Agreement. Mr. Chadwick resigned as a director and officer of our Company on October 16, 2014.

On March 11, 2014, Robert Chadwick and Clayton Newbury joined the Company as advisors and were paid a \$1,000 honorarium each. Robert Chadwick was issued a one-time 100,000 common shares of our Company. On March 11, 2014, we granted 100,000 stock options to Robert Chadwick with an exercise price of \$0.68 per share expiring March 11, 2019. 50,000 of the stock options vested immediately, and 50,000 vested on September 11, 2014. We also granted 100,000 options to Clayton Newbury on the same terms.

On March 11, 2014, as per the terms of the Joint Venture Agreement dated January 16, 2014 with World of Marijuana Productions Ltd. ("WOM"), our company made a payment of \$200,000 and issued 1,000,000 common shares at a price of \$0.60 per share to 0984329 B.C. LTD. As a result our company acquired 31% of the Joint Venture business interest. We subsequently relinquished the 31% interest pursuant to the Termination and Settlement Agreement with WOM and Mathew Chadwick dated October 14, 2014. WOM returned for cancellation 15,127,287 previously issued shares of our common stock in consideration for our 31% interest.

On March 14, 2014, we signed a six month contract for \$21,735 with The Money Channel to provide services for national television, internet and radio media campaign.

On March 14, 2014, 815,310 warrants from previous private placements were exercised into 815,310 common shares of our Company for net proceeds of \$163,062.

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On March 14, 2014, we accepted and received gross proceeds from a director of our Company of CAD\$8,250 (US\$7,500), for the exercise of 50,000 stock options at an exercise price of \$0.15, into 50,000 common shares of our Company.

On March 17, 2014, 1,548,000 warrants from previous private placements were exercised into 1,548,000 common shares of our Company for net proceeds of US\$289,475.

On March 25, 2014, we accepted and received gross proceeds of \$67,750, for the exercise of 325,000 stock options at \$0.06 to \$0.25 each, into 325,000 common shares of our Company.

On March 25, 2014, 1,095,000 warrants from previous private placements were exercised into 1,095,000 common shares of our Company for net proceeds of US\$114,250.

On March 26, 2014, our Board appointed Dr. Robert Melamede as an Advisor to the Board of Directors. We paid to Dr. Melamede, an honorarium of \$2,500 for the first year of participation on our Advisory Board and issued 250,000 shares of our common stock. On March 26, 2014 we granted to Dr. Melamede 500,000 stock options with an exercise price of \$0.70 and expiring March 26, 2019., 250,000 of the stock options vested immediately and the remaining 250,000 stock options vested on September 26, 2014, Subsequent to quarter end, Dr. Robert Melamede is no longer an Advisor to the Board of Directors.

On April 1, 2014, we entered into a one year consulting agreement with Kristian Dagsaan to provide controller services for CAD\$3,000 (plus goods and services tax) per month. We also granted 100,000 fully vested stock options with an exercise price of \$0.86, expiring April 1, 2019. The agreement was cancelled on August 31, 2014.

On April 1, 2014, we entered into a 90 day investor relations contract for CAD \$9,000 with Ken Faulkner. We also granted 100,000 fully vested stock options to Mr. Faulkner with an exercise price of \$0.86, expiring April 1, 2019.

On April 3, 2014, we entered into another 3 month Social Media/Web Marketing Agreement with Stuart Gray. In consideration for the services the Company we agreed to pay Mr. Gray a monthly fee of \$5,000. Upon execution of the Agreement, we issued 100,000 stock options to Mr. Gray with an exercise price of \$0.72, expiring on April 3, 2019. The agreement was terminated on July 31, 2014.

On April 3, 2014, 1,293,500 warrants from previous private placements were exercised into 1,293,500 common shares of our Company for net proceeds of US\$177,950.

On April 3, 2014, we accepted and received gross proceeds from past consultant of our Company of US\$1,500 for the exercise of 25,000 stock options at an exercise price of \$0.06, into 25,000 common shares of our Company.

On April 8, 2014, we granted 50,000 fully vested stock options to a consultant of our Company, Taven White. The stock options are exercisable at \$0.50 per share and expire on April 8, 2019.

On April 10, 2014, a Letter of Intent ("LOI") was signed by Enertopia Corporation, or its wholly-owned subsidiary ("Enertopia") and Lexaria Corp., or its wholly-owned subsidiary ("Lexaria") (collectively, the "Parties") with regard to the ownership by Enertopia of a 51% interest in the business, and the ownership by Lexaria of a 49% interest in the business of legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, and selling marijuana for medical purposes under the MMPR (the "Business") Acquisition Structure. Whereby, Lexaria issued 500,000 common shares to Enertopia. In accordance with the terms of a formal and definitive Agreement to be entered into between Enertopia and Lexaria (the "Definitive Agreement"), Enertopia shall own 51% ownership interest in the Business (the "Enertopia Ownership") and Lexaria shall own 49% ownership interest in the Business (the "Lexaria Ownership"). Within 10 days, Enertopia shall contribute \$45,000 and Lexaria shall contribute \$55,000 to the Business. Upon the execution of this LOI, Enertopia and Lexaria shall structure a joint venture for



legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, and selling marijuana for medical purposes under the MMPR. At such time the Parties will be deemed to have formed a joint venture for the operation, management and further development of the Business (the "Joint Venture"). Lexaria will pay 55% of all costs to earn its 49% net Ownership Interest and Enertopia will pay 45% of all costs to earn its 51% Ownership Interest. A total of 500,000 Definitive Agreement Shares shall be issued to Enertopia, held in escrow (the "Escrow Shares") by Lexaria's solicitors until such date as the License (as hereinafter defined) has been obtained by Enertopia (the "Effective Date"). Upon occurrence of the Effective Date, the Escrow Shares will be released from escrow. In the event the Effective Date does not occur within 12 months of the date of the Definitive Agreement (the "Execution Date"), the Definitive Agreement Shares shall be cancelled and returned to treasury. Subsequent to quarter end, this agreement has been terminated.

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On April 10, 2014 a letter of intent, was executed on behalf of a corporation to be incorporated by Lexaria Corp. and Enertopia Corporation(Lessee) and Mr. Jeff Paikin of Ontario Inc. (Lessor) sets out the Lessee's and Lessor's shared intent to enter into a lease agreement (the "Lease") for warehouse space (the "Leased Premises") in the building located in Ontario (the "Building"). The Company issued the 38,297 common shares at a deemed price of \$0.47 per the terms of the Letter of Intent to lease space in Ontario. On August 1, 2014 the Company signed an extension to the Letter of intent executed on April 10, 2014 on behalf of a corporation to be incorporated by Lexaria Corp. and Enertopia Corporation(Lessee) and Mr. Jeff Paikin of 1475714 Ontario Inc. (Lessor) sets out the Lessee's and Lessor's shared intent to enter into a lease agreement (the "Lease") for warehouse space (the "Leased Premises") in the building located at Burlington, Ontario (the "Building"). On August 5, 2014, as per the terms of the extension, 118,416 common shares of the Company were issued at a deemed price of \$0.19 per share. Subsequent to quarter end, this agreement was not renewed.

On April 14, 2014, the Company appointed Mr. Jeff Paikin to its Advisory Board for a period of not less than one year, but to be determined by certain performance thresholds described in the letter. Upon signing of the letter of acceptance the Company issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the letter, Mr. Paikin can be eligible to receive up to a total of 472,500 common shares of the Company. Consulting agreement amended on June 18, 2014, Mr. Paikin can be eligible to receive up to a total of 1,350,000 common shares of the Company. Based on the milestones listed in the amended contract, the Company issued Mr. Paikin 135,000 common shares at a deemed price of \$0.14 on July 14, 2014. On February 4, 2015, Mr. Paikin resigned as an Advisor to the Board and the agreement was terminated.

On April 17, 2014, our Company accepted and received gross proceeds from a director of CAD\$8,475 (US\$7,500), for the exercise of 50,000 stock options at \$0.15 into 50,000 common shares of our Company.

On April 17, 2014, 651,045 warrants from previous private placements were exercised into 651,045 common shares of our Company for net proceeds of \$110,209.

On April 24, 2014 our Company entered into a one year consulting contract with Clark Kent as Media Coordinator for a monthly fee of CAD\$2,250 plus GST. We issued 90,000 common shares to the consultant at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Kent can be eligible to receive up to a total of 472,500 common shares of our Company. On June 18, 2014, the consulting agreement was amended so that Mr. Kent can be eligible to receive up to a total of 1,350,000 common shares of our Company. Based on achievement of the milestones listed in the amended contract, we issued to Mr. Kent 135,000 common shares at a deemed price of \$0.14 on July 14, 2014. This agreement was terminated on February 4, 2015.

On April 24, 2014 we entered into a one year consulting contract with Don Shaxon as Ontario Operations Manager for a monthly fee of CAD\$3,375 plus GST. Upon signing of the contract we issued to Mr. Shaxon 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Shaxon can be eligible to receive up to a total of 472,500 common shares of our Company. We amended the consulting agreement on June 18, 2014, following which Mr. Shaxon became eligible to receive up to a total of 1,350,000 common shares of our Company. Based on achievement of the milestones listed in the amended contract, we issued to Mr. Shaxon 135,000 common shares at a deemed price of \$0.14 on July 14, 2014. Subsequent to quarter end, the agreement was not renewed.

On April 24, 2014 we entered into a one year consulting contract with 490072 Ontario Ltd. operating as HEC Group, for the services of Greg Boone as Human Resources Manager. Upon signing of the contract we issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Boone or his company can be eligible to receive up to a total of 472,500 common shares of our Company. We amended the agreement on June 18, 2014, further to which Mr. Boone became eligible to receive up to a total of 1,350,000 common shares of our Company. Based on achievement of the milestones listed in the amended contract, the Company issued Mr. Boone 135,000 common shares at a deemed price of \$0.14 on July 14, 2014. This agreement was terminated on February 4, 2015.

On April 24, 2014 we entered into a one year consulting contract with Jason Springett as Master Grower for Ontario Operations for a monthly fee of \$3,375 plus GST. Upon signing of the contract we issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Springett was eligible to receive up to a total of 472,500 common shares of the Company. We amended the agreement on June 18, 2014 further to which Mr. Springett became eligible to receive up to a total of 1,350,000 common shares of our Company. Based on achievement of the milestones listed in the amended contract, we issued Mr. Springett 135,000 common shares at a deemed price of \$0.14 on July 14, 2014. Subsequent to quarter end the agreement was not renewed.

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On April 24, 2014 we entered into a one year consulting contract with 2342878 Ontario Inc. for the services of Chris Hornung as Assistant Operations Manager. Upon signing of the contract we issued 90,000 common shares to the consultant at a deemed price of \$0.34. Subject to achievement of the milestones listed in the contract, Mr. Hornung or his company were eligible to receive up to a total of 472,500 common shares of our Company. Mr. Hornung resigned on July 14, 2014 prior to the accrual of additional compensation. The 90,000 common shares of the Company that were issued have been returned back to treasury on September 24, 2014.

On April 30, 2014, 200,000 warrants from previous private placements were exercised into 200,000 common shares of our Company for net proceeds of \$40,000.

On May 3, 2014 we entered into a one year consulting contract with Bmullan and Associates wholly owned company by Brian Mullan as Security Consultant. Upon signing of the contract we issued to the consultant 45,000 common shares at a deemed price of \$0.28. Subject to achievement of the milestones listed in the contract, Mr. Mullan or his company are be eligible to receive up to a total of 225,000 common shares of our Company. Subsequently, we issued an additional 45,000 common shares to the consultant at a deemed price of \$0.14 on July 14, 2014. This agreement was terminated on February 4, 2015.

On May 28, 2014, our company and Lexaria entered into a definitive agreement to develop a joint business for the production, manufacture, propagation, import/export, testing, research and development of marijuana in the Province of Ontario under the MMPR. Pursuant to the Agreement, ownership, revenues, and liability related to the Joint Venture is 51% to Enertopia and 49% to Lexaria. Expenses incurred by the joint venture shall be allocated 45% to Enertopia and 55% to Lexaria. Enertopia shall be responsible for management of the joint venture for as long as it maintains majority ownership. To date, Lexaria and Enertopia have contributed \$55,000 and \$45,000 to the joint venture, respectively. The joint venture has identified a production location in Burlington, Ontario and received municipal approval for the site in July, 2014. We intend to engage an architect to design the production facility upon acceptance of our application. Construction is anticipated to cost approximately \$3,000,000; Enertopia will be responsible for \$1,350,000 of this cost. The joint venture is unable to estimate at this time when a production license might be granted by Health Canada, however it is seeking assurances from Health Canada prior to commencement of construction. Subsequent to quarter end, this agreement was terminated.

On May 29, 2014, we accepted and received gross proceeds of \$20,000 for the exercise of 200,000 warrants at \$0.10 each into 200,000 common shares of our Company.

On June 2, 2014, we signed a 30 day contract for \$10,000 with TDM Financial to provide services for original video production, original coverage, network placement of video and article, article and video syndication, email distribution, and reporting.

On June 9, 2014, Pursuant to our 12 month marketing agreement with Agoracom dated February 27, 2014, we made a second quarter payment to Agoracom of \$12,500 plus GST paid by the issuance of 72,917 common shares of the Company at a market price of \$0.18 per share.

On July 1, 2014, we entered into a one year services agreement with TDM Financial for \$120,000 payable in common shares of our Company. TDM Financial will provide marketing solutions and strategies to our Company. Upon the signing of the contract with TDM Financial, we issued 750,000 common stock of our Company at a deemed price of \$0.16.

On July 23, 2014, 252,000 warrants from previous private placements were exercised into 252,000 common shares of our Company for net proceeds of \$25,200.

On August 1, 2014 we entered into a three month Investor Relations and Marketing Agreement with Neil Blake with a monthly fee of CAD\$2,500.



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On September 18, 2014, we entered into a contract with our joint venture partner Lexaria Corp., and Maureen McGrath pursuant to which Ms. McGrath will lead the National Medical Marijuana Awareness and Outreach Strategy, a public awareness program jointly administered by Lexaria and our company.

On October 16, 2014 we entered into a termination and settlement agreement, dated effective October 14, 2014, with World of Marihuana Productions Ltd. ("WOM" and Mathew Chadwick (WOM's representative and our former director), pursuant to which we relinquished our 31% interest in the joint venture and exchanged mutual releases with WOM and Mr. Chadwick. Mr. Chadwick resigned from our board of directors and as an officer of our company, and WOM returned for cancellation 15,127,287 of our common shares that had been issued to it. Given the foregoing, all relationships between the parties, including but not limited to the joint venture, have been terminated. No production license under the MMPR had been awarded or was forthcoming at the time of termination.

On November 3, 2014, the Company granted 2,100,000 stock options to directors, officers and consultants of the Company, vesting immediately with an exercise price of \$0.10, expiring November 3, 2019.

On November 18, 2014, the Company granted 100,000 stock options to a consultant of the Company, vesting immediately with an exercise price of \$0.10, expiring November 18, 2019.

On January 30, 2015, we closed the first tranche of a private placement of 1,665,000 units at a price of CAD\$0.06 per unit for gross proceeds of US\$79,920 (CAD\$99,900). Each Unit consists of one common share of the Company and full non-transferable Share purchase warrant. Each Warrant will be exercisable into one further Share at a price of US\$0.10 per Warrant Share at any time until the close of business on the day which is 24 months from the date of issue of the Warrant, and thereafter at a price of US\$0.15 per Warrant Share at any time until the close of business on the day which is 36 months from the date of issue of the Warrant.

On February 6, 2015, the Company's Board has appointed Bal Bhullar as a Director of the Company. Ms. Bhullar has been and continues to be the Chief Financial Officer of the Company since October 9, 2009.

February 6, 2015, the Board of Directors accepted the resignation of John Thomas as Director of the Company.

On February 9, 2014, we entered into a one year contract with Maureen McGrath/McGrath Group as Lead Medical Strategist, with a monthly fee of CAD\$3,000.

On February 9, 2015, Enertopia announced the launch of a new product line V-Love™ for women's sexual pleasure. V-Love™ is a brand new water based, silky smooth fragrance free personal lubricant and intimate gel especially designed for women.

On March 12, 2015, the Company closed its final tranche of a private placement of 590,000 units at a price of CAD\$0.06 per unit for gross proceeds of CAD\$35,400. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 36 months from the date of issuance, at a purchase price of US\$0.10 during the first 24 months and at US\$0.15 after 24 months. A cash finders' fee of CAD\$2,832 and 47,200 full broker warrants that expire on March 12, 2018 was paid to Canaccord Genuity.

In May, 2015, V-Love™ was available to the retail market for purchase in stores and at various events.

On June 11, 2015, we entered into a mutual Termination Agreement with The Green Canvas Ltd. pursuant to which we terminated our relationship and relinquished our 49% interest in the joint venture to establish a medical marijuana production facility near Regina, Saskatchewan. In consideration of the termination, The Green Canvas returned for cancellation 6,400,000 shares of our common stock previously issued to GCL.

On June 11, 2015, we entered into a Letter of Intent dated June 10, 2015 with Shaxon Enterprises Ltd. to sell our 51% interest in our Burlington Joint Venture with Lexaria Corp., including our interest in MMPR application number 10QMM0610 for the proposed Burlington, Ontario production facility. The sale would be completed by the sale of our wholly owned subsidiary, Thor Pharma Corp.

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Subsequent to the LOI with Shaxon Enterprises Ltd., the Burlington Joint Venture between Enertopia and Lexaria which was entered into on May 28, 2014 was terminated due to the pending sale of the project. As a result of the termination, 500,000 restricted and escrowed common shares of Lexaria issued to our Company at a deemed price of \$0.40 will be returned to treasury and cancelled. The Enertopia and Lexaria Master Joint Venture Agreement entered into on March 5, 2014 is still effective and governs the relationship between the parties.

On June 26, 2015, we signed a Definitive agreement to sell our wholly owned subsidiary, Thor Pharma Corp along with the MMPR application number 10MMPR0610. The Burlington MMPR license application will continue in the application process under new ownership. Pursuant to the agreement, we received a non-refundable \$10,000 deposit and are entitled to receive up to \$1,500,000 in milestone payments upon the Burlington facility becoming licensed under the MMPR. These monies would be split equally with Lexaria Corp. Notwithstanding the foregoing, we can neither guarantee nor provide a meaningful time estimate regarding the potential grant of a production license for the Burlington facility.

On June 29, 2015, we that announced V-Love™ became available at London Drugs Limited stores. V-Love™ is currently available at London Drugs stores across Western Canada in the provinces of British Columbia, Alberta, Saskatchewan and Manitoba.

On July 7, 2015 we announced that V-Love™ became available for purchase online in Canada at Amazon.ca.

On July 30, 2015 we announced the launch of V-Love.co, our product website for V-Love™.

On October 23, 2015, the Company's Board has appointed Kevin Brown as a Director of the Company and Victor Lebouthillier as an advisor to the Board of Directors.

On October 23, 2015, the Board of Directors accepted the resignation of Donald Findlay as Director of the Company.

On October 23, 2015, we granted 1,850,000 stock options to Directors, Executives and Consultants of the Company. The exercise price of the stock options is \$0.05, vested immediately, expiring October 23, 2020.

On December 16, 2015, we extended two classes of warrants by two years with all other terms and conditions remaining the same. We approved the expiry extension from January 31, 2016 till January 31, 2018 on 2,167,160 warrants that remain outstanding from the non-brokered private placement that closed on January 31, 2014. The Company approved the expiry extension from February 13, 2016 till February 13, 2018 on 7,227,340 warrants that remain outstanding from the non-brokered private placement that closed on February 13, 2014.

On February 4, 2016, the Company's Board has appointed Olivier Vincent as an Advisor the Board of Directors and a consultant for a term of one year and granted 100,000 stock options to Olivier Vincent. The exercise price of the stock options is \$0.05, vested immediately, expiring February 4, 2021. We issued 100,000 common shares at a price of \$0.05 per share on exercise of these options.

On March 9, 2016, we closed a binding Letter Of Intent to acquire 100% of an established profitable private nutritional vitamin/supplement company. The private nutritional vitamin/supplement company has been in business for over 5 years showing good positive cash flows. All products are manufactured by a GMP, NSF, FDA approved manufacturer in the United States. Enertopia has agreed subject to further due diligence, review of financials and financing to a total amount of \$350,000 for the acquisition, with \$300,000 due on the signing of the Definitive Purchase Agreement. The Definitive Purchase Agreement is expected to be completed before the end of April. The Company did not further pursue this.

On April 21, 2016, Enertopia has signed a binding letter of intent with a to enter into negotiations to effect the optional acquisition of certain placer mining claims (the "Claims") in Nevada covering approximately 2,560 acres from



S P W Inc. S P W Inc. holds the Claims directly (“Underlying Owner”). Upon the closing date of the transaction (the “Effective Date”) S P W Inc. will have the right to transfer, option, sell or assign the Claims to Enertopia. The Placer mining claims and any underlying agreements will be acquired by Enertopia through a mineral property option agreement, an assignment agreement or an asset acquisition (the “Transaction”).

On May 12, 2016 Enertopia has signed the Definitive Agreement with the Vendor respecting the option to purchase a 100% interest in approximately 2,560 acres of placer mining claims in Churchill, Lander and Nye Counties Nevada, USA. These placer mining claims are subject to a 1.5% NSR from commercial production with the Company able to buy back the NSR at the rate of \$500,000 per 0.5% NSR.

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On May 20, 2016, Enertopia closed the first tranche of a private placement of 6,413,333 units at a price of CAD\$0.015 per unit for gross proceeds of USD\$74,074 (CAD\$96,200). Each Unit consists of one common share of the Company and full non-transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable into one further Share (a "Warrant Share") at a price of US\$0.05 per Warrant Share at any time until the close of business on the day which is 18 months from the date of issue of the Warrant, and thereafter at a price of US\$0.10 per Warrant Share at any time until the close of business on the day which is 36 **months** from the date of issue of the Warrant. A cash finders' fee of USD\$5,421 (CAD\$7,040) and 469,333 full broker warrants that expire May 20, 2019 was paid to Canaccord Genuity and Haywood.

On June 8, 2016, Enertopia closed its final tranche of a private placement of 3,016,667 units a price of CAD\$0.015 per unit for gross proceeds of US\$34,390 (CAD\$45,250). Each Unit consists of one common share of the Company and full non-transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable into one further Share (a "Warrant Share") at a price of US\$0.05 per Warrant Share at any time until the close of business on the day which is 18 months from the date of issue of the Warrant, and thereafter at a price of US\$0.10 per Warrant Share at any time until the close of business on the day which is 36 months from the date of issue of the Warrant. A cash finders' fee of USD\$2,508 (CAD\$3,300) and 286,666 full broker warrants that expire June 8, 2019 was paid to Canaccord Genuity, Leede Jones Gable, PI Financial and Mackie Research.

On August 9, 2016, we closed the first tranche of a private placement of 4,500,000 units at a price of CAD\$0.035 per unit for gross proceeds of USD\$120,078 (CAD\$157,500). Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of USD\$0.07.

On August 10, 2016, we retained a private consulting firm to assist with mergers, acquisitions and market awareness for a 12 month contract. The consulting firm operates a resource holding company that has been active in acquiring out of favor mining assets over the past several years. It also provides breaking news, commentary and analysis on listed companies. We engaged and paid the consulting firm USD\$75,000.

On August 15, 2016 binding Letter of Intent was signed by us and Genesis Water Technologies, Inc. ("GWT") with regard to the acquisition by Enertopia (the "Acquisition") of the exclusive worldwide licensing rights (the "Licensing Rights") of all of the technology used in the process of recovering and extraction of battery grade lithium carbonate powder Li<sub>2</sub>CO<sub>3</sub> grading 99.5% or higher purity from brine solutions (the "Technology") and covered under patent pending process #XXXXXXX (the "Pending Patent"). On August 15, 2016, we issued 250,000 common shares at an exercise price of \$0.05 per share as per the binding LOI signed with Genesis Water Technologies Inc.

On September 19, 2016, we entered into a one year Investor Relations Consulting agreement with Duncan McKay. Based on the terms of the agreement, Mr. McKay can earn up to a maximum of 10% commissions on capital raised. We issued 800,000 stock options with an exercise price of \$0.07.

On September 23, 2016, we closed the final tranche of a private placement of 3,858,571 units at a price of CAD\$0.035 per unit for gross proceeds of CAD\$135,050. Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of US\$0.07. A cash finders' fee of CAD\$3,300 and 286,666 full broker warrants that expire June 8, 2019 was paid to Canaccord Genuity and Leede Jones Gable.

On October 7, 2016, we issued 175,000 common shares of our Company and paid \$5,000 to comply with the Definitive Agreement signed May 12, 2016.

On December 6, 2016, we signed a Definitive Commercial Agreement with Genesis Water Technologies with regard to the acquisition of exclusive licensing rights of the technology as outlined in the agreement.

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On January 20, 2017, the Company closed the first tranche of a private placement of 1,000,000 units at a price of CAD\$0.04 per unit for gross proceeds of CAD \$40,000. Each unit consists of one common share of the Company and one-nontransferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finders' fee of CAD\$800 and 20,000 full broker warrants that expire January 20, 2019 was paid to Leede Jones Gable Inc.

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On January 20, 2017, the Company granted 1,535,000 stock options to directors, officers and consultant of the Company with an exercise price of \$0.07 which vested immediately, expiring January 20, 2022.

On January 31, 2017, the Company granted 1,500,000 stock options to consultant of the Company with an exercise price of \$0.07 vested immediately, expiring January 31, 2022.

On February 28, 2017, the Company closed the first tranche of a private placement of 4,250,000 units at a price of CAD\$0.04 per unit for gross proceeds of CAD \$170,000. Each unit consists of one common share of the Company and one-nontransferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finders' fee of CAD\$11,100 and 227,500 full broker warrants that expire February 28, 2019 was paid to Leede Jones Gable Inc., Canaccord Genuity and Duncan McKay.

On February 28, 2017, the Company signed a Letter of Engagement with Adam Mogil and issued 1,000,000 warrant options to convert to 1,000,000 common shares to Adam Mogil to provide corporate services. The warrants have an exercise price of \$0.09 and expire August 28, 2017. These warrant options expired without being exercised.

On April 21, 2017, the Company issued 95,500 shares for gross proceeds of \$5,685 from the exercise of warrants of previous financings at \$0.05 and \$0.07.

On April 30, 2017 the Company issued 166,500 shares for gross proceeds of \$11,655 from the exercise of warrants from a previous financing at \$0.07.

On April 30, 2017, the Company closed the first and final tranche of a private placement of 3,224,000 units at a price of CAD\$0.09 per unit for gross proceeds of CAD \$290,160. Each unit consists of one common share of the Company and one-nontransferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.12. A cash finders' fee of CAD\$20,736 and 230,400 full broker warrants that expire April 28, 2019 was paid to Leede Jones Gable and Canaccord Genuity.

On May 5, 2017, the Company granted 500,000 stock options to consultant of the Company with an exercise price of \$0.10 vested immediately, expiring May 5, 2022.

On May 5, 2017, the Company terminated the Definitive Agreement dated May 12, 2016 with the Vendor on the Nevada Lithium brine properties.

On July 31, 2017, the Company announced the resignation of CFO and Director Bal Bhullar, the appointment of Kristian Ross as director and president Robert McAllister assuming the interim duties of CFO.

On August 14, 2017 the Company announced the appointment of Davidson and Company, LLP, Chartered Professional Accountants as its new independent registered auditing firm which replaced MNP LLP independent registered auditing firm.

On August 30, 2017 the Company announced the Staking of lode and placer claims covering approximately 160 acres for Lithium in Clayton Valley, NV.

### **Our Current Business**

The Company is diverse in its pursuit of business opportunities in the resource sector.

On October 27, 2017 we entered into a one year Investor Relations Consulting agreement with FronTier Merchant Capital Group. Terms of the agreement, FronTier Capital Group has been retained for a 12-month period at \$87,000 (plus applicable sales tax) per annum plus direct expenses. The company will also grant 300,000 stock options to FronTier at an exercise price of 0.05 per share expiring 5 years from the date of grant.

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On November 1, 2017, we closed the first tranche of a private placement of 2,600,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$130,000. Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06.

On November 1, 2017, we granted 500,000 stock options to a director of the company at an exercise price of 0.05 per share expiring 5 years from the date of grant.

Subsequent to quarter end, on December 8, 2017, we closed the second tranche of a private placement of 3,954,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD \$197,700. Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finder's fee for CAD \$12,770 and 230,400 full broker warrants was paid to third parties. Each full broker warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06.

On December 8, 2017 we issued 240,000 common shares of our Company on the exercise of 240,000 stock options that were exercised by a director of the Company at \$0.05 for \$12,000 for net proceeds to the company.

On December 15, 2017 we paid Genesis Water Technologies (GWT) \$96,465 for the second and final payment for the Second phase of the second bench test and \$8,998 for the bill of materials for the bench test.

### **Mineral Property**

#### **Lithium Property**

Enertopia (Optionee) has signed the Definitive Agreement on May 12, 2016 with the Vendor respecting the option to purchase a 100% interest in approximately 2,560 acres of placer mining claims in Churchill, Lander and Nye Counties Nevada, USA. These placer mining claims are subject to a 1.5% NSR from commercial production with the Company able to buy back the NSR at the rate of \$500,000 per 0.5% NSR.

#### **Purchase Price for the Claims**

The consideration payable by Enertopia to the Optionor pursuant to this Offer shall consist of:

- (a) paying \$7,000 on signing the Offer; (paid)
- (b) paying \$12,000 on signing of the definitive agreement (the Agreement) and issuing 3,500,000 common shares in the capital stock of Enertopia as soon as practicable following the execution of the Agreement, (paid)
- (c) paying an optional \$12,000 on or before the six month anniversary of the Agreement (paid \$5,000 and issued 175,000 common shares of the Company),
- (a) paying an optional \$22,500 on or before the one year anniversary of the Agreement (not paid, property returned to vendor),
- (e) issuing additional common shares in the capital of the Optionee, as constituted on the date hereof, to be issued to the Optionor pursuant to the discovery of a Lithium enriched brine with an average 300ppm Li over 100 foot vertical interval in the enriched lithium brine in the Central Nevada Brine Project. 1,000,000 Bonus Shares will be issued per each successful property discovery meeting the foregoing criteria up to a

maximum 3,000,000 Bonus Shares.

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**NSR**

There is a 1.5% Net Smelter Return ( NSR ) payable on all Placer mining claims from commercial production to be paid according to the terms and conditions as set forth in the Transaction Documents. The NSR can be re purchased for \$500,000 per every 0.5% .

On May 5, 2017, the Company terminated the Definitive Agreement dated May 12, 2016 with the Vendor on the Nevada Lithium brine properties.

On August 30, 2017 the Company announced the staking of Lode and Placer claims of BLM lands in Esmeralda county Nevada covering approximately 160 Acres subject to adjustment. The Company has an 100% interest in the lands and is only responsible for the yearly maintenance fees to the BLM and County to keep its 100% interest. The claims are in good standing until August 31, 2018

Esmeralda County Lode and Placer Claims:

Claim Name	Claim Type	BLM Serial #
STEVE 1	PLACER	NMC 1148769
STEVE 2	PLACER	NMC 1148770
STEVE 3	PLACER	NMC 1148771
STEVE 4	PLACER	NMC 1148772
STEVE 5	PLACER	NMC 1148773
STEVE 6	PLACER	NMC 1148774
STEVE 7	PLACER	NMC 1148775
STEVE 8	PLACER	NMC 1148776
DAN 1	LODE	NMC 1148760
DAN 2	LODE	NMC 1148761
DAN 3	LODE	NMC 1148762
DAN 4	LODE	NMC 1148763
DAN 5	LODE	NMC 1148764
DAN 6	LODE	NMC 1148765
DAN 7	LODE	NMC 1148766
DAN 8	LODE	NMC 1148767
DAN 9	LODE	NMC 1148768

**LITHIUM TECHNOLOGY**

On August 15, 2016, a binding Letter of Intent ( LOI ) was signed by Enertopia and Genesis Water Technologies, Inc. ("GWT") with regard to the acquisition by Enertopia of the exclusive worldwide licensing rights (the "Licensing Rights") by Enertopia of all of the technology used in the process of recovering and extraction of battery grade lithium carbonate powder  $\text{Li}_2\text{CO}_3$  grading 99.5% or higher purity from brine solutions.

Upon the execution of this LOI, Enertopia issued 250,000 common shares valued at \$12,500 to GWT.



On December 6, 2016, and amended on October 9, 2017, Enertopia and GWT signed a Definitive Commercial Agreement with regard to the acquisition by Enertopia of the exclusive licensing rights in the United States of America, Argentina, Bolivia and Chile, of all of the technology used in the process of recovering and extraction of battery grade lithium carbonate powder  $\text{Li}_2\text{CO}_3$  grading 99.5% or higher purity from brine solutions.

The following are key points of the terms of the formal Definitive Commercial Agreement:

- a) Enertopia to pay within 30 days to GWT \$10,000 (paid) for the bench testing of four lithium brine samples to confirm the June 2016 feasibility report. During the three month period ended November 30, 2017, the Company signed a Lab Testing Service Agreement with GWT and paid \$96,475 for the purpose of additional bench testing services with a further \$96,475 due December 15, 2017 (paid subsequent to the three months ended November 30, 2017) plus materials costs of \$8,998 (paid subsequent to the three months ended November 30, 2017). Within 30 days of successful independent 3<sup>rd</sup> party lab testing of the bench test results, Enertopia will issue 250,000 common shares to GWT.
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- b) Upon successful test pilot facility results, start the construction of commercial Lithium recovery production facility.
- c) Upon receipt of a patent for the process for extracting lithium from wastewater, Enertopia will issue 250,000 common shares to GWT.
- d) GWT has granted Enertopia exclusive rights and relicensing rights to the usage of GWT's patent pending technology covering United States of America, Argentina, Bolivia and Chile as per the Commercialization Agreement in return for 10 per cent of net sales royalty payments for battery grade Lithium Carbonate  $\text{Li}_2\text{CO}_3$  produced.
- e) In order to maintain its exclusive rights, Enertopia will need to make the following minimal payments to GWT on the anniversary of bench testing achieving 99.5% battery grade  $\text{Li}_2\text{CO}_3$  recovery verified by independent laboratory testing:
  - a. On or before the first anniversary, the greater of 10 per cent of Enertopia net Lithium Carbonate  $\text{Li}_2\text{CO}_3$  sales from brine sources or \$50,000;
  - b. On or before the second anniversary, the greater of 10 per cent of Enertopia net Lithium Carbonate  $\text{Li}_2\text{CO}_3$  sales from brine sources or \$150,000;
  - c. On or before the third anniversary annually until the seventh anniversary, the greater of 10 per cent of Enertopia net Lithium Carbonate  $\text{Li}_2\text{CO}_3$  sales from brine sources or \$200,000;
  - d. Right of first refusal to renew exclusive rights and relicensing rights for another 10 years after the first seven year licensing period on the same net sales terms as those of 2023 or \$250,000 per annum.

### **Investments**

We currently hold the following investment interests:

#### **Equity Investment in Global Solar Water Power Systems Inc.**

During the year ended August 31, 2013, based on the management's assessment of GSWPS's current operations, the Company decided to write down long-term investment in GSWPS to \$1.

### **Summary**

The continuation of our business is dependent upon obtaining further financing, a successful program of development, and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There are no assurances that we will be able to obtain further funds required for our continued operations. As noted herein, we are pursuing various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other obligations as they become due. In such event, we will be forced to scale down or perhaps even cease our operations. There is significant uncertainty as to whether we can obtain additional financing.

### **Competition**

There is strong competition relating to all aspects of the resource sector. We actively compete for capital, skilled personnel, market share, and in all other aspects of our operations with a substantial number of other organizations. These organizations include small development stage companies like our own, and large, established companies,

many of which have greater technical and financial resources than our company.

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***Compliance with Government Regulation***

The exploration and development of mineral properties is subject to various United States federal, state and local and foreign governmental regulations. We may from time to time, be required to obtain licenses and permits from various governmental authorities in regards to the exploration of our property interests.

***Purchase of Significant Acquisition***

Not applicable

***Corporate Offices***

The address of our principal executive office is 156 Valleyview Rd, Kelowna, British Columbia V1X 3M4. Our telephone number is (250) 765-6412. Our current location provides adequate office space for our purposes at this stage of our development.

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## *Employees*

We primarily used the services of sub-contractors and consultants for our intended business operations. Our technical consultant is Mr. McAllister, our president and a director.

We entered into a consulting agreement with Mr. Robert McAllister on December 1, 2007. During the term of this agreement, Mr. McAllister is to provide corporate administration and consulting services, such duties and responsibilities to include provision of oil and gas industry consulting services, strategic corporate and financial planning, management of the overall business operations of the Company, and supervising office staff and exploration and oil & gas consultants. Mr. McAllister is reimbursed at the rate of \$2,000 per month. On December 1, 2008, the consulting fee was increased to \$5,000 per month. We may terminate this agreement without prior notice based on a number of conditions. Mr. McAllister may terminate the agreement at any time by giving 30 days written notice of his intention to do so. Effective March 1, 2014, the Company entered into a new Management Consulting Agreement replacing the original agreement with a consulting fee of \$6,500 plus GST per month. Effective July 1, 2017, the Company entered into a new Management Consulting Agreement replacing the March 1, 2014 agreement with a consulting fee of \$3,500 plus GST per month. On July 31, 2017 Mr. McAllister agreed to be intern CFO until such time as a replacement could be sourced.

We do not expect any material changes in the number of employees over the next 12 month period. We do and will continue to outsource contract employment as needed.

## **Off-Balance Sheet Arrangements**

We have no significant 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 are material to stockholders.

## **Critical Accounting Policies**

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles used in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financials.

## **Mineral Properties**

Acquisition costs of mineral rights are initially capitalized as incurred while exploration and pre-extraction expenditures are expensed as incurred until such time proven or probable reserves are established for that project. Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of mineral properties.

Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project's capitalized expenditures are depleted over proven and probable reserves using the units-of-production method upon commencement of production. Where proven and probable reserves have not been established, the project's capitalized expenditures are depleted over the estimated extraction life using the straight-line method upon commencement of extraction. The Company has not

established proven or probable reserves for any of its projects.

The carrying values of the mineral rights are assessed for impairment by management on a quarterly basis and as required whenever indicators of impairment exist. An impairment loss is recognized if it is determined that the carrying value is not recoverable and exceeds fair value.

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## **Long-Lived Assets Impairment**

In accordance with ASC 360, “Accounting for Impairment or Disposal of Long Lived Assets”, the carrying value of long lived assets are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

## **Revenue Recognition**

The Company recognizes revenue from product sales when persuasive evidence of an arrangement exists, title to product and associated risk of loss has passed to the customer, the price is fixed or determinable, collection from the customer is reasonably assured, the Company has no further performance obligation, and returns can be reasonably estimated.

## **Going Concern**

We have suffered recurring losses from operations. The continuation of our Company as a going concern is dependent upon our Company attaining and maintaining profitable operations and/or raising additional capital. The financial statements do not include any adjustment relating to the recovery and classification of recorded asset amounts or the amount and classification of liabilities that might be necessary should our Company discontinue operations.

The continuation of our business is dependent upon us raising additional financial support and/or attaining and maintaining profitable levels of internally generated revenue. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

## **Recently Issued Accounting Standards**

In March 2016, the FASB issued guidance which simplifies several aspects of accounting for share-based payment award transactions including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. The guidance is effective for the Company in the first quarter of fiscal 2018 and earlier adoption is permitted. The Company is evaluating the impact of adopting this new accounting guidance on its financial statements.

In June 2016, the FASB issued guidance that changes the accounting for recognizing impairments of financial assets. Under the new guidance, credit losses for certain types of financial instruments will be estimated based on expected losses. The new guidance also modifies the impairment models for available-for-sale debt securities and for purchased financial assets with credit deterioration since their origination. The guidance is effective for the Company in the first quarter of fiscal 2021 and earlier adoption is permitted. The Company is evaluating the impact of adopting this new accounting guidance on its financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (“ASU 2016-15”), which clarifies how companies present and classify certain cash receipts and cash payments in the statement of cash flows. The standard will be effective for the Company beginning August 1, 2018. The Company is evaluating the impact of adopting this new accounting guidance on its financial statements.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (“ASU 2016-18”), which requires the statement of cash flows to report changes in cash, cash equivalents, and restricted cash. The standard will be effective for the Company beginning August 1, 2018. The Company is evaluating the impact of

adopting this new accounting guidance on its financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's financial statements upon adoption.

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**Results of Operations    Three Months Ended November 30, 2017 and November 30, 2016**

The following summary of our results of operations should be read in conjunction with our financial statements for the quarter ended November 30, 2017, which are included herein.

Our operating results for the three months ended November 30, 2017, for the three months ended November 30, 2016 and the changes between those periods for the respective items are summarized as follows:

		<b>Three Months Ended November 30, 2017</b>		<b>Three Months Ended November 30, 2016</b>		<b>Change Between Three Month Period Ended November 30, 2017 and November 30, 2016</b>
Revenue (cost recovery)	\$	Nil	\$	Nil	\$	Nil
Cost of Product Sales		Nil		Nil		Nil
Other (income) expenses		(589)		(12,599)		12,010
General and administrative		193,931		178,311		15,620
Bank charges and interest expense		357		1,252		(895)
Consulting fees		10,700		39,128		(28,428)
Stock Based Compensation		31,237		39,646		(8,409)
Exploration Expenses		Nil		31,509		(31,509)
Research and Development		108,748		Nil		108,748
Professional Fees		3,748		6,336		(2,588)
Net income (loss)		(193,342)		(165,712)		(27,630)

Our accumulated losses increased to \$13,435,105 at November 30, 2017. Our financial statements report revenue of \$nil for the three months ended November 30, 2017 and November 30, 2016. Our financial statements report a net loss of \$193,342 for the three-month period ended November 30, 2017, compared to a net loss of \$165,712 for the three-month period ended November 30, 2016. Our net losses have increased by \$27,630 for the three month period ended November 30, 2017. Our general and administrative expenses were higher by \$15,620 for November 30, 2017 compared to November 30, 2016. The increase was largely due to increased research and development expenditures, which were offset by lower consulting fees, stock based compensation, exploration expenses and professional fees for the three month period ended November 30, 2017 compared to November 30, 2016. Additionally, the Company incurred lower investor relations and rent expenses for the three month period ended November 30, 2017, compared to November 30, 2016.

As at November 30, 2017, we had \$437,576 in current liabilities. The increase is largely due to timing of trade payables due for the quarter. Our net cash used in operating activities for the three months ended November 30, 2017 was \$200,170 compared to \$116,823 used in the three months ended November 30, 2016.

Our total liabilities as of November 30, 2017 were \$437,576 as compared to total liabilities of \$428,741 as of August 31, 2017.

**Liquidity and Financial Condition***Working Capital*

	At November 30, 2017	At August 31, 2017
Current assets	\$ 126,335	\$ 178,712
Current liabilities	(437,576)	(428,741)
Working capital (deficiency)	\$ (311,241)	\$ (250,029)

*Cash Flows*

	Three Months Ended	
	November 30 2017	November 30 2016
Cash flows (used in) operating activities	\$ (200,170)	\$ (116,823)
Cash flows from financing activities	100,893	97,651
Cash flows from investing activities	-	20,979
Net increase (decrease) in cash during period	\$ (99,277)	\$ 1,807

*Operating Activities*

Net cash used in operating activities was \$200,170 in the three months ended November 30, 2017 compared with net cash used in operating activities of \$116,823 in the same period in 2016. The increase in cash used mostly results from increased operating costs incurred in the current period from research and development expenses and increased prepaid expenses.

*Financing Activities*

Net cash provided by financing activities was \$100,893 in the three months ended November 30, 2017 compared to \$97,651 in the same period in 2016. The cash provided was from the private placements.

*Investing Activities*

Net cash provided in investing activities was \$Nil in the three months ended November 30, 2017 compared to \$20,979 in the same period in 2016. The cash provided in the three months ended November 30, 2016 was from sale of marketable securities and purchase of Lithium Brine properties.

**Item 4. Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the *Securities Exchange Act of 1934*, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our president (also our principal executive officer) and our secretary, treasurer and chief financial officer (also our principal financial and accounting officer) to allow for timely decisions regarding required disclosure.

As of November 30, 2017, the end of our first quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our president (also our principal executive officer) and our secretary, treasurer and chief financial officer (also our principal financial and accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our president (also our principal executive officer) and our secretary, treasurer and chief financial officer (also our principal financial and accounting officer) concluded that our disclosure controls and procedures were effective in providing reasonable

assurance in the reliability of our financial reports as of the end of the period covered by this quarterly report.

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***Inherent limitations on effectiveness of controls***

Internal control over financial reporting has inherent limitations which include but is not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. Internal control over financial reporting is a process which involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis, however these inherent limitations are known features of the financial reporting process and it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***Changes in Internal Control over Financial Reporting***

There have been no changes in our internal controls over financial reporting that occurred during the quarter ended November 30, 2017, that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

**PART II**

**OTHER INFORMATION**

**Item 1. Legal Proceedings**

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, executive officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

**Item 1A. Risk Factors**

Much of the information included in this prospectus includes or is based upon estimates, projections or other "forward-looking statements". Such forward-looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other "forward-looking statements" involve various risks and uncertainties as outlined below. We caution readers of this prospectus that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other "forward-looking statements". In evaluating us, our business and any investment in our business, readers should carefully consider the following factors.

Our common shares are considered speculative. Prospective investors should consider carefully the risk factors set out below.



## **Risks Associated with Business**

*Our company has no operating history and an evolving business model, which raises doubt about our ability to achieve profitability or obtain financing.*

Our Company has no operating history. Moreover, our business model is still evolving, subject to change, and will rely on the cooperation and participation of our joint venture partners. Our Company's ability to continue as a going concern is dependent upon our ability to obtain adequate financing and to reach profitable levels of operations has and we no proven history of performance, earnings or success. There can be no assurance that we will achieve profitability or obtain future financing.

*Uncertain demand for mineral resources sector may cause our business plan to be unprofitable.*

Demand for mineral resources is based on the world economy and new technologies. Current lithium demand exceeds available supply due to the rapid increase in lithium batteries in portable electronics and the growing electric vehicle markets. There can be no assurance that current supply and demand factors will remain the same or that projected supply and demand factors will actually come to pass from 3<sup>rd</sup> party projections that are currently believed to be true and accurate. There can be no assurance that new disruptive technologies will replace lithium as a significant component in battery storage over time.

*Conflicts of interest between our company and our directors and officers may result in a loss of business opportunity.*

Our directors and officers are not obligated to commit their full time and attention to our business and, accordingly, they may encounter a conflict of interest in allocating their time between our future operations and those of other businesses. In the course of their other business activities, they may become aware of investment and business opportunities which may be appropriate for presentation to us as well as other entities to which they owe a fiduciary duty. As a result, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. They may also in the future become affiliated with entities, engaged in business activities similar to those we intend to conduct.

In general, officers and directors of a corporation are required to present business opportunities to a corporation if:

- the corporation could financially undertake the opportunity;

- the opportunity is within the corporation's line of business; and

- it would be unfair to the corporation and its stockholders not to bring the opportunity to the attention of the corporation.

We plan to adopt a code of ethics that obligates our directors, officers and employees to disclose potential conflicts of interest and prohibits those persons from engaging in such transactions without our consent. Despite our intentions, conflicts of interest may nevertheless arise which may deprive our company of a business opportunity, which may impede the successful development of our business and negatively impact the value of an investment in our company.

*The speculative nature of our business plan may result in the loss of your investment.*

Our operations are in the start-up or stage only, and are unproven. We may not be successful in implementing our business plan to become profitable. There may be less demand for our services than we anticipate. There is no assurance that our business will succeed and you may lose your entire investment.

*Changing consumer preferences may cause our planned products to be unsuccessful in the marketplace.*



The decision of a potential client to undergo an environmental audit or review may be based on ethical or commercial reasons. In some instances, or with certain businesses, there may be no assurance that an environmental review will result in any cost savings or increased revenues. As such, unless the ethical consideration is also a material factor, there may be no incentive for such businesses to undertake an environmental review. Changes in consumer and commercial preferences, or trends, toward or away from environmental issues may impact on businesses' decisions to undergo environmental reviews.

*General economic factors may negatively impact the market for our planned products.*

The willingness of businesses to spend time and money on energy efficiency may be dependent upon general economic conditions; and any material downturn may reduce the likelihood of businesses incurring costs toward what some businesses may consider a discretionary expense item.

*A wide range of economic and logistical factors may negatively impact our operating results.*

Our operating results will be affected by a wide variety of factors that could materially affect revenues and profitability, including the timing and cancellation of customer orders and projects, competitive pressures on pricing, availability of personnel, and market acceptance of our services. As a result, we may experience material fluctuations in future operating results on a quarterly and annual basis which could materially affect our business, financial condition and operating results.

*Changes In Environmental Regulations May Have An Impact On Our Operations*

We believe that we currently comply with existing environmental laws and regulations affecting our proposed operations. While there are no currently known proposed changes in these laws or regulations, significant changes have affected the industry in the past and additional changes may occur in the future. The company is subject to the Bureau of Land Management ("BLM"), State and potentially other government agencies with respect to its lithium brine business.

Our operations may be subject to environmental laws, regulations and rules promulgated from time to time by government. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means stricter standards and enforcement. Fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies, directors, officers and employees. The cost of compliance with changes in governmental regulations has potential to reduce the profitability of operations. We intend to comply with all environmental regulations in the United States and Canada.

*Loss of consumer confidence in our company or in our industry may harm our business.*

Demand for our services may be adversely affected if consumers lose confidence in the quality of our services or the industry's practices. Adverse publicity may discourage businesses from buying our services and could have a material adverse effect on our financial condition and results of operations. Various factors may adversely impact our reputation, including product quality inconsistencies or contamination resulting in product recalls. Reputational risks may also arise from our third parties' labour standards, health, safety and environmental standards, raw material sourcing, and ethical standards. We may also be the victim of product tampering or counterfeiting or grey imports. Any litigation, disputes on tax matters and pay structures may subject us to negative attention in the press, which can damage reputation.

*The failure to secure customers may cause our operations to fail.*



We currently have no long-term agreements with any customers. Many of our sales may be on a “onetime” basis. Accordingly, we will require new customers on a continuous basis to sustain our operations. Risk of material impact on Group growth and profit of consumer led slowdown in key developing markets, exacerbated by increasing currency volatility. A variety of factors may adversely affect our results of operations and financial condition during periods of economic uncertainty or instability, social or labour unrest or political upheaval in the markets in which we operate. Such periods may also lead to government actions, such as imposition of martial law, trade restrictions, foreign ownership restrictions, capital, price or currency controls, nationalization or expropriation of property or other resources, or changes in legal and regulatory requirements and taxation regimes.

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*If we fail to effectively and efficiently advertise, the growth of our business may be compromised.*

The future growth and profitability of our business will be dependent in part on the effectiveness and efficiency of our advertising and promotional expenditures, including our ability to (i) create greater awareness of our products, (ii) determine the appropriate creative message and media mix for future advertising expenditures, and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that we will experience benefits from advertising and promotional expenditures in the future. In addition, no assurance can be given that our planned advertising and promotional expenditures will result in increased revenues, will generate levels of service and name awareness or that we will be able to manage such advertising and promotional expenditures on a cost-effective basis.

*Our success is dependent on our unproven ability to attract qualified personnel.*

We depend on our ability to attract, retain and motivate our management team, consultants and advisors. There is strong competition for qualified technical and management personnel in the business sector, and it is expected that such competition will increase. Our planned growth will place increased demands on our existing resources and will likely require the addition of technical personnel and the development of additional expertise by existing personnel. There can be no assurance that our compensation packages will be sufficient to ensure the continued availability of qualified personnel who are necessary for the development of our business.

*We have a limited operating history with losses and we expect the losses to continue, which raises concerns about our ability to continue as a going concern.*

We have generated minimal revenues since our inception and will, in all likelihood, continue to incur operating expenses with minimal revenues until we are able to successfully develop our business. Our business plan will require us to incur further expenses. We may not be able to ever become profitable. These circumstances raise concerns about our ability to continue as a going concern. We have a limited operating history and must be considered in the start-up stage.

There is an explanatory paragraph to their audit opinion issued in connection with the financial statements for the year ended August 31, 2016 with respect to their doubt about our ability to continue as a going concern. As discussed in Note 2 to our financial statements for the year ended August 31, 2016, we have incurred a net loss of \$525,501 for the year ended August 31, 2016 (net loss \$1,149,433 for the year ended August 31, 2015) and as at August 31, 2016 has incurred cumulative losses of \$12,440,597 that raises substantial doubt about its ability to continue as a going concern. Our management has been able, thus far, to finance the operations through equity financing and cash on hand. There is no assurance that our company will be able to continue to finance our company on this basis

*Without additional financing to develop our business plan, our business may fail.*

Because we have generated only minimal revenue from our business and cannot anticipate when we will be able to generate meaningful revenue from our business, we will need to raise additional funds to conduct and grow our business. We do not currently have sufficient financial resources to completely fund the development of our business plan. We anticipate that we will need to raise further financing. We do not currently have any arrangements for financing and we can provide no assurance to investors that we will be able to find such financing if required. The most likely source of future funds presently available to us is through the sale of equity capital. Any sale of share capital will result in dilution to existing security-holders.

*We may not be able to obtain all of the licenses necessary to operate our business, which would cause our business to fail.*

Our operations require licenses and permits from various governmental authorities related to the establishment of our planned facilities, to the production, storage and distribution of our products, and to the disposal of waste. We believe that we will be able to obtain all necessary licenses and permits under applicable laws and regulations for our operations and believe we will be able to comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that we will be able to obtain or maintain all necessary licenses and permits.

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*Changes in health and safety regulation may result in increased or insupportable financial burden on our company.*

We believe that we currently comply with existing laws and regulations affecting our product and operations. While there are no currently known proposed changes in these laws or regulations, significant changes have affected the industry in the past and additional changes may occur in the future.

Our products and operations may be subject to unanticipated regulations and rules promulgated from time to time by government, namely those related to consumer health and safety which may render certain production methods, ingredients, products or practices obsolete. The cost of compliance with changes in governmental regulations has potential to reduce the viability or profitability of our products or operations.

*If we are unable to recruit or retain qualified personnel, it could have a material adverse effect on our operating results and stock price.*

Our success depends in large part on the continued services of our executive officers and third party relationships. We currently do not have key person insurance on these individuals. The loss of these people, especially without advance notice, could have a material adverse impact on our results of operations and our stock price. It is also very important that we be able to attract and retain highly skilled personnel, including technical personnel, to accommodate our exploration plans and to replace personnel who leave. Competition for qualified personnel can be intense, and there are a limited number of people with the requisite knowledge and experience. Under these conditions, we could be unable to recruit, train, and retain employees. If we cannot attract and retain qualified personnel, it could have a material adverse impact on our operating results and stock price.

*If we fail to effectively manage our growth our future business results could be harmed and our managerial and operational resources may be strained.*

As we proceed with our business plan, we expect to experience significant and rapid growth in the scope and complexity of our business. We will need to add staff to market our services, manage operations, handle sales and marketing efforts and perform finance and accounting functions. We will be required to hire a broad range of additional personnel in order to successfully advance our operations. This growth is likely to place a strain on our management and operational resources. The failure to develop and implement effective systems, or to hire and retain sufficient personnel for the performance of all of the functions necessary to effectively service and manage our potential business, or the failure to manage growth effectively, could have a materially adverse effect on our business and financial condition.

### **Risks Associated with the Shares of Our Company**

*Because we do not intend to pay any dividends on our shares, investors seeking dividend income or liquidity should not purchase our shares.*

We have not declared or paid any dividends on our shares since inception, and do not anticipate paying any such dividends for the foreseeable future. We presently do not anticipate that we will pay dividends on any of our common stock in the foreseeable future. If payment of dividends does occur at some point in the future, it would be contingent upon our revenues and earnings, if any, capital requirements, and general financial condition. The payment of any common stock dividends will be within the discretion of our Board of Directors. We presently intend to retain all earnings to implement our business plan; accordingly, we do not anticipate the declaration of any dividends for common stock in the foreseeable future.

Investors seeking dividend income or liquidity should not invest in our shares.

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*Because we can issue additional shares, purchasers of our shares may incur immediate dilution and may experience further dilution.*

We are authorized to issue up to 200,000,000 shares. The board of directors of our company has the authority to cause us to issue additional shares, and to determine the rights, preferences and privileges of such shares, without consent of any of our stockholders. Consequently, our stockholders may experience more dilution in their ownership of our company in the future.

## **Other Risks**

*Trading on the OTCQB and CSE may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.*

Our common stock is quoted on the OTCQB electronic quotation service operated by OTC Markets Group Inc.. Trading in stock quoted on the OTCQB is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTCQB is not a stock exchange, and trading of securities on the OTCQB is often more sporadic than the trading of securities listed on a quotation system like Nasdaq or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of the shares.

*Our stock is a penny stock. Trading of our stock may be restricted by the Securities and Exchange Commission's penny stock regulations which may limit a stockholder's ability to buy and sell our stock.*

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15c-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

*The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements which may also limit a stockholder's ability to buy and sell our stock.*

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable

for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

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*We believe that our operations comply, in all material respects, with all applicable environmental regulations.*

Our operating partners maintain insurance coverage customary to the industry; however, we are not fully insured against all possible environmental risks.

*Any change to government regulation/administrative practices may have a negative impact on our ability to operate and our profitability.*

The laws, regulations, policies or current administrative practices of any government body, organization or regulatory agency in the United States, Canada, or any other jurisdiction, may be changed, applied or interpreted in a manner which will fundamentally alter the ability of our company to carry on our business.

The actions, policies or regulations, or changes thereto, of any government body or regulatory agency, or other special interest groups, may have a detrimental effect on us. Any or all of these situations may have a negative impact on our ability to operate and/or our profitability.

*Because we can issue additional shares, purchasers of our shares may incur immediate dilution and may experience further dilution.*

We are authorized to issue up to 200,000,000 shares. The board of directors of our company has the authority to cause us to issue additional shares, and to determine the rights, preferences and privileges of such shares, without consent of any of our stockholders. Consequently, our stockholders may experience more dilution in their ownership of our company in the future.

*Our by-laws contain provisions indemnifying our officers and directors against all costs, charges and expenses incurred by them.*

Our by-laws contain provisions with respect to the indemnification of our officers and directors against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by him, including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which he is made a party by reason of his being or having been one of our directors or officers.

*Investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share if we issue additional shares or raise funds through the sale of equity securities.*

Our constating documents authorize the issuance of 200,000,000 shares of common stock with a par value of \$0.001. In the event that we are required to issue any additional shares or enter into private placements to raise financing through the sale of equity securities, investors' interests in our company will be diluted and investors may suffer dilution in their net book value per share depending on the price at which such securities are sold. If we issue any such additional shares, such issuances also will cause a reduction in the proportionate ownership and voting power of all other shareholders. Further, any such issuance may result in a change in our control.

*Our by-laws do not contain anti-takeover provisions, which could result in a change of our management and directors if there is a take-over of our company.*

We do not currently have a shareholder rights plan or any anti-takeover provisions in our By-laws. Without any anti-takeover provisions, there is no deterrent for a take-over of our company, which may result in a change in our management and directors.

*As a result of a majority of our directors and officers are residents of other countries other than the United States, investors may find it difficult to enforce, within the United States, any judgments obtained against our company or our directors and officers.*

Other than our operations office in Kelowna, British Columbia, we do not currently maintain a permanent place of business within the United States. In addition, a majority of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against our company or our officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof.

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*Trends, risks and uncertainties.*

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise such as a black swan event. An absolute worst case scenario with sufficient potential impact to risk the future of the company as an independent business operating in its chosen markets. Significant reputational impact as a result of a major issue resulting in multiple fatalities, possibly compounded by apparently negligent management behavior; extreme adverse press coverage and viral social media linking the Company name to consumer brands, leads to a catastrophic share price fall, very significant loss of consumer confidence and inability to retain and recruit quality people. Investors should carefully consider all of such risk factors before making an investment decision with respect to our common shares.

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

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Submission of Matters to a Vote of Securities Holders**

None.

**Item 5. Other Information**

Due to the implementation of British Columbia Instrument 51-509 on September 30, 2008 by the British Columbia Securities Commission, we have been deemed to be a British Columbia based reporting issuer. As such, we are required to file certain information and documents at [www.sedar.com](http://www.sedar.com).

**Item 6. Exhibits**

Exhibit Number	Description
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(i)	Articles of Incorporation; and (ii) Bylaws
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3.1*	<u>Articles of Incorporation</u>
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3.2*	<u>Bylaws</u>
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31.1	<u>Certification Pursuant to 18 U.S.C. ss 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer)</u>
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31.2	<u>Certification Pursuant to 18 U.S.C. ss 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer)</u>
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32.1	<u>Certification Pursuant to 18 U.S.C. ss 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer)</u>
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32.2	
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Certification Pursuant to 18 U.S.C. ss 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer)

\*Incorporated by reference to same exhibit filed with the Company's Registration Statement on Form SB-2 dated January 10, 2006.

\*\*Certain parts of this document have not been disclosed and have been filed separately with the Secretary, Securities and Exchange Commission, and is subject to a confidential treatment request pursuant to Rule 24b-2 of the Securities Exchange Act of 1934.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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.

**ENERTOPIA CORP.**

By: */s/ "Robert McAllister "*  
Robert McAllister,  
President (Principal Executive Officer)  
01/10/2018

By: */s/ "Robert McAllister"*  
Robert McAllister,  
Chief Financial Officer  
01/10/2018

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