

Enertopia Corp.
Form 10-K
November 14, 2017

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

FORM 10-K

(Mark One)

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

For the fiscal year ended **August 31, 2017**

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 CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

20-1970188

(I.R.S. Employer Identification No.)

156 VALLEYVIEW RD, KELOWNA, BRITISH COLUMBIA, CANADA

(Address of principal executive offices)

V1X 3M4

(Zip Code)

Registrant's telephone number, including area code: **250-765-6412**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

N/A

Name of Each Exchange On Which Registered

N/A

Securities registered pursuant to Section 12(g) of the Act:

N/A

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the

Act

Yes [] No [X]

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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 last 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-K (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

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

Yes No

State the aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and ask price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

The aggregate market value of Common Stock held by non-affiliates of the Registrant on February 28, 2017 was \$6,948,750 based on a \$0.075 closing price for the Common Stock on February 28, 2017. For purposes of this computation, all executive officers and directors have been deemed to be affiliates. Such determination should not be deemed to be an admission that such executive officers and directors are, in fact, affiliates of the Registrant.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

104,898,031 common shares as of November 10, 2017

DOCUMENTS INCORPORATED BY REFERENCE

None.

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PART I

Item 1. Business

This annual report contains forward-looking statements. 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 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 financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this annual report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to *common shares* refer to the common shares in our capital stock.

As used in this annual report and unless otherwise indicated, the terms "we", "us", "our", *our Company*, *the Company*, and "Enertopia" mean Enertopia Corp.

General 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. In addition, we have a second office located in Kelowna, British Columbia. Our current location provide adequate office space for our purposes at this stage of our development.

Summary of Recent Business

Our Company is diverse in its pursuit of business opportunities in the natural resource sector and technology used in the resource sector.

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.

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.

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.

Chronological Overview of our Business over the Last Five Years

On January 31, 2011, the Company entered into a letter of intent and paid US\$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 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 was comprised of 56 located mining claims covering a total of 1,150 acres located in New Mexico, USA. The Optionors held 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 assigned the Indirect Agreements to the Company. In order to earn the interest in the Copper Hills property, the Company was 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, 2012, the Company 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, 2011-\$72,045); the Company has expensed the exploration costs of \$143,680 (August 31, 2011-\$14,094).

On March 3, 2011, we 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, 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. Per the terms of the Subscription Agreement, our company granted 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 until March 3, 2013, 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 27, 2011, we entered into a debt settlement agreement with the President of our Company regarding 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, we 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 a debt settlement agreement with one of the holders, a company controlled by the Chairman/CEO of our Company, whereby we issued 360,000 common shares 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 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 continued their practice with MNP. On June 22, 2011, we engaged MNP as our independent registered public accounting firm.

On July 19, 2011, we entered into a letter of intent and paid US\$15,000 deposit to Altar Resources. Subsequent to August 31, 2011, on October 11, 2011, we 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 were located in Arizona, and covered approximately 6,220 acres controlled by Altar Resources directly and indirectly through federal mining claims and state mineral exploration leases. The Company was 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 August 31, 2012, Enertopia had made aggregate cash payments of \$84,980 and issued 100,000 shares at price of \$0.10 per share to Altar Resources, and expensed the exploration costs of \$31,423 in relation to the property.

On January 6, 2012, we entered into a share purchase agreement with a third party. The Company agreed to sell to the Purchaser 250,000 units of Lexaria Corp. at a purchase price of US\$0.15 per unit, for a total of US\$37,500, by the effective closing date of January 6, 2012. In addition, pursuant to the terms of the Agreement, the purchaser had an option, at its sole discretion, to pay US\$0.25 per unit or approximately US\$62,500 to purchase the remaining 249,893 units on or before March 2, 2012. The Purchaser did not exercise the option to purchase the remaining 249,893 units.

On February 9, 2012, the Company signed a Loan Agreement with Robert McAllister, director of the Company to borrow \$50,000 (CAD\$50,000). The loan was unsecured, due on May 9, 2012 and subject to an interest rate of 10% per annum. This loan was repaid in full in 2014.

On March 19, 2012, the Company’s Board appointed Dr. John Thomas as Director and Mr. Tony Gilman and Dr. Stefan Kruse as Advisors of the Company. The Company concurrently granted an additional 450,000 stock options to Directors and Advisors of the Company. The exercise price of the stock options was \$0.15, of which 225,000 options vested immediately and 225,000 options vested on August 15, 2012. The options expire March 19, 2017. On March 27, 2012, the Company granted 250,000 stock options to an Investor Relations company with an exercise price of \$0.15, of which 125,000 vested immediately and 125,000 vested on June 27, 2012, all of which expire on March 27, 2017.

On April 10, 2012, the Company granted 25,000 stock options to a consultant of the Company with an exercise price of \$0.15, which vested immediately and expire on April 10, 2017.

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 (See Note 11(h)).

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. Each warrant was 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 was 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 July 27, 2012, the Company closed the first tranche of an offering memorandum placement of 600,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$30,000 or US\$30,000. Each Warrant was 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 and CEO participated in the private placement for \$10,000.00 and \$5,000.00 dollars respectively. The Company issued 60,000 brokers warrants in connection with the private placement.

On July 30, 2012, the Company entered into a share purchase agreement with the President of the Company, Robert McAllister. The Company sold to Mr. McAllister 249,893 shares of Lexaria Corp. at a purchase price of US\$0.075 per share, for a total of US\$18,741. As at August 31, 2012, the difference of the purchase price of \$0.075 per share and the stock market price of \$0.11 per share, in the amount of \$8,746, was recorded as stock based compensation.

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 was exercisable into one further share at a price of US\$0.10 per warrant share for the period of twelve months following closing; or at a price of US\$0.20 per warrant share for the period of 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. Each warrant was 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 of 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 to Altar Resources at the price of \$0.06. per share (\$6,000 in the aggregate) pursuant to its option agreement for Mildred Peak property

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. Each warrant was 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 of 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.

As at August 31, 2012, we had acquired a 9.82% (August 31, 2011 – 8.14%) ownership interest in Global Solar Water Power Systems Inc. ("GSWPS") pursuant to our February 28, 2010 Asset and Share Purchase Agreement with Mr. Mark Snyder. The aggregate purchase cost was \$145,500 and an issuance of 500,000 shares of the Company at \$0.25 per share for a combined value of \$270,500. In November 2012, we obtained a valuation report from RWE Growth Partners Inc. regarding our investment in GSWPS. As a result of the report, the Company's long-term investment in GSWPS was written down to \$68,500 during fiscal 2012

On March 1, 2013, we settled accrued consulting fees of \$42,000 payable to Mr. Mark Snyder by transferring 1.68% of our ownership interest in GSWPS back to Mr. Snyder, thereby reducing the our interest in GSWPS from 9.82% to 8.14% . During the year ended August 31, 2013, based on our management's assessment of GSWPS's current operations, we wrote down our long-term investment in GSWPS to \$1.

On March 1, 2013, the Company settled a debt of \$16,000 incurred from September 1, 2011 to February 28, 2013 for consulting fees paid to 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 with respect to the Mildred Peak property.

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

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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.

On November 1, 2013 we entered into a Letter of Intent Agreement (“LOI”) with 0786521 BC Ltd. (also known as World of Marijuana Productions Ltd. or WOM) to acquire 51% of the issued and outstanding capital stock of WOM. WOM was the owner and operator of a Medical Marihuana operation located in Mission, British Columbia, Canada. The LOI was not comprehensive and subject to the negotiation of a definitive agreement. Upon execution of the LOI, we issued 10,000,000 of our common shares to WOM. The LOI was superseded by our joint venture agreement with WOM 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 began on the date of execution of the agreement and continue for **two months**. Thereafter the agreement continues on a month-by-month basis subject to cancelation by 30 days written notice. In consideration for the services the Company paid the designees of Coal Harbour Communications a one-time payment of two hundred thousand shares (200,000) of our restricted common stock. 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.

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 per warrant 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 the agreement began on the date of execution and continued for three months. In consideration for the services we paid 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 subject to cancelation by 30 days written 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 WOM to acquire up to a 51% ownership interest in a prospective medical marijuana production facility to be located at WOM's establishment in Mission, British Columbia. WOM was to hold a 49% interest in the joint venture and was responsible to acquire a medical marijuana production licence from Health Canada. The Joint Venture Agreement superseded the Letter of Intent between our company and WOM dated November 1, 2013 (the "LOI"). As at March 11, 2014 our Company had earned a 31% interest in the World of Marijuana Joint Venture by paying and advancing \$375,000 and issuing 16,000,000 million shares of our common stock. The \$375,000 was intended to fund the joint venture through completion of facility upgrades and completion of the licensing process. Pursuant to the terms of the Joint Venture Agreement, our company could purchase up to a 51% interest in the joint venture in consideration of an additional 4,000,000 shares and \$1,000,000 in the aggregate. 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.

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 could 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 by February 28, 2015. With the exception of \$113,400 payable to Wolverton Securities, the full amount of the \$500,000 was to be used by GCL to upgrade the GCL's existing medical marijuana production facility to meet the standards introduced by the Marihuana for Medical Purposes Regulations ("MMPR") administered by Health Canada.

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 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 each paid a \$1,000 honorarium. 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. Robert Chadwick and Clayton Newbury stepped down as advisors on October 17, 2014.

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.

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, Dr. Melamede stepped down as an advisor on June 16, 2015.

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 effective August 31, 2014.

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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, we entered into a Letter of Intent ("LOI") with Lexaria Corp regarding the establishment of a joint venture to establish a medical marijuana production facility in Burlington, Ontario under the MMPR regulations. Pursuant to the LOI Lexaria issued 500,000 of its common shares to our company to be held in escrow subject to receipt of an MMPR production license by our joint venture. Lexaria also contributed \$55,000 to acquire a 49% interest in the joint venture and the responsibility to pay 55% of all joint venture expenses. We contributed \$45,000 for a 51% interest and the responsibility to pay 45% of all expenses. We were to be responsible for management of the joint venture for as long as we maintained majority ownership.

Also effective April 10, 2014 the Burlington Joint Venture entered into a letter of intent with Mr. Jeff Paikin on behalf of 1475714 ONTARIO INC. to secured a future lease for a 30,000 ft² medical marijuana production space in Burlington, Ontario. We also acquired a right of first refusal for another 45,000 ft² to accommodate future growth. We issued 38,297 common shares to Mr. Paikin at a deemed price of \$0.47 to secure our interest in the lease. The production target for the facility based on 30,000 ft² (with approximately 50% devoted to production space) was approximately 10,000 kilograms per year production.

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 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. The agreement was terminated on June 16, 2015.

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. This agreement was terminated on June 16, 2015.

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 B. Mullan and Associates for the services of 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 LOI with Lexaria was replaced by a definitive joint venture agreement (the "Burlington Joint Venture") to establish a medical marijuana production facility under the MMPR at our planned Burlington, Ontario location. We received municipal zoning approval for the proposed site in July, 2014. Design and construction of the proposed facility was anticipated to cost approximately \$3,000,000, and we would be responsible for \$1,350,000 of this cost. Unable to estimate when a production license might be granted by Health Canada, the joint venture sought assurances from Health Canada prior to commencement of construction. In the event that Health Canada did not grant a production license by May 27, 2015, the Burlington Joint Venture was to terminate.

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.

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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.

On August 1, 2014, through our wholly owned subsidiary Thor Pharma Corp. we signed an extension to the letter of intent with 1475714 ONTARIO INC. and Lexaria Canpharm Corp. (a subsidiary of Lexaria) to secure a 5 year lease on the Burlington, Ontario facility for our Burlington Joint Venture. In consideration of the extension, on August 5, 2014, we issued 118,416 of our common shares of to the lessor at a deemed price of \$0.19 per share.

On September 16, 2014, our joint venture with the Green Canvas Ltd. made an application to Health Canada under the Marihuana for Medical Purposes Regulations (MMPR) to obtain a medical marijuana production license for a proposed facility located near Regina, Saskatchewan. Pursuant to the joint venture agreement, if a Heath Canada production license was not received by the first anniversary date of the agreement (February 28, 2015) our company would have no further obligations under the joint venture. If a license was obtained by February 28, 2015, we would be responsible to pay to the GCL \$250,000 and 3,000,000 common shares in consideration of an additional 2% interest in the joint venture.

On September 18, 2014 we announced that we had provided notice to WOM alleging default under the terms of the joint venture agreement for, among other things, WOM's failure to provide an accounting and financial information for the use of proceeds paid into the joint venture. On October 16, 2014 we entered into a termination and settlement agreement, dated effective October 14, 2014, with 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 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.

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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, 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.

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™. As at August 31, 2016, with the Company's strategic direction mostly being focused on natural resources and technology relating to the resource sector, the health and wellness portion of the business is discontinued.

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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, 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.

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 US\$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.

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 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.

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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 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 US\$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_2CO_3 grading 99.5% or higher purity from brine solutions (the "Technology") and covered under patent pending process #XXXXXX (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 August 31, 2016, with the Company's strategic direction mostly being focused on natural resources and technology relating to the resource sector, the health and wellness portion of the business is discontinued.

Our Current Business

We are a development stage company pursuing business opportunities in diverse sectors natural resource and technology used in the resource sector.

Mineral Property

Lithium Property

Enertopia signed the Definitive Agreement on May 12, 2016 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),
- (d) 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.

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 Li_2CO_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 Li_2CO_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. Subsequent to the year ended August 31, 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. Within 30 days of successful independent 3rd 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 Li_2CO_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 Li₂CO₃ recovery verified by independent laboratory testing:
 - a. On or before the first anniversary, the greater of 10 per cent of Enertopia net Lithium Carbonate Li₂CO₃ 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 Li₂CO₃ 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 Li₂CO₃ 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.

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.

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.

On October 9, 2009, the Company entered into a consulting agreement with BKB Management Ltd, a corporation organized under the laws of the Province of British Columbia. BKB Management controlled by the chief financial officer of the Company, Bal Bhullar. A fee of CAD\$4,675 including GST was paid per month. We may terminate this agreement without prior notice based on a number of conditions. BKB Management Ltd. may terminate the agreement

at any time by giving 30 days written notice of his intention to do so. Effective April 1, 2011, the fee is CAD\$5,500 plus GST. Effective March 1, 2014, the Company entered into a new Management Consulting Agreement replacing the original agreement with a consulting fee of CAD\$7,500 plus GST per month. On February 6, 2015, Ms. Bhullar was appointed as a director by the Board. On July 31, 2017 Ms. Bhullar resigned from her CFO and Director Positions.

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.

Research and Development

We have incurred \$25,418 in research and development expenditures over the last two fiscal years.

Item 1A. Risk Factors

Our business operations are subject to a number of risks and uncertainties, including, but not limited to those set forth below:

Risks Associated with Our 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 3rd 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.

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, 2017 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, 2017, we have incurred a net loss of \$801,166 for the year ended August 31, 2017 (net loss \$525,501 for the year ended August 31, 2016) and as at August 31, 2017 has incurred cumulative losses of \$13,241,763 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.

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.

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 OCTQB 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 OCTQB electronic quotation service operated by OTC Markets Group Inc.. Trading in stock quoted on the OCTQB 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 OCTQB is not a stock exchange, and trading of securities on the OCTQB 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 15g-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.

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 offices in Vancouver and 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.

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 1B. Unresolved Staff Comments

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 2. Properties

Executive Offices

The address of our executive office is 156 Valleyview RD, Kelowna, British Columbia V1X 3M4. This space is leased at CAD\$600 per month. Our main telephone number is (250) 765-6412. Our current location provides adequate office space for our purposes at this stage of our development.

Item 3. Legal Proceedings

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

Item 4. (Removed and Reserved).**PART II****Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common shares are quoted on the Over-the-Counter Bulletin Board and the OTCQB quotation service under the symbol ENRT. Our CUSIP number is 29277Q1047. Since August 13, 2010, our common shares have also been listed on the Canadian Securities Exchange (formerly known as the Canadian National Stock Exchange) under the symbol "TOP".

The following quotations reflect the high and low bids for our common shares based on inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

The high and low bid prices of our common stock on the OTCQB quotation service and Over-the-Counter Bulletin Board for the periods indicated below are as follows:

Quarter Ended⁽¹⁾	High	Low
August 2017	\$0.065	\$0.035
May 2017	\$0.125	\$0.05
February 2017	\$0.0975	\$0.02
November 2016	\$0.05	\$0.02

August 2016	\$0.044	\$0.014
May 2016	\$0.023	\$0.008
February 2016	\$0.023	\$0.007
November 2015	\$0.03	\$0.02
August 2015	\$0.03	\$0.02

(1) The quotations above were obtained from Yahoo Finance, reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

On November 10, 2017, the last closing price for one share of our common stock as reported by the OTC Bulletin Board was \$0.044. This closing price reflects an inter-dealer price, without retail mark-up, mark-down or commission, and may not represent an actual transaction.

The high and low bid prices (given in Canadian Dollars) of our common stock on the Canadian Securities Exchange for the periods indicated below are as follows:

Quarter Ended⁽¹⁾	High	Low
August 2017	\$0.08	\$0.05
May 2017	\$0.165	\$0.07
February 2017	\$0.15	\$0.025
November 2016	\$0.06	\$0.025

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August 2016	\$0.06	\$0.02
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May 2016	\$0.04	\$0.01
February 2016	\$0.03	\$0.01
November 2015	\$0.04	\$0.02
August 2015	\$0.04	\$0.03

(1) The quotations above were obtained from TD Waterhouse Investor Services, reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

As of November 10, 2017, there were 580 holders of record of our common stock. As of November 10, 2017, 104,898,031 common shares were issued and outstanding.

Our common shares are issued in registered form. Computershare, 2nd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9 (Telephone: 604-661-9400; Facsimile: 604-661-9549) is the transfer agent for our common shares.

Nevada Agency and Trust Company, is the agent for service in Nevada, 50 West Liberty Street, Suite 880, Reno, Nevada 89501 (Telephone: 775.322.0626; Facsimile: 775.322.5623) is the registrar agent.

Dividend Policy

We have not paid any cash dividends on our common stock and have no present intention of paying any dividends on the shares of our common stock. Our current policy is to retain earnings, if any, for use in our operations and in the development of our business. Our future dividend policy will be determined from time to time by our board of directors.

Recent Sales of Unregistered Securities

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 January 20, 2017 we 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 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\$0.06. A cash finders fee of CAD\$800.00 and 20,000 full warrants that expire January 20, 2019 was paid to Leede Jones Gable Inc.

On February 28, 2017 we closed the final 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 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\$0.06. A cash finders fee of CAD\$11,100.00 and 20,000 full warrants that expire January 20, 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 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 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. 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.

Equity Compensation Plan Information

We have no long-term incentive plans other than the stock option plan described below:

2007 Equity Compensation Plan

On April 25, 2007, our shareholders approved and adopted the 2007 equity incentive plan. The purpose of the Plan is to secure for our company and our shareholders the benefits of incentive inherent in share ownership by the directors and employees of our company and our Affiliates who, in the judgment of our board, will be largely responsible for our company's future growth and success. It is generally recognized that equity incentive plans of the nature provided for herein aid in retaining and encouraging directors and employees of exceptional ability because of the opportunity offered them to acquire a proprietary interest in our company.

The maximum number of Options available under the Plan, are for the issuance of up to 1,000,000 shares of common stock of our company.

On December 14, 2007, we granted 892,500 post share consolidation stock options to directors, officers, and consultants of our company exercisable at a price of \$0.70 per share for a period of 5 years. On October 22, 2009, we modified the exercise price of these stock options to \$0.20 per share. The vesting dates of the options are as below:

Vesting Dates	Percentage of options granted
December 14, 2007	25%
December 14, 2008	25%
December 14, 2009	25%
December 14, 2010	25%

On October 22, 2009, we granted an additional 500,000 stock options to our directors and consultants. The exercise price of the stock options is \$0.10 per share, which are vested immediately and expire October 22, 2014. This plan was rolled into the 2011 Stock Option Plan as approved by our shareholders on April 14, 2011.

2010 Equity Compensation Plan

On February 5, 2010, our shareholders approved and adopted the 2010 equity incentive plan. The purpose of the 2010 Plan is to enhance the long-term stockholder value of our company by offering opportunities to our directors, officers,

employees and eligible consultants to acquire and maintain stock ownership in our company in order to give these persons the opportunity to participate in our growth and success, and to encourage them to remain in our service.

Options that are eligible for grant under the 2010 Plan to Participants include: (a) incentive stock options, whereby we will grant options to purchase shares of our common stock to Participants with the intention that the options qualify as "incentive stock options" as that term is defined in Section 422 of the Internal Revenue Code; (b) non-incentive stock options, whereby we will grant options to purchase shares of our common stock to Participants that do not qualify as "incentive stock options" under the Internal Revenue Code; (c) stock appreciation rights; and (d) restricted shares. The 2010 Plan provides that a maximum of Two Million (2,000,000) shares of common stock are available for granting of awards under the 2010 Plan.

This plan was rolled into the 2011 Stock Option Plan as approved by our shareholders on April 14, 2011.

2011 Stock Option Plan

On April 14, 2011, our shareholders approved and adopted at the Annual General Meeting to roll our 2007 Equity compensation plan and our 2010 Equity Compensation Plan into a new 2011 Stock Option Plan. The purpose of this Plan is to advance the interests of our company, through the grant of Options, by providing an incentive mechanism to foster the interest of eligible persons in the success of our company and our affiliates; encouraging eligible persons to remain with our company or our affiliates; and attracting new directors, officers, employees and consultants.

This Plan shall be administered by our board. Subject to the provisions of this Plan, our board shall have the authority: to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of shares of common stock acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Participant's rights in respect of an Option or shares of common stock acquired upon exercise of an Option may be forfeited; to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section legislation hereof. Our board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon our company, Eligible Persons, Participants and all other persons.

The aggregate number of Common Shares that may be reserved, allotted and issued pursuant to Options shall not exceed 4,720,348 shares of common stock, less the aggregate number of shares of common stock then reserved for issuance pursuant to any other share compensation arrangement. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.

2014 Stock Option Plan

On July 15, 2014, the shareholders approved and adopted at the Annual General Meeting the Company's 2014 Stock Option Plan. The purpose of these Plan 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.

This Plan shall be administered by our board. Subject to the provisions of this Plan, our board shall have the authority: to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of shares of common stock acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Participant's rights in respect of an Option or shares of common stock acquired upon exercise of an

Option may be forfeited; to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section legislation hereof. Our board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon our company, Eligible Persons, Participants and all other persons.

The aggregate number of Common Shares that may be reserved, allotted and issued pursuant to Options shall not exceed 17,400,000 shares of common stock, less the aggregate number of shares of common stock then reserved for issuance pursuant to any other share compensation arrangement. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Participant. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

As at the date of the annual report, there was nil stock options exercised except for those disclosed in the regulatory filings and in the notes to the financial statements.

Equity Compensation Plan Information			
Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	Nil	Nil	Nil
2011 Stock Option Plan approved by security holders	500,000	\$0.06	4,220,348
2014 Stock Option Plan approved by security holders	6,795,000	\$0.07	10,605,000
Total	7,295,000	\$0.07	14,825,348

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We did not purchase any of our shares of common stock or other securities during our fiscal year ended August 31, 2017.

Item 6. Selected Financial Data

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our audited financial statements and the related notes that appear elsewhere in this annual 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 annual report, particularly in the section entitled Risk Factors beginning on page 10 of this annual report.

Our audited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

Plan of Operation

During the next twelve month period (beginning September 1, 2017), we intend to:

- identify and secure sources of equity and/or debt financing for property payments;
- identify and secure sources of equity and/or debt financing for resource acquisitions;
- identify and secure sources of equity and/or debt financing for pilot testing for Lithium technology

We anticipate that we will incur the following operating expenses during this period:

Estimated Funding Required During the 12 Months beginning September 1, 2017	
Expense	Amount (\$)
Mineral Costs	25,000
Bench Tests for Lithium Technology	225,000
Resource Acquisitions	100,000
Management Consulting Fees	100,000
Professional fees	100,000
Rent	10,000
Other general administrative expenses	75,000
Total	\$ 635,000

As at the date of this annual report, we do not have sufficient cash on hand to finance our entire potential and estimated \$635,000 cash obligation to the proposed spending for the 12 months beginning September 1, 2017. Based on our current cash position of \$150,870, we anticipate that we will require \$485,000 in additional cash to execute our business plan. In the event that we are unable raise sufficient cash we intend to reduce our planned expenditures to accommodate our means with a view toward prioritizing revenue generating activity and fulfilling our public reporting obligations. As at the date of this registration statement we have no financing arrangements in place.

Results of Operations for our Years Ended August 31, 2017 and 2016

Our net loss and comprehensive loss for our year ended August 31, 2017, for our year ended August 31, 2016 and the changes between those periods for the respective items are summarized as follows:

		Year Ended August 31, 2017		Year Ended August 31, 2016		Change Between Year Ended August 31, 2017 and Year Ended August 31, 2016
		\$		\$		\$
Revenue	\$	-	\$	14,315	\$	(14,315)
Cost of Goods Sold		-		8,335		(8,335)
Other income (expenses)		(74,291)		(61,081)		(13,210)
General and administrative		726,875		470,400		256,475
Interest expense		2,210		6,780		(4,570)
Exploration Costs		61,609		11,437		50,172
Impairment of long-term investments		(1)		(22,181)		(22,180)
Consulting fees		136,585		196,904		(60,319)
Professional Fees		75,555		76,869		(1,314)
Net Income (loss)		(801,166)		(525,501)		(275,665)

Other Income and Revenue

The decrease in revenue for year ended August 31, 2017 relates to sales for the new product V-Love during the year ended August 31, 2016 and no such sales during the year ended August 31, 2017. The increase in other income (expenses) of \$(13,210) relates to the termination of the Definitive Agreement respecting the option to purchase a 100% interest in placer mining claims in Churchill, Lander and Nye Counties, Nevada, USA.

General and Administrative

Our general and administrative expenses were higher by \$256,475 for our year ended August 31, 2017 compared to August 31, 2016. The increase in costs were largely due to an increase in stock-based compensation expense of \$190,321 due to 4,335,000 options granted to directors, officers and consultants of the Company, an increase in investor relations expense of \$64,802 due to the engagement of marketing and advertising consultants and an increase in research and development expense due to bench testing costs associated with the Company's newly signed lithium technology agreement with Genesis Water Technologies Inc. These increases were offset by decreases in consulting fees of \$60,319 and legal and professional fees of \$24,776 from August 31, 2016 to August 31, 2017.

Interest Expense

There was a decrease in interest expense for our year ended August 31, 2017 by \$4,570 compared to the prior year. This amount includes fewer charges for the sale of marketable securities than the previous year which is the reason for the decrease in this amount.

Exploration Costs

As noted above, exploration costs increased by \$50,172 during the year ended August 31, 2017 as compared to the year ended August 31, 2016. This was due to expenditures made on the Nevada Lithium properties that the Company acquired during the year ended August 31, 2016. During the year ended August 31, 2017, the Company terminated the agreement.

Consulting Fees

There was a decrease in consulting fees for the year ended August 31, 2017 compared to August 31, 2016 by \$60,319. This was largely due to non-renewal of consulting agreements. The Company had entered into various advisor and consulting agreements in past years which led to the increased costs in 2016.

Liquidity and Financial Condition**Working Capital**

	At August 31, 2017	At August 31, 2016
Current assets	\$ 178,712	\$ 144,112
Current liabilities	428,741	376,499
Working capital surplus/(deficit)	\$ (250,029)	\$ (232,387)

Cash Flows

	Year Ended	
	August 31, 2017	August 31 2016
Cash flows (used in) operating activities	\$ (370,272)	(384,326)
Cash flows from investing activities	26,096	98,601
Cash flows from financing activities	464,011	232,602
Net increase (decrease) in cash during year	\$ 119,836	(55,123)

Operating Activities

Net cash used in operating activities was \$370,272 for the year ended August 31, 2017 compared with cash used in operating activities of \$384,326 in 2016. The decrease in net cash used in operating activities is due to non-cash items such as the increase in stock based compensation expense, the write down of properties and gain from the sale of securities.

Investing Activities

Net cash provided from investing activities was \$26,096 for the year ended August 31, 2017 compared to net cash provided in investing activities of \$98,601 in the same period in 2016. The decrease is from a decrease in proceeds from the sale of marketable securities.

Financing Activities

Net cash provided by financing activities was \$464,011 for the year ended August 31, 2017 compared to \$232,602 in the same period in 2016. This increase is primarily due to increased financings compared to the prior year end.

Contractual Obligations

As a smaller reporting company, we are not required to provide tabular disclosure obligations.

Going Concern

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company had a working capital deficit of \$250,029 for the year ended August 31, 2017 [deficit of \$232,387 for the year ended August 31, 2016]. The Company incurred a net loss of \$801,166 for the year ended August 31, 2017 [net loss of \$525,501 for the year ended August 31, 2016] and as at August 31, 2017 has incurred cumulative losses of \$13,241,763. We require additional funds to maintain our existing operations and to acquire new business assets. These conditions raise substantial doubt about our Company's ability to continue as a going concern. Management's plans in this regard are to raise equity and debt financing as required, but there is no certainty that such financing will be available or that it will be available at acceptable terms. The outcome of these matters cannot be predicted at this time and the financing environment is exceptionally difficult.

These financial statements do not include any adjustments to reflect the future effects on the recoverability and classification of assets or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

At this time, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock or through a loan from our directors to meet our obligations over the next twelve months. We do not have any arrangements in place for any future debt or equity financing.

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

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with the accounting principles generally accepted 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 financial statements.

Recent Accounting Pronouncements

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.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Enertopia Corp.

We have audited the balance sheets of Enertopia Corp. (the “Company”) (formerly Golden Aria Corp.) as at August 31, 2016 and 2015 and the related statements of stockholders’ equity, operations and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as at August 31, 2016 and 2015 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements referred to above have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company incurred losses from operations since inception, has not attained profitable operations and is dependent upon obtaining adequate financing to fulfill its operating activities. These factors raise substantial doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Vancouver, Canada
November 21, 2016

Chartered Professional Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Enertopia Corp.

We have audited the accompanying financial statements of Enertopia Corp. (the Company), which comprise the balance sheet as of August 31, 2017 and the related statements of stockholders' equity, operations, and cash flows for the year ended August 31, 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Enertopia Corp. as of August 31, 2017, and the results of its operations and its cash flows for the year ended August 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that Enertopia Corp. will continue as a going concern. As discussed in Note 2 to the financial statements, Enertopia Corp. has suffered recurring losses from operations and has a net capital deficiency. These matters, along with the other matters set forth in Note 2, indicate the existence of material uncertainties that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

November 10, 2017

ENERTOPIA CORP.
BALANCE SHEETS
(Expressed in U.S. Dollars)

	August 31 2017	August 31 2016
ASSETS		
Current		
Cash and cash equivalents	\$ 150,870	\$ 31,034
Marketable securities (Note 4)	-	18,780
Accounts receivable	9,060	11,012
Prepaid expenses and deposit	18,782	83,286
Total current assets	178,712	144,112
Non-Current		
Long term investments in affiliated company (Note 5)	-	1
Mineral Property (Note 7)	-	83,750
Long term investments (Note 5)	1	1
Lithium Technology (Note 8)	12,500	12,500
Total Assets	\$ 191,213	\$ 240,364
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable	\$ 287,706	\$ 236,242
Shares Subscription Received	-	1,334
Due to related parties (Note 9)	141,035	138,923
Total Current Liabilities	428,741	376,499
STOCKHOLDERS' EQUITY		
Share capital		
Authorized:		
200,000,000 common shares with a par value of		
\$0.001 per share		
Issued and outstanding:		
102,298,031 common shares at August 31, 2017		
and		
August 31, 2016: 89,528,460	102,299	89,528
Additional paid-in capital (Note 10)	12,901,936	12,214,934
Deficit accumulated during the exploration stage	(13,241,763)	(12,440,597)
Total Stockholders' Equity	(237,528)	(136,135)
Total Liabilities and Stockholders' Equity	\$ 191,213	\$ 240,364

The accompanying notes are an integral part of these financial statements

ENERTOPIA CORP.
STATEMENTS OF STOCKHOLDERS' EQUITY
(Expressed in U.S. Dollars)

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	DEFICIT ACCUMULATED	TOTAL STOCKHOLDERS' EQUITY
	SHARES	AMOUNT			
Balance, August 31, 2015	71,508,460	\$ 71,508	\$ 11,884,661	\$ (11,915,096)	\$ 41,073
Stock Based Compensation	-	-	37,107	-	37,107
Stock issued for Consulting Agreement	100,000	100	900	-	1,000
Shares issued for Definitive Agreement May 12	3,500,000	3,500	61,250	-	64,750
Shares issued for Stock Option exercise May 12	240,000	240	11,760	-	12,000
Shares issued for Private Placement on May 20	6,413,333	6,413	61,464	-	67,877
Shares issued for Private Placement on June 8	3,016,667	3,017	30,027	-	33,044
Shares issued for Private Placement on August 9	4,500,000	4,500	115,515	-	120,015
Shares issued per Letter of Intent dated August 16	250,000	250	12,250	-	12,500
Comprehensive income (loss):					
(Loss) for the year	-	-	-	(525,501)	(525,501)
Balance, August 31, 2016	89,528,460	\$ 89,528	\$ 12,214,934	\$ (12,440,597)	\$ (136,135)

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Stock Based Compensation	-	-	227,428	-	227,428
Shares issued for Private Placement on September 23	3,858,571	3,859	93,792		97,651
Shares issued for Definitive Agreement May 12, Oct 7	175,000	175	6,825		7,000
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 Apr 21	95,500	96	5,590		5,686
Warrant conversion on Apr 28	166,500	167	11,488		11,655
Shares issued for Private Placement on Apr 28	3,224,000	3,224	198,161		201,385
Comprehensive income (loss):				(801,166)	(801,166)
Balance, August 31, 2017	102,298,031	\$ 102,299	\$ 12,901,936	\$ (13,241,763)	\$ (237,528)

The accompanying notes are an integral part of these financial statements

Enertopia Corp.
STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)

	Year Ended	
	August 31 2017	August 31 2016 (Note 15)
Revenue		
Net Sales	\$ -	\$ 14,315
Cost of Product Sales	-	(8,335)
Gross Profit	-	5,980
Expenses		
Accounting and audit	64,455	40,993
Bank charges and interest expense	2,210	6,780
Consulting	136,585	196,904
Mineral exploration costs	61,609	11,437
Fees and dues	30,432	31,920
Insurance	12,770	16,192
Investor relations	119,302	54,500
Legal and professional	11,100	35,876
Office and miscellaneous	4,338	4,493
Research and development	20,810	4,608
Rent	15,824	22,285
Stock based compensation	227,428	37,107
Telephone	2,972	3,266
Training & Conferences	1,643	666
Travel	15,397	3,373
Total expenses	726,875	470,400
(Loss) for the period before other items	(726,875)	(464,420)
Other income (expense)		
Other income	-	40,000
Foreign exchange gain (loss)	9,144	(8,089)
Write down of long term investments in affiliated company	(1)	(22,181)
Gain (loss) on marketable securities	12,316	(39,966)
Write down of properties	(95,750)	-
Write down of inventory	-	(30,845)
Net loss and comprehensive loss for the period	\$ (801,166)	\$ (525,501)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	97,249,025	81,096,334

The accompanying notes are an integral part of these financial statements

ENERTOPIA CORP.
STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)

	Year Ended	
	August 31 2017	August 31 2016
Cash flows used in operating activities		
Net Loss	\$ (801,166)	\$ (525,501)
Changes to reconcile net loss to net cash used in operating activities		
Stock based compensation	227,428	37,107
Write down of inventory	-	30,845
Write down of properties	95,750	-
(Gain) loss from sale of securities	(12,316)	40,865
Impairment of securities	-	4,704
Write down of long term investments in affiliated company	1	22,181
Change in non-cash working capital items:		
Accounts receivable	1,952	12,641
Prepaid expenses and deposit	64,504	(67,454)
Inventory	-	7,489
Deferred charges	-	(40,000)
Accounts payable and accrued liabilities	51,464	30,160
Due to related parties	2,112	62,637
Net cash (used in) operating activities	(370,272)	(384,326)
Cash flows from (used in) investing activities		
Proceeds from sale of marketable securities	31,096	117,601
Mineral resource properties acquisition	(5,000)	(19,000)
Net cash from investing activities	26,096	98,601
Cash flows from financing activities		
Net Proceeds from Options exercised	-	12,000
Net Proceeds from Warrants exercised	17,341	-
Net proceeds from subscriptions received	446,670	220,602
Net cash from financing activities	464,011	232,602
Increase (Decrease) in cash and cash equivalents	119,836	(53,123)
Cash and cash equivalents, beginning of period	31,034	84,157
Cash and cash equivalents, end of period	\$ 150,870	\$ 31,034
Supplemental information of cash flows		
Interest paid in cash	\$ -	\$ -
Income taxes paid in cash	\$ -	\$ -
Shares issued for mineral property	\$ 7,000	\$ -

The accompanying notes are an integral part of these financial statements

ENRTOPIA CORP.
NOTES TO FINANCIAL STATEMENTS
August 31, 2017
(Expressed in U.S. Dollars)

1. ORGANIZATION

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 has offices in Vancouver and Kelowna, B.C., Canada.

2. GOING CONCERN UNCERTAINTY

The accompanying 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 \$250,029 for the year ended August 31, 2017 [deficit of \$232,387 for the year ended August 31, 2016]. The Company incurred a net loss of \$801,166 for the year ended August 31, 2017 [net loss of \$525,501 for the year ended August 31, 2016] and as at August 31, 2017 has incurred cumulative losses of \$13,241,763 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 finance the Company 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 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 financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles.

b. 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.

c. Cash and Cash Equivalents

Cash equivalents comprise certain highly liquid instruments with a maturity of three months or less when purchased. As of August 31, 2017 and 2016, cash and cash equivalents consist of cash only.

d. Marketable Securities

Marketable securities are classified at fair value through profit (loss). They consist of equities which are all traded in the public markets. Marketable securities are recorded at fair value, with changes to fair value recorded in profit or loss.

e. Investments in Affiliated Companies Accounted for Using the Equity Method

Investments in equity method investees are accounted for using the equity method based upon the level of ownership and/or the Company's ability to exercise significant influence over the operating and financial policies of the investee. Investments of this nature are recorded at original cost and adjusted periodically to recognize the Company's proportionate share of the investees' net income or losses after the date of investment. When net losses from an investment accounted for under the equity method exceeds its carrying amount, the investment balance is reduced to zero. The Company resumes accounting for the investment under the equity method if the entity subsequently reports net income and the Company's share of that net income exceeds the share of the net losses not recognized during the period the equity method was suspended. Investments are written down only when there is clear evidence that a decline in value that is other than temporary has occurred. When an investment accounted for using the equity method issues its own shares, the subsequent reduction in the Company's proportionate interest in the investee is reflected in income as a deemed dilution gain or loss on disposition. The Company evaluates its investments in companies accounted for the equity or cost method for impairment when there is evidence or indicators that a decrease in value may be other than temporary.

f. Long term investments

Other long term investments for which the Company does not have the ability to exercise significant influence and for which there is not a readily determinable market value are accounted for under the cost method of accounting, such that they are recorded at the lower of cost or estimated net realizable value. Management periodically reviews the cost method investments for instances where fair value is less than the carrying amount and the decline in value is determined to be other than temporary. If the decline in value is judged to be other than temporary, the carrying amount of the security is written down to fair value and the resulting loss is charged to operations.

g. 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.

h. Lithium Technology

The Company has capitalized the cost of the purchase of licensing rights for technology used in the process of recovering and extraction of battery grade lithium carbonate powder from brine solutions as an intangible asset. The licensing agreement has a term of 7 years, with a right of refusal option for an additional ten year period, beginning from the date of a successful bench test (as defined in Note 8). Until a successful bench test is achieved, there is no finite life for this agreement, and it is as of now an intangible asset with an indefinite life. In accordance with ASC 350, the Company has not yet begun to amortize the indefinite life intangible asset, instead testing it for impairment at reporting periods. Aside from the capitalized acquisition cost, all costs to date have been related to research and development of the technology and expensed to profit and loss in accordance with ASC 730.

i. Stock-Based Compensation

The Company followed Accounting Standards Codification (ASC) 718, Compensation – Stock Compensation , to account for its stock options and similar equity instruments issued. Accordingly, compensation costs attributable to stock options or similar equity instruments granted are measured at the fair value at the grant date, and expensed over the expected vesting period. ASC 718 requires excess tax benefits be reported as a financing cash inflow rather than as a reduction of taxes paid.

j. Accounting Estimates

The preparation of financial statements in conformity with U.S GAAP requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Some of the Company s accounting policies require us to make subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. These accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by management about matters that are highly uncertain at the time the accounting estimates are made. Although we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used. Changes in the accounting estimates used by the Company are reasonably likely to occur from time to time, which may have a material effect on the presentation of financial condition and results of operations.

The Company reviews these estimates, judgments and assumptions periodically and reflect the effects of revisions in the period in which they are deemed to be necessary. We believe that these estimates are reasonable; however, actual results could differ from these estimates.

Significant accounting estimates and assumptions are used for, but not limited to:

a) The Valuation of Deferred Tax Assets

Judgement is required in determining whether deferred tax assets are recognized on the balance sheet. The recognition of deferred tax assets requires management to assess the likelihood that the Company will generate taxable income in future periods to utilize the deferred tax assets. Due to the Company s history of losses, deferred tax assets have not been recognized by the Company.

b) Value of Stock Options

The Company provides compensation benefits to its employees, directors, officers, and consultants, through a stock option plan. The fair value of each option award is estimated on the date of grant using the Black-Scholes option

pricing model. Expected volatility assumption used in the model is based on the historical volatility of the Company's share price. The Company uses historical data to estimate the period of option exercises for use in the valuation model. The risk-free interest rate for the expected term of the option is based on the yields of government bonds. Changes in these assumptions, especially the share price volatility and the expected life determination could have a material impact on the Company's profit and loss for the periods presented. All estimates used in the model are based on historical data which may not be representative of future results.

k. Loss Per Share

Loss per share is computed using the weighted average number of shares outstanding during the period. The Company has adopted ASC 220 Earnings Per Share . Diluted loss per share is equivalent to basic loss per share because the potential exercise of the equity-based financial instruments was anti-dilutive.

l. Foreign Currency Translations

The Company's operations are located in the United States of America and it has offices in Canada. The Company maintains its accounting records in U.S. Dollars, as follows:

At the transaction date, each asset, liability, revenue and expense that was acquired or incurred in a foreign currency is translated into U.S. dollars by the using of the exchange rate in effect at that date. At the year end, monetary assets and liabilities are translated at the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations.

m. Financial Instruments

ASC 820 Fair Value Measurements and Disclosures requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and

Level 3 - Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The Company's financial instruments consist primarily of cash and cash equivalents, marketable securities, accounts receivable, accounts payable and due to related parties. With the exception of marketable securities, the carrying amounts of these financial instruments approximate their fair values due to their short maturities. The fair value of marketable securities are measured based on quoted prices in active markets. Cash and cash equivalents and marketable securities were in level 1 within the fair value hierarchy.

The Company's operations are in United States of America and Canada, which results in exposure to market risks from changes in foreign currency rates. The financial risk is the risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

n. I ncome Taxes

The Company has adopted ASC 740, Income Taxes , which requires the Company to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns using the liability method. Under this method, deferred tax liabilities and assets are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than

not that some portion of the deferred tax asset will not be realized.

o. 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.

p. Asset Retirement Obligations

The Company accounts for asset retirement obligations in accordance with the provisions of ASC 410, *Asset Retirement and Environmental Obligations*. ASC 410 requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company does not believe it has any asset retirement obligation as of August 31, 2017 and 2016.

q. Comprehensive Income

The Company has adopted ASC 220, *Comprehensive Income*, which establishes standards for reporting and display of comprehensive income, its components and accumulated balances. The Company is disclosing this information on its *Statement of Stockholders' Equity*. Comprehensive income comprises equity except those transactions resulting from investments by owners and distributions to owners.

r. Concentration of credit risk

The Company places its cash and cash equivalent with high credit quality financial institution. As of August 31, 2017, the Company had \$218 in a bank beyond insured limit (August 31, 2016: \$218).

s. Commitments and Contingencies

In accordance with ASC 450-20, *Accounting for Contingencies*, the Company records accruals for such loss contingencies when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. In the event that estimates or assumptions prove to differ from actual results, adjustments are made in subsequent periods to reflect more current information. Historically, the Company has not experienced any material claims.

t. Research and Development

Research and development costs are expensed as incurred.

u. 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.

In August 2014, the FASB issued guidance on how to account for and disclose going concern risk. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements (or within one year after the date on which the financial statements are available to be issued, when applicable). Further, an entity must provide certain disclosures if there is "substantial doubt about the entity's ability to continue as a going concern." The ASU is effective for annual periods ending after December 15, 2016, and interim periods thereafter and early adoption is permitted. The Company has adopted the methodologies prescribed by this ASU by the date required and there is no material impact on the Company's financial statements.

v. 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.

Stock-based compensation

In March 2016, ASU No. 2016-09 was issued related to stock-based compensation. The new guidance simplifies the accounting for stock-based compensation transactions, including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2016 and early adoption is permitted. The Company is currently evaluating the updated guidance.

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 August 31, 2017 all marketable securities of the common shares of Lexaria Corp. obtained through Definitive Agreements that was signed on March 5, 2014 have been liquidated.

During the year ended August 31, 2017, the Company disposed of the balance of 156,500 (2016: 833,500) common shares of Lexaria Corp. with a cost basis of \$18,780 (2016: \$153,815). The proceeds from the sales of shares were \$31,096 (2016: \$117,601). Accordingly, a gain of \$12,316 (2016: loss of \$36,216) was recognized in profit and loss.

5. LONG TERM INVESTMENTS

Global Solar Water Power Systems Inc. (GSWPS)

On February 28, 2010, the Company entered into an Asset and Share Purchase Agreement with the Company's former chief technical officer - Mr. Mark Snyder to acquire up to 20% ownership interest of 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.

Pro Eco Energy USA Ltd.

During the year ended August 31, 2008, the Company purchased 900,000 shares in Pro Eco Energy USA Ltd. (Pro Eco Energy) for \$45,000. During the year ended August 31, 2014, the Company sold its investment in Pro Eco Energy to Western Standard Energy Corp. for \$40,000. During the year ended August 31, 2015, 600,000 shares of Pro Eco Energy were returned to the Company and the receivable from Western Standard Energy Corp. was settled. The Company has no significant influence in Pro Eco Energy.

The value of Pro Eco Energy's shares have been written down to \$1 by management during the year ended August 31, 2016 based on the management's assessment of Pro Eco Energy's current operations.

During the year ended August 31, 2017, Pro Eco Energy announced it will be closing out the company and the asset was written down to \$nil.

6. INVENTORY

During the year ended August 31, 2015, the Company launched a new product line V-Love TM. As at August 31, 2016, the Company has written off the inventory and is no longer selling V-Love TM products. As at August 31, 2016, the Company owns the formulation, but is no longer selling in the retail markets.

7. MINERAL PROPERTY

On May 5, 2017, Enertopia terminated the signed Definitive Agreement (the Agreement) dated May 12, 2016 with Brandon Wilson Association 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.

The consideration payable by Enertopia to Brandon Wilson Association consist of:

- a) paying \$7,000 on signing the Offer; (paid)
- b) paying \$12,000 on signing of 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 and issued)
- 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. Refer to Note 10)
- d) paying an optional \$22,500 on or before the one year anniversary of the Agreement. Management decided not to pursue further with the Agreement and the balance was written off as at August 31, 2017.

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 an 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.

8. 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 Li_2CO_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 Li_2CO_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. Subsequent to the year ended August 31, 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. Within 30 days of successful independent 3rd 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.

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- 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 Li_2CO_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 Li₂CO₃ recovery verified by independent laboratory testing:
 - a. On or before the first anniversary, the greater of 10 per cent of Enertopia net Lithium Carbonate Li₂CO₃ 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 Li₂CO₃ 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 Li₂CO₃ 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.

9. RELATED PARTY TRANSACTIONS

For the year ended August 31, 2017, the Company was party to the following related party transactions:

Incurred \$72,000 (August 31, 2016: \$100,303) to the President of the Company in consulting fees (Note 12(a)). As at August 31, 2017, the accounts payable to the President of the Company was \$141,035 (August 31, 2016: \$103,774)

Incurred \$62,040 (August 31, 2016: \$68,390) in consulting fees to a company controlled by the former CFO of the Company (Note 12(b)).

Incurred share based compensation expenses of \$58,942 in relation to stock options issued to officers and directors of the Company (August 31, 2016: \$33,206).

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

10. 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.

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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.

As at August 31, 2017 the Company had 102,298,031 shares issued and outstanding (August 31, 2016; 89,528,460 shares issued and outstanding).

11. 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.

For the year ended August 31, 2017, the Company recorded \$227,428 (August 31, 2016: \$37,107) stock based compensation expense.

A summary of the changes in stock options for the year ended August 31, 2017 is presented below:

Options Outstanding

	Number of Shares	Weighted Average Exercise Price
Balance, August 31, 2016	3,210,000	\$ 0.07
Cancelled	(250,000)	0.06
Granted	4,335,000	0.07
Balance, August 31, 2017	7,295,000	\$ 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:

	August 31, 2017	August 31, 2016
Expected volatility	182%-232%	220%-217%
Risk-free interest rate	1.22%-1.95%	1.25%-1.43%
Expected life	5.00 years	5.00 years
Dividend yield	0.00%	0.00%
Estimated fair value per option	\$0.05-\$0.09	\$0.01-\$0.05

The Company has the following options outstanding and exercisable.

August 31, 2016	Options outstanding and exercisable	
Exercise prices	Number of shares	Remaining contractual life
\$0.05	100,000	4.43 years
\$0.05	1,560,000	4.14 years
\$0.10	1,050,000	3.17 years
\$0.06	500,000	2.18 years
	3,210,000	3.53 years
August 31, 2017	Options outstanding and exercisable	
Exercise prices	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 vested and total options as at August 31, 2017 and 2016 is \$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, 2016 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, 2016 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.

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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 (August 31, 2016: \$Nil) 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 10 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 10.

The fair value of the brokers warrants was \$33,213 (2016 - \$Nil), recorded as share issuance costs offsetting 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% .

A summary of warrants as at August 31, 2017 and August 31, 2016 is as follows:

	Number of warrant	Warrant Outstanding Weighted Average Exercise Price
Balance, August 31, 2016	29,412,139	\$ 0.09
Expired	(3,906,800)	0.10
Exercised	(262,000)	0.07
Issued	13,948,471	0.08
Balance, August 31, 2017	39,191,810	\$ 0.09

Number Outstanding ¹	Exercise Price	Expiry Date
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
39,191,810		

1. Each warrant entitles a holder to purchase one common share.
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12. 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 October 9, 2009, the Company entered into a consulting agreement with BKB Management Ltd., a corporation organized under the laws of the Province of British Columbia. BKB Management Ltd. is a consulting company controlled by the chief financial officer of the Company. BKB Management provides management consulting services for CAD\$4,500 (equivalent of \$3,333) per month plus GST. Effective April 1, 2011, the consulting services are CAD\$5,500 (equivalent of \$4,074) per month plus GST. Effective March 1, 2014, the Company entered into a new consulting agreement with the consulting services at CAD\$7,500 (equivalent of \$5,556) per month plus GST. Effective July 31, 2017, the consulting agreement was terminated.
- (c) 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.

13. INCOME TAXES

The following table reconciles the income tax benefit at the U.S. Federal statutory income tax rates to income tax benefit at the Company's effective tax rates at August 31, 2017 and 2016:

	August 30, 2017	August 30, 2016
Loss before taxes	\$ (801,166)	\$ (525,501)
Statutory tax rate	34%	34%
Expected income tax recovery	(272,396)	(178,670)
Non-deductible items	77,326	