

Enertopia Corp.
Form 10-K/A
May 07, 2015

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

FORM 10-K/A

Amendment No. 1

(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, 2014**

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.)

**#950-1130 WEST PENDER STREET, VANCOUVER,
BRITISH**

COLUMBIA, CANADA

(Address of principal executive offices)

V6E 4A4

(Zip Code)

Registrant's telephone number, including area code: **604-602-1675**

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)

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

Yes [] No [X]

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, 2014 was \$12,916,899 based on a \$0.23 closing price for the Common Stock on February 28, 2014. 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.

75,653,460 common shares as of November 15, 2014

DOCUMENTS INCORPORATED BY REFERENCE

None.

EXPLANATORY NOTE

Our company is filing this Amendment No. 1 on Form 10-K/A (the "Amendment") to our annual report on Form 10-K for the period ended August 31, 2014 (the "Form 10-K"), filed with the Securities and Exchange Commission on December 1, 2014 (the "Original Filing Date"), to:

- amend disclosure regarding the termination provisions contained in our joint venture agreement with the Green Canvas Ltd.;

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- enhance disclosure in Item 7. (Management’s discussion and Analysis of Financial Condition and Results of Operation) regarding liquidity requirements or uncertainties regarding our medical marijuana business activities;
- include under Item 5. (Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities) market price information for our securities quoted on the Canadian Securities Exchange.
- Incorporate by reference the material agreements listed in exhibits 10.7 and 10.8 hereto.

This Amendment speaks as of the Original Filing Date, does not reflect events that may have occurred subsequent to the Original Filing Date, and does not modify or update in any way disclosures made in the Form 10-K. No other changes have been made to the Form 10-K.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the certifications required pursuant to the rules promulgated under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, which were included as exhibits to the Original Report, have been amended, restated and re-executed as of the date of this Amendment No. 1 and are included as Exhibits 31.1 and 32.1 hereto

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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", "the/our 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 2008, we were primarily engaged in the acquisition and exploration of natural resource properties. Beginning in April 2008, we began our entry into the clean 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 have been discontinued. Our activities in the natural resources sector have also been discontinued. The Company is pursuit of business opportunities in Medicinal Marijuana and Oil and Gas.

The address of our principal executive office is Suite 950, 1130 West Pender Street, Vancouver, British Columbia V6E 4A4. Our telephone number is (604) 602-1675. In addition, we have a second office located in Kelowna, British Columbia. Our current locations provide adequate office space for our purposes at this stage of our development.

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.

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

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

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

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

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

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

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

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

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

On January 16, 2014 we entered into a Joint Venture Agreement with World of Marihuana Productions Ltd. ("WOM") to acquire up to a 51% ownership interest in a joint venture between WOM and our company. WOM was to acquire a medical marihuana production licence from Health Canada to in order to establish a medical marihuana production facility to be located at 33420 Cardinal Street, Mission, British Columbia.. The Joint Venture Agreement superseded the Letter of Intent between our company and WOM dated November 1, 2013 (the "LOI"). Our company issued 16,000,000 common shares and paid a total of \$375,000 to WOM to acquire a 31% interest in the joint venture. Subsequent to year end, on October 16, 2014 we entered into a termination and settlement agreement,

dated effective October 14, 2014, with WOM and Mathew Chadwick (the "Settlement Agreement"), pursuant to which the parties have entered into mutual releases, Mr. Chadwick has resigned from our board of directors and as an officer of our company, and WOM has returned for cancellation 15,127,287 of our common shares that had been issued to it. Given the foregoing, all relationships between the parties, including but not limited to the joint venture, have been terminated.

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

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

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

On February 13, 2014, we closed the final tranche of a private placement by issuing 12,938,000 units at a price of US\$0.10 per unit for gross proceeds of US\$1,293,800. Each unit consists of one common share and one half (1/2) of one non-transferable share purchase warrant with each whole warrant exercisable into one common share at a price of US\$0.15 per share for a period of twenty four (24) months following closing. One director and one officer of our Company participated in the final tranche for \$30,000. A cash finders' fee consisting of \$98,784; 8,000 common shares in lieu of \$800 and 995,840 full broker warrants that expire on February 13, 2016 with an exercise price of \$0.15 was paid to Canaccord Genuity, Global Market Development LLC and Wolverton Securities.

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

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

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

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

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

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

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

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

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

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

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,

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

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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, a Letter of Intent ("LOI") was signed by Enertopia Corporation, or its wholly-owned subsidiary ("Enertopia") and Lexaria Corp., or its wholly-owned subsidiary ("Lexaria") (collectively, the "Parties") with regard to the ownership by Enertopia of a 51% interest in the business, and the ownership by Lexaria of a 49% interest in the business of legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, and selling marihuana for medical purposes under the MMPR (the "Business") Acquisition Structure. Whereby, Lexaria issued 500,000 common shares to Enertopia. In accordance with the terms of a formal and definitive Agreement to be entered into between Enertopia and Lexaria (the "Definitive Agreement"), Enertopia shall own 51% ownership interest in the Business (the "Enertopia Ownership") and Lexaria shall own 49% ownership interest in the Business (the "Lexaria Ownership"). Within 10 days, Enertopia shall contribute \$45,000 and Lexaria shall contribute \$55,000 to the Business. Upon the execution of this LOI, Enertopia and Lexaria shall structure a joint venture for legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, and selling marihuana for medical purposes under the MMPR. At such time the Parties will be deemed to have formed a joint venture for the operation, management and further development of the Business (the "Joint Venture"). Lexaria will pay 55% of all costs to earn its 49% net Ownership Interest and Enertopia will pay 45% of all costs to earn its 51% Ownership Interest. A total of 500,000 Definitive Agreement Shares shall be issued to Enertopia, held in escrow (the "Escrow Shares") by Lexaria's solicitors until such date as the License (as hereinafter defined) has been obtained by Enertopia (the "Effective Date"). Upon occurrence of the Effective Date, the Escrow Shares will be released from escrow. In the event the Effective Date does not occur within 12 months of the date of the Definitive Agreement (the "Execution Date"), the Definitive Agreement Shares shall be cancelled and returned to treasury.

On April 10, 2014 a letter of intent, was executed on behalf of a corporation to be incorporated by Lexaria Corp. and Enertopia Corporation(Lessee) and Mr. Jeff Paikin of Ontario Inc. (Lessor) sets out the Lessee's and Lessor's shared intent to enter into a lease agreement (the "Lease") for warehouse space (the "Leased Premises") in the building located in Ontario (the "Building"). The Company issued the 38,297 common shares at a deemed price of \$0.47 per the terms of the Letter of Intent to lease space in Ontario. On August 1, 2014 the Company signed an extension to the Letter of intent executed on April 10, 2014 on behalf of a corporation to be incorporated by Lexaria Corp. and Enertopia Corporation(Lessee) and Mr. Jeff Paikin of 1475714 Ontario Inc. (Lessor) sets out the Lessee's and Lessor's shared intent to enter into a lease agreement (the "Lease") for warehouse space (the "Leased Premises") in the building located at Burlington, Ontario (the "Building"). On August 5, 2014, as per the terms of the extension, 118,416 common shares of the Company were issued at a deemed price of \$0.19 per share.

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.

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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.

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.

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.

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.

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

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

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

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

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

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

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

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

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

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

Subsequent to year end, on September 16, 2014, the Green Canvas Joint Venture has made an application to Health Canada and is in its preliminary application screening process.

Subsequent to year end, on September 17, 2014, the Company had announced that the Burlington, Ontario Joint Venture with Lexaria Corp. has its application is in Health Canada's preliminary application screening process. Subsequent to year end, on September 18, 2014, we entered into a contract with our joint venture partner Lexaria Corp., and Maureen McGrath pursuant to which Ms. McGrath will lead the National Medical Marihuana Awareness and Outreach Strategy, a public awareness program jointly administered by Lexaria and our company.

Subsequent to year end, on September 18, 2014 we announced that we had provided notice to our joint venture partner World of Marihuana Productions Inc. ("WOM") alleging default by WOM under the terms of our joint venture agreement for among other things, WOM's failure to provide financial information in regards to the funding, expenses and operation of the Joint Venture..

Subsequent to year end, on October 16, 2014 we entered into a termination and settlement agreement, dated effective October 14, 2014, with WOM and Mathew Chadwick pursuant to which the parties have entered into mutual releases, Mr. Chadwick has resigned from our board of directors and as an officer of our company, and WOM has returned for cancellation 15,127,287 of our common shares issued to it pursuant to our joint venture agreement. Given the foregoing, all relationships and agreement between our Company, WOM, and Mr. Chadwick have been terminated.

Subsequent to year end, 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.

Subsequent to year end, 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.

Overview of Business over the Last Five Years

We were initially engaged in the acquisition and exploration of natural resource properties. We commenced operations in November 2004 and discontinued such operations in April 2010. As a result, the foregoing discussion describes the Company's operations while it was involved in the acquisition and exploration of natural resource properties.

On April 6, 2005 we entered into an Exploration Agreement with Options for Joint Venture with Miranda U.S.A., Inc. We had the option of acquiring an undivided 60% interest in Miranda's lease in sixty-four mineral claims situated in Eureka County, Nevada. During the fiscal year ended August 31, 2007, we abandoned our option to acquire the 60% interest in the Eureka County mineral lease claims.

Management realized that the mineral exploration business did not present the best opportunity for our company to realize value for our shareholders at that time, and therefore investigated opportunities in the business of being a natural gas and oil exploration company. Accordingly, we abandoned our previous business plan and focused on the exploration and development of natural gas and oil properties.

On April 16, 2007, we acquired a 25% (net 15%) before payout (12.5% (net 7.5%)) after payout interest in Queensdale, Saskatchewan Project (known as the Queensdale Property) from 0743608 B.C. Ltd., a company controlled by a Director/CEO of our company, for a total cost of CAD\$250,000 and 250,000 shares (post consolidation) of our common stock.

On November 30, 2007, we completed the acquisition of all the issued and outstanding common stock of Target Energy pursuant to a share exchange agreement dated October 15, 2007 among our company, as purchaser, and all of the shareholders of Target Energy, as vendors. In exchange for all of the issued and outstanding shares of Target Energy, we issued to the shareholders of Target Energy an aggregate of 6,905,000 shares (post consolidation) of our common stock. Through our acquisition of Target Energy we acquired an 8% gross interest before payout in the Queensdale, Queensdale West HZ 4A9-25/3A15-25-6-2 W2 well (known as the Queensdale West property). We also acquired a 3.75% net interest in two wells located in Wordsworth, Saskatchewan (known as the Wordsworth property), which had one well at the time of acquisition and eventually would see a second well drilled..

On April 21, 2008, we acquired a passive minority interest in Pro Eco Energy USA Ltd., a private corporation focused on the installation and integration of alternative energy – mainly solar thermal – systems in Western Canada.

On May 14, 2008, we acquired one land parcel of 160 acres in the Glen Park area of central Alberta, Canada. We subsequently entered into a 50/50 Joint Venture with Vanguard Exploration to explore and develop the joint lands on Alberta Petroleum and Natural Gas Lease No. 0408050364. The joint venture owns the Petroleum and Natural Gas rights below the base of the Mannville GRP to basement.

On June 11, 2008, we acquired two land parcels of 160 acres each in the Glen Park area of central Alberta, Canada. These 320 acres were believed to be prospective for reef development and the potential accumulation of oil deposits. We own the Petroleum and Natural Gas rights below the base of the Mannville GRP to basement as to 100%.

In November 2008, the Wordsworth property that had the second well was drilled and completed as a successful oil well in December 2008.

On December 8, 2008 Enertopia and its partner were successful in acquiring 800 acres of land in the Coteau Lake project area and our company owned a 50% gross and net interest in a total of 2,080 acres of land in this area.

On July 31, 2009, we sold all of our interests in the Queensdale, West Queensdale, and the Wordsworth properties for an aggregate amount of CAD\$453,116.

Effective September 1, 2009, we entered into an assignment agreement with Cheetah Oil & Gas Ltd. The assignment agreement dated August 28, 2009, provides for the purchase by our company of a revenue interest of 40.432% of an 8% share of Cheetah's net revenue after field operating expenses from the Belmont Lake PP F-12-4 horizontal well, located in Belmont Lake Field, Wilkinson County, Mississippi. As consideration, we agreed to pay to Cheetah 57.76% of Cheetah's costs currently budgeted at \$77,905.36, subject to revision and 57.76% of Cheetah's 8% share of PP F-12-4 well costs from time to time for infrastructure, pipes, tanks, compressors, trucking, etc. On May 31, 2010, this assigned interest was converted into common shares and warrants of Cheetah Oil & Gas Ltd, leaving our company with no direct interest in this well. As a result, we have 375,000 restricted common shares in the capital of Cheetah and 375,000 share purchase warrants which entitled our company to acquire 375,000 restricted common shares in the capital of Cheetah at a purchase price of US\$0.20 per share for a period of two years.

Effective September 1, 2009, we entered into an assignment agreement with Lexaria Corp. The assignment agreement dated August 28, 2009, provides for the purchase by our company of a revenue interest of 13.475% of a 32% share of Lexaria's net revenue after field operating expenses from the Belmont Lake PP F-12-4 horizontal well, located in Belmont Lake Field, Wilkinson County, Mississippi. As consideration, we agreed to pay to Lexaria 19.25% of Lexaria's costs currently budgeted at \$311,621.44, subject to revision and 19.25% of Lexaria's 32% share of PP F-12-4 well costs from time to time for infrastructure, pipes, tanks, compressors, trucking, etc. On May 31, 2010, this assigned interest was converted into common shares and warrants of Lexaria Corp, leaving our company with no direct interest in this well. As a result, we have 499,893 restricted common shares in the capital of Lexaria and 499,983 share purchase warrants which entitle our company to acquire 499,983 restricted common shares in the capital of Lexaria at a purchase price of US\$0.20 per share for a period of two years.

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

On October 9, 2009, we appointed Bal Bhullar as our chief financial officer. Concurrent with the appointment of Ms. Bhullar, we entered into an initial six-month management agreement, thereafter month to month, with BKB Management Ltd., a consulting company controlled by Bal Bhullar.

On October 9, 2009, we entered into a month to month management agreement with Mark Snyder, whereby Mark Snyder agreed to act as the Chief Technical Officer of the Company.

On January 31, 2010, we entered into an Independent Sales and Marketing Representative Agreement with Global Solar Water Power Systems Inc., a private company beneficially owned by Mark Snyder, the Company's Chief Technical Officer.

On February 8, 2010, we changed our name from Golden Aria Corp. to Enertopia Corp. Our CUSIP number is **29277Q1047**.

On February 22, 2010, we increased our authorized share capital to 200,000,000 common shares.

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

Effective March 26, 2010, our stock quotation under the symbol "GLCP" was deleted from the OTC Bulletin Board. The symbol was deleted for factors beyond our company's control due to various market makers electing to shift their orders from the OTCBB to the Pink OTC Markets Inc. As a result of these market makers not providing a quote on the

OTCBB for four consecutive days our company was deemed to be deficient in maintaining a listing standard at the OTCBB pursuant to Rule 15c2-11. That determination was made entirely without our company's knowledge.

On April 7, 2010, FINRA confirmed the name change from Golden Aria Corp. to Enertopia Corp., and approved our new symbol "ENRT".

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

On August 12, 2010, we received approval for listing on the Canadian National Stock Exchange. Trading date commenced on August 13, 2010 under the symbol "**TOP**".

During the year ended August 31, 2010, our oil and gas properties became available for sale as the result of our company shifting its focus from non-renewable energy operations to a renewable energy operation. Pursuant to Accounting Standards Codification 360 "Accounting for the Impairment or Disposal of long-Lived Assets", we reclassified the remaining oil and gas properties to be sold as assets held for sale and recorded at their recoverable amount on August 31, 2010. In the year ended August 31, 2011, we received a cash payment of \$100,000 from the sale.

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 ("Option Agreement") with the Optionors respecting an option to earn a 100% interest, subject to a 1% NSR capped to a maximum of \$2,000,000 in a property known as the Copper Hills property. The Copper Hills property is comprised of 56 located mining claims covering a total of 1,150 acres located in New Mexico, USA. The Optionors hold the Copper Hills property directly and indirectly through property purchase agreements between the Optionors and third parties (collectively, the "Indirect Agreements"). Pursuant to the Option Agreement the Optionors have assigned the Indirect Agreements to the Company. In order to earn the interest in the Copper Hills property, the Company is required to make aggregate cash payments of \$591,650 over an eight year period and issue an aggregate of 1,000,000 shares of its common stock over a three year period. As at August 31, 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. As 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. 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, the Company settled the amount due to related parties into two promissory notes of \$80,320 (CAD\$84,655) and \$90,000. Both promissory notes were unsecured, non-interest bearing and due on May 31, 2012 at an imputed interest rate of 12% per annum upon the settlement. On April 27, 2011, we entered into a debt settlement agreement with one of the holders, a company controlled by the Chairman/CEO of the Company, whereby the Company 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, Change Lee LLP (Chang Lee) resigned as our independent registered public accounting firm because Chang Lee was merged with another company: MNP LLP (MNP). Most of the professional staff of Chang Lee continued with MNP either as employees or partners of MNP and will continue their practice with MNP. On June 22, 2011, we engaged MNP as our independent registered public accounting firm.

On July 19, 2011, the Company entered into a letter of intent and paid US\$15,000 deposit to Altar Resources. Subsequent to August 31, 2011, on October 11, 2011, the Company signed a Mineral Purchase Option Agreement with Altar Resources with respect to an option to earn 100% interest, subject to a 2.5% NSR in a property known as Mildred Peak. The mining claims are in Arizona covering approximately 6,220 acres from Altar Resources which holds the mining claims directly and indirectly through federal mining claims and state mineral exploration leases; or, represented that it would hold such claims in good standing at the time of closing a definitive agreement. The Company is required to make aggregate cash payments of \$881,000 over a five year period and issue an aggregate of 1,000,000 shares of its common stock over a four year period. As at August 31, 2012, Enertopia made aggregate cash payments of \$84,980 and issued 100,000 shares at price of \$0.10 per share to Altar Resources; the Company has expensed the exploration costs of \$31,423.

On January 6, 2012, the Company entered into a share purchase agreement (the Agreement) with a third party (Purchaser). The Company has agreed to sell to Purchaser, and Purchaser has agreed to purchase from the Company, 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, Purchaser will have an option, at his 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 is unsecured, was due on May 9, 2012 at an interest rate of 10% per annum and is now on a month to month term.

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

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

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

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

On April 10, 2012, the Company issued 93,750 common shares in connection with the settlement of debt of \$9,375 at a price of \$0.10 per common share pursuant to a consulting agreement (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. One warrant will be exercisable into one further common share at a price of US\$0.15 per warrant share for a period of twelve months following closing; or at a price of US\$0.20 per warrant for the period that is twelve months plus one day to twenty-four months following closing. The Company paid broker commissions of \$14,420 in cash and issued 144,200 brokers warrants in connection with the private placement.

On 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 will be exercisable into one further share at a price of US\$0.10 per warrant share for a period of twelve months following closing; or at a price of US\$0.20 per warrant share for a period that is twelve months and one day to thirty-six months following closing. The Company's President 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 (the "Agreement") with the President of the Company, Robert McAllister. The Company agreed to sell Mr. Robert McAllister, and Robert McAllister has agreed to purchase from the Company, 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, has been 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 will be exercisable into one further share at a price of US\$0.10 per warrant share for a period of twelve months following closing; or at a price of US\$0.20 per warrant share for a period that is twelve months and one day to thirty-six months following closing. The Company's President participated in the private placement for \$4,000.00 dollars. The Company will issue 16,000 brokers warrants in connection with the private placement for broker commissions.

On September 28, 2012, the Company closed an offering memorandum placement of 995,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$49,750 or US\$49,750. Each Unit consisted of one common share of the Issuer and one common share purchase warrant. One warrant will be exercisable into one further common share at a price of US\$0.15 per warrant share for a period of twelve months following closing; or at a price of US\$0.20 per warrant for the period that is twelve months plus one day to twenty-four months following closing. The Company issued 79,500 shares, 79,500 warrants and 79,500 broker warrants in connection with the private placement.

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

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

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

On 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.

Our Current Business

We are a development stage company seeking to enter the field of medical marihuana production. Specifically, we are seeking to produce, cultivate and distribute medical marihuana in Canada under the new Federal Government of Canada's MMPR Program. Prior to our adoption of the medical marihuana business plan, we were engaged in the field of oil & gas exploration and retain nominal oil & gas activities described below.

Equity Investment in Pro Eco Energy, Inc.

On April 21, 2008, we announced that we had made an 8.25% equity investment into Pro Eco Energy USA Ltd., a clean tech energy company involved in designing, developing and installing solar energy solutions for commercial and residential customers. We also welcomed the President of Pro Eco Energy, Mr. Roger Huber, as the first member of our Clean Tech Advisory board. Mr. Huber has a long career in optimizing energy solutions and his knowledge and wide industry contacts are expected to help us develop our alternative energy solutions. Pro Eco Energy USA Ltd. owns 100% of the shares of a wholly-owned subsidiary company in Canada called Pro Eco Energy Ltd. (together, "Pro Eco"). The Chairman of our company is a director and shareholder of Pro Eco Energy USA Ltd. During fiscal year 2014, the Company sold its 8.25% ownership in Pro Eco Energy for \$40,000 to Western Standard Energy Corp.

Equity Investment in Global Solar Water Power Systems Inc.

Effective February 28, 2010, we entered into an asset and share purchase agreement with Mr. Mark Snyder to acquire up to 20% ownership of Global Solar Water Power Systems Inc., a private company beneficially owned by Mark Snyder, our company's Chief Technical Officer. Global Solar owns certain technology invented and developed by Mark Snyder for the design and manufacture of certain water filtration equipment. Pursuant to the terms of the agreement Global Solar is required to pay our proportionate interest in any after tax profits on a quarterly basis. Our management obtained an independent valuation dated February 5, 2010 in support of the value ascribed to the proposed equity interest in Global Solar. As at August 31, 2012, we have paid \$103,500 and accrued \$42,000 in US dollars and issued 500,000 restricted shares of our common stock, following which we have acquired 9.82% equity interest in Global Solar.

Also on January 31, 2010, we entered into an Independent Sales and Marketing Representative Agreement with Global Solar. Pursuant to the terms of the agreement, Global Solar agreed to appoint our company as its independent sales representative to solicit orders for those solar and/or wind turbine powered water filtration products marketed from time to time by Global Solar and/or our company on an exclusive basis in Africa and non-exclusive basis throughout the rest of the world, with the exception of Iraq. In consideration for services to be rendered by our company under the agreement, we will receive a minimum of 5% of the net invoice price from any product orders and not more than 12% of the net invoice price. Our company and Global Solar have the right to jointly determine specific sales cases individually to generate unique commissions by their joint agreement on a case by case basis. The agreement expires on January 31, 2015.

In November 2012, the Company had a valuation report completed on GSWPS by RWE Growth Partners Inc. As a result, the Company's long-term investment in GSWPS has been written down to \$68,500. On March 1, 2013, the Company settled the accrued contribution of \$42,000 by reducing the Company's interest in GSWPS to 8.14% from its current 9.82% interest and transferring this 1.68% interest back to 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.

Oil & Gas LOI with Downhole Energy LLC

On September 17, 2013 we announced that we had entered into an AMI participation Agreement with Downhole Energy LLC, to drill up to 100 shallow oil wells over a four year period. Our company issued 100,000 shares on signing this agreement. Our company has the opportunity to pay 100% of the gross expenses per well to earn 75% net profits per well drilled and completed. Our company has been unable to fund the drilling of any oil wells to date. During the year ended August 31, 2014, our company decided not to continue with agreement and wrote off the assets to \$1.

Our Planned Medical Marihuana Production Operations

On June 7, 2013 the Government of Canada implemented new legislation, the Marihuana for Medical Purposes Regulations (MMPR), concerning the production and sale of medical marijuana. The MMPR permit the licensing of commercial growers beginning April 1, 2014, while eliminating existing regulations permitting the production of medical marijuana on a personal-use basis. The revised regulations create conditions for a commercial industry in Canada that is responsible for medical marijuana production and distribution, by eliminating small-scale, personal-use production. Commercial growers are now able to submit applications to Health Canada for the production of medical marijuana and, if licensed, supply patients who qualify for the product at a price that would be established by market forces and at the discretion of producers.

In light of the MMPR, our company, together with our joint venture partners, is seeking to finance and build two licensed medical marihuana production facilities in Canada, and to grow, cultivate and distribute medical marihuana in Canada under the MMPR. In that regard we are engaged in two separate joint ventures, each with a different partner, Lexaria Corp. and The Green Canvas Ltd. Each of our joint ventures is seeking to obtain a production license under the MMPR, to build a production facility, and to cultivate and distribute medical marihuana.

Regulation of Medical Marihuana Production Applicable to our Planned Production Facilities

On July 30, 2001, the Government of Canada implemented the Marihuana Medical Access Regulations (MMAR) pursuant to subsection 55(1) of the *Controlled Drugs and Substances Act*, which defines the circumstances and the manner in which marijuana can be used in Canada for medical purposes. The MMAR and regulations thereunder granted access to marijuana for Canadians suffering from symptoms (pain, muscle spasms, nausea, and weight loss) related to multiple sclerosis, cancer, HIV, spinal cord injury, epilepsy, arthritis or other debilitating symptoms as determined by a medical doctor. The MMAR was administered by Health Canada, the federal agency responsible for national public health. Under the MMAR, licensed patients were permitted to grow their own marijuana or to designate someone grow it for them. Growers under the MMAR were not regulated by Health Canada beyond the allocation of a personal-use production license.

On June 7, 2013 the Canadian regulations concerning the production and sale of medical marijuana were amended with the introduction of the MMPR which permit the licensing of commercial growers beginning April 1, 2014, while eliminating provisions for its production on a personal-use basis. Applications for personal-use production ceased to be processed by Health Canada as of October 1, 2013 and, individuals authorized to possess medical marihuana under the MMAR were directed to transition to the new licensed producer regime. This transition by existing MMAR licensees is subject to several legal appeals, discussed below.

The revised regulations create conditions for a commercial industry that is responsible for medical marijuana production and distribution, by eliminating small-scale, personal-use production. Commercial growers are now able to submit applications to Health Canada for the production of medical marijuana and, if licensed, supply patients who qualify for the product at a price that would be established by market forces and at the discretion of producers.

Currently, the MMPR only permits the sale of dried marihuana; the production of concentrated or edible forms (oils, resins, teas or infusions) is not permitted. On March 21, 2014, the Court of Appeal of the Province of British Columbia ruled in the case of *R v. Owen Edward Smith* that the MMPR`s restriction on the production of edible marihuana products for medicinal purposes is unconstitutional. The court has given Health Canada 12 months to appeal or rewrite the current MMPR system to allow for other forms of marihuana consumption other than dried marihuana.

Other relevant requirements for applicants and licensed producers under the MMPR include the following:

- production facilities may only be located indoors (greenhouses are also acceptable);
- production facilities must meet specified advanced security requirements to prevent and detect unauthorized access;
- producers may not operate storefronts;
- producers may not wholesale products except to other licensed producers; they must sell directly to authorized consumers or, if requested, to their physicians;
- producers are required to notify their local government, local police force and local fire officials of their intention to apply to Health Canada, so that local authorities are aware of their proposed location and activities. Producers are also required to communicate with local authorities whenever there is a change in the status of their license;
- producers must comply with all federal, provincial/territorial and municipal laws and by-laws, including municipal zoning by-laws;
- there are no applicable federal fees payable in respect of the application or maintenance of the license to produce marijuana under the MMPR;
- producer must have an employee designated as a quality assurance person who is responsible for assuring the quality of the dried marijuana, before it is made available for sale. This employee must have the training, experience and technical knowledge related to the proposed licensed activities and the requirements of the MMPR; and
- applicants must submit a detailed description of their proposed record keeping methods. This must include a description of the process that will be used for recording transactions relating to licensed activities, including maintaining appropriate records of transactions and dealings with both suppliers and clients.

Other aspects of the MMPR relevant to our business include the following:

- The MMPR do not contain any limitations on the conditions for which a health care practitioner can support the use of marijuana for medical purposes;
- The MMPR does not impose a limit on the number of production licenses;
- There are no restrictions under the new *MMPR* on the daily amount of marijuana that may be prescribed, there is an individual possession cap of the lesser of 150 grams or 30 times the daily amount. For example, if an individual has a daily amount of 2 grams per day, their possession cap would be 60 grams.

Our Planned Production Facilities

Each of our joint venture production facilities is planned as a state of the art indoor growing operation designed to meet or exceed the standards for safety and security provided for in the MMPR. Each of our planned facilities will be equipped for indoor, in-soil and/or hydroponic marijuana cultivation of preparation in accordance with the specifications of the MMPR and will accommodate each step required in the production of medical marijuana. Facilities will include:

- temperature and humidity control systems;
- automated irrigation systems;
- automated grow lighting;
- ventilation and air quality control systems;
- drying and curing room;
- product testing laboratory facilities;
- packaging room;
- storage vault;
- information technology and security control room; and

- administrative offices.

Production Facility Staffing Requirements

We anticipate that each of our planned facilities will require personnel acting in the following capacities:

- marihuana cultivation expert to oversee production activities;
- production assistants to provide support in all aspects of the cultivation and processing;
- information technology specialist to manage electronic records, inventory and sales;
- designated quality assurance specialist to monitor production standards and conduct routine product testing;
- financial controller/accountant;
- sales representative ; and
- operations manager/executive to oversee the entirety of the joint venture operations.

We intend to fulfill our staffing requirements through the engagement of both full and part-time employees and consultants.

Marihuana Cultivation at our Planned Production Facilities

We intend to cultivate our medical marihuana using state of the art organic indoor growing techniques which will be customized to optimize the quality, yield and desired potency of medicinal marihuana produced. On average, the indoor production cycle of marihuana from planting to harvest is 3 to 5 months in duration. However, the use of certain varieties and growing techniques can shorten the production cycle to as little as 6 weeks or lengthen it to as long as 8 months. An initial harvest grown from seed stock (rather than from planting a clone/trimming) will typically require an additional three to four months growing time. Each of our planned facilities will grow several varieties requiring varying production times. Each of our planned facilities will follow the following cultivation procedures:

- **Varietal Selection:** marihuana varieties are selected based on a variety of considerations, including patient demand, consumer availability, yield, growth time, and cannabidiol and tetrahydrocannabinol content (see paragraph below entitled “*The Use of Marihuana for Medical Purposes*”);
- **Seed Procurement:** seeds are obtained from a range of Canadian and international suppliers approved by Health Canada;
- **Germination:** seeds are germinated in peat, soil, or water until sprouted (approximately 1 week)
- **Planting:** plants for production are grown from sprouted seeds or from clippings taken from a “mother” plant;
- **Seedling Maturation:** seedlings are matured under fluorescent lighting until they develop roots and cotyledons (seed leaves) and develop identifiable sex characteristics. Male plants are separated for breeding and female plants cultivated for consumption. (4 to 6 weeks).
- **Vegetative Phase:** Most varieties enter a vegetative phase upon developing identifiable sex characteristics. The vegetative phase is characterized by the downward expansion of root systems, leaf and stem growth. Certain varieties (auto-flowering hybrids) omit the vegetative stage and pass directly from seedling to pre-flowering. The length of the vegetative stage varies widely between varieties and depends significantly on the growing techniques selected. The duration of the vegetative phases is manipulated to obtain the desired results in terms of plant size and flowering time. (1 month to 3 months).
- **Pre-Flowering:** Following the vegetative stage, plants enter a pre-flowering phase during which plant development increases dramatically and the structure for flowering develops (approximately 2 weeks).
- **Flowering:** Following pre-flowering, plants enter a flowering phases during which the smoke-able bud/flowers develop. The flowering phase varies from about 6 to 22 weeks.
- **Harvesting:** When flowers(buds) achieve the desired size and maturity they are harvested and dried on metal racks.
- **Quality Control:** Dried buds are weighed and tested for contaminants, mold, potency and chemical composition.

- **Storage:** Unsatisfactory product is quarantined and destroyed, which product meeting the required specification is vacuum sealed and labelled.

We anticipate that the initial harvest from each of our planned facilities will occur within 6 to 8 months from completion of facility construction.

Sales and Distribution by our Planned Production Facilities

Patient Eligibility and Registration

The sales and distribution procedures of each of our planned facilities will follow the procedures required by the MMPR for the purchase and sale of medical marihuana in Canada. Patients seeking to obtain medical marihuana must consult with and obtain a detailed prescription (medical document) from a health care practitioner with prescribing authority, usually a physician. Medical documents must contain identification information of the patient and physician, the period of use (no more than 1 year without re-evaluation) and the prescribed daily dose/quantity.

Patients with the requisite medical document may then register with the licensed producer of their choice. A list of licensed producers is maintained and published by Health Canada. Patients seeking to register with any of our planned production facilities will complete and submit by mail a registration form available on that facility's website, together with copies of medical documents and identification documents.

Ordering and Order Fulfillment

Once registered with one of our planned facilities, patients will be able to order prescribed quantities from that facility. Orders will be accepted by telephone. Upon receipt of an order, the prescribed marihuana will be weighed, packaged in pharmaceutical grade, child proof containers, and labeled with designation of origin, producer name, weight, active ingredient percentage, and warning labels.

We will ship orders by courier only. The MMPR does not allow for storefront or retail distribution centers.

Production License Application Process Applicable to Our Joint Ventures:

Prior to engaging in the production of medical marihuana, each of our joint ventures must successfully complete the licensing application process administered by Health Canada. The Health Canada process for becoming a licensed producer involves a multi-stage application and review including the following stages:

- Step 1: Preliminary Screening
- Step 2: Enhanced Screening
- Step 3: Security Clearance
- Step 4: Review
- Step 5: Ready to build letter (if required by applicant)
- Step 6: Pre-license inspection
- Step 7: Licensing

To date, Health Canada has not provided estimated or guaranteed process times for any application stage. According to Health Canada, as at August. 25, 2014, it had received 1,009 formal production license applications under the MMPR since its call for applications in 2013. Of those, 462 applications have been returned as incomplete, 201 have been rejected and 32 withdrawn. To date, 14 production licenses have been granted to 13 different producers with only 2 licenses granted during the summer of 2014. Due to the slow progress, uncertain timing, and apparent backlog of production license application reviews by Health Canada, we are currently unable to determine with any accuracy when any of our applications under review will be processed.

Current Litigation Affecting MMPR Regulatory Regime

Allard Case

On March 21, 2014, an injunction was granted by the Federal Court of Canada to four appellants, including Neil Allard, who are appealing the regulations which came in to effect on April 1, 2014. The injunction provides that Authorizations to Possess [ATPs] medical marihuana granted under the MMAR that were valid on March 21, 2014 and associated Personal Use Production Licenses and Designated Production Licenses valid on September 30, 2013 remain valid under the terms of those authorizations, with the exception that the amount of marihuana that can be possessed under the ATP is now limited to 150 grams. The impact of the order is that approximately 37,500 licensees under the MMAR will be permitted to continue production and consumption of marihuana under the MMAR. The court order has no effect on the implementation of the MMPR going forward and no new licenses will be granted under the MMAR. On March 31, 2014, the Federal Government announced its intention to appeal the March 21, 2014 order.

Owen Smith Case

On August 14, 2014, the British Columbia Court of Appeal ruled the Government of Canada's restriction on edible marijuana products is unconstitutional. Currently, the MMPR permits only dried marijuana to be produced and sold for medicinal use. Owen Smith, who challenged the law, argued some patients want to consume their marijuana medicine in butters, brownies, cookies and teas etc. Smith claimed the right to administer the drug in other forms is fundamental, but that was denied by federal regulations. In a two-to-one decision, the court ruled the law does infringe on the constitutional rights of those who require other forms of cannabis to treat illnesses.

In its ruling, the Court of Appeal suspended the effect of its judgement for one year in order to allow the Parliament of Canada time to amend the regulations. The Government of Canada had appealed the decision from Supreme Court of British Columbia where the trial judge ordered the word "dried," and the definition of "dried marijuana" to be deleted from the MMPR.

On October 1, 2014 the Federal Government filed a notice to appeal the decision to the Supreme Court of Canada to determine whether medical marijuana patients have a constitutional right to edible medical marijuana products, such as cannabis oils, butters, teas and lotions. No date has been set for the hearing.

Market for Medical Marihuana in Canada

It is estimated by Health Canada that the overall market for medical marihuana in Canada under the new MMPR will be approximately \$1.3 billion per year by 2024 (source: Health Canada/Canadian Broadcasting Corporation). As at May, 2014, there were 37,400 medical marihuana users recognized by Health Canada and Health Canada projects that the number of licensed users will increase to over 450,000 by 2024. Health Canada formerly sold medical marijuana, produced on contract by Prairie Plant Systems (formerly the only licensed producer in Canada), for \$5 a gram. It is estimated that the price per gram under the new licensing system will average \$7.60 per gram as producers set prices without interference from government (source Health Canada/Canadian Broadcasting Corporation).

Despite these estimates MMJ market is relatively new and largely unproven. The adoption rate of commercial MMJ by qualified patients is difficult to determine but a portion (approximately 13%) of the qualified patient population is already conditioned to purchasing government contracted producers under the old system (source: Health Canada). Furthermore, we anticipate that the convenience of a wide selection of MMJ strains delivered directly to patients in a discrete and concealed package will be attractive. Healthcare practitioners are key stakeholders as they will be signing and providing the medical documentation needed for patients to register with commercial producers. Regulations under the MMPR are not significantly different for healthcare practitioners already familiar with the process under the former MMAR. Licensed producers are held responsible for quality of the product provided as the MMPR outlines strict rules for quality assessment and control, cleanliness, manufacturing, and pesticide use. Security and diversion to the black market remain a concern but MMPR outlines strict rules for segregation of duties and security clearances,

background checks for employees and officers, tracking of product in and out of the premises, and camera surveillance.

The Use of Marihuana for Medical Purposes (source Cantech Letter: Canada's Medical Marijuana Industry: A Top Down Look)

The marihuana or cannabis plant, aka cannabis sativa, contains more than 80 cannabinoids, a group of chemical compounds which includes delta9-tetrahydrocannabinol (THC) and cannabidiol (CBD). Research has shown that THC and CBD influence different regions of the central nervous system and have different effects on cannabis users [Borgwardt, Biol Psychiatry, 2008]. Most of the psychoactive effects associated with the use of cannabis are caused by THC, whereas CBD has been shown to have anti-anxiety, anti-nausea, anti-inflammatory, and anti-psychotic effects [Bergamaschi, Curr Drug Saf., 2011; Niesink, Front Psychiatry, 2013]. Cannabis smoking often leads to adverse effects such as increases and fluctuations in heart rate and blood pressure, euphoria, anxiety, and impairment of cognition and memory. Cannabis also contains a similar array of detrimental and carcinogenic compounds compared to cigarette smoke, some of which are present even at higher concentrations [Leung, J Am Board Fam Med, 2011].

MMJ is used and has been tested in a variety of indications. In the last ten years, there have been estimated 300 individually registered trials used cannabis, THC, or CBD as the intervention. Excluding addiction, the indication that accounted for the majority (42%) of trials, MMJ has been tested in a wide range of indications to help patients cope with pain not only from the disease itself, but also for relief from strong and sometimes toxic medication, such as chemotherapy. Neurological disorders, mental health, muscle and back problems, and inflammation (such as gastrointestinal disorders) are common indications under study.

Quality Control and Technical Specification for Medical Marihuana Applicable to Our Joint Ventures

To date, dried marihuana has not been authorized as a therapeutic product in Canada or in any other country. In addition, no international standards currently exist specifically for the quality of dried marihuana. Dried marihuana produced by a licensed producer (LP), while exempt from the application of the Food and Drug Regulations via the Marihuana Exemption (Food and Drugs Act) Regulations (other than in the context of marihuana to be used in a clinical trial), is subject to provisions in the Food and Drugs Act (Canada) (FDA). The FDA provisions include a general prohibition (paragraph 8(a) and (b)) against the sale of a drug that was “manufactured, prepared, preserved, packaged or stored under unsanitary conditions; or is adulterated”. Similar requirements are provided in Division 4 of the MMPR, which includes Good Production Practice(s) (GPP) requirements relating to storage of dried marihuana, storage premises, equipment, the sanitation program, standard operating procedures, recall of product, and quality assurance personnel. Division 5 of the MMPR provides packaging, labeling and shipping guidelines, which prescribe the same product identification and safety requirements as those for other pharmaceuticals (designation of origin, producer, weight, active ingredient percentage, childproof packaging, warning labels, etc.) Additionally, the MMPR provide compliance and enforcement measures, allowing for refusal, suspension or revocation of a producer’s license on the basis of risks to public health, safety or security.

In June 2013, Health Canada published the guidance document entitled “Technical Specifications For Testing Dried Marihuana for Medical Purposes” which outlines the procedures and good production practices required under the MMPR for achieving the requisite purity and quality of finished dried marihuana product. As specified in the MMPR, each batch or lot of dried marihuana must be approved for release by the LP’s Quality Assurance person, who must have the training, experience and technical knowledge relating to the activity conducted and the requirements of Division 4 of the MMPR. This means that the Quality Assurance person must have the ability to evaluate the operations of the LP to ensure compliance with Division 4, and the technical knowledge to be able to assess analytical testing results in order to be able to make the determination of whether the dried marihuana is suitable for sale. The Quality Assurance person is also responsible for investigating quality-related complaints and taking corrective and preventive actions, if necessary. Visual inspection should confirm the absence of pests or extraneous substances. There is no requirement to mill or irradiate the dried marihuana, although LPs may choose to do so.

Marketing and Advertising Restrictions Applicable to Our Joint Ventures

Like traditional prescription-only drugs, the marketing and advertising of medical marihuana directly to consumers is prohibited in Canada, subject to certain limited exemptions for activities which are not primarily intended to promote the sale of a drug. Such exemptions include the dissemination of general corporate information, as well as non-promotional information regarding the existence and nature of pharmaceutical products, without reference to potential indications or therapeutic benefits. Drug manufacturers are also permitted to market products directly to health care providers through the provision of drug samples, sponsorship of continuing medical education, and the dissemination of information through sales representatives. More recently, in June, 2014 it was reported that Health Canada disseminated a memorandum to licensed producers providing additional guidelines and cautioning producers against certain promotional activities. These guidelines have not been made public. In light of the evolving guidelines regarding advertising of our planned products, we intend to restrict our product related advertising to health care professionals. We anticipate that any advertising to the general public will be limited to general corporate information.

Client Registration, Ordering and Distribution Restrictions Applicable to Our Joint Ventures:

Client's seeking to purchase medical marihuana under the MMPR must be ordinarily resident in Canada, and must submit a detailed application (including relevant identification and contact information and original medical prescription documents meeting the requirements of the MMPR) to become a client of a licensed producer. Similarly, health practitioners are authorized under the MMPR to act as intermediaries between producer and clients for the purposes of filling prescriptions and may therefore purchase product from licensed producers.

Current Status of our Medical Marihuana Business

Following the announcement of the MMPR in June, 2013, our management began identifying and evaluating opportunities for entry into the medical marihuana industry in Canada. We do not currently intend to engage in marihuana related activities in the United States.

Termination of World of Marihuana Joint Venture

On January 16, 2014 we announced that we had entered into a Joint Venture Agreement with the World of Marihuana Productions Ltd. (WOM) to grow, cultivate and sell medical marihuana under the MMPR program. As at March 11, 2014 our Company had earned a 31% interest in the World of Marihuana Joint Venture by paying and advancing \$375,000 and issuing 16,000,000 million shares. 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.

The license application for the WOM joint venture was submitted in October 2013 although no license has been awarded to date. On September 18, 2014 we announced that we have provided notice to WOM alleging default under the terms of the joint venture agreement for, among other things, their failure to provide financial information in regards to the funding, expenses and operation of the joint venture. Subsequently, on October 16, 2014, we entered into a Termination and Settlement Agreement dated effective October 14, 2014 with WOM and Mathew Chadwick pursuant to which we terminated our joint venture relationship with WOM and relinquished our 31% interest in the joint venture in consideration of the return to our Company for cancellation of 15,127,287 shares of our common stock previously issued to WOM. As a condition of the settlement, Mr. Chadwick agreed to the immediate termination of his management agreement with our Company and acknowledged that no further funds are payable to him pursuant to the agreement. Mr. Chadwick concurrently resigned as our director and Senior Vice President of Marihuana Operations.

The Green Canvas Joint Venture

On February 28, 2014, we announced that we had entered into a Joint Venture Agreement with GCL to grow, cultivate and sell medical marihuana under the Canadian Federal Government MMPR program. As at February 28,

2014, our company has earned 49% in the Green Canvas Joint Venture by paying \$500,000 and issuing 10,000,000 million shares (includes 1,800,000 common shares to a broker) with 6,400,000 shares in escrow pending the granting of a Health Canada license within 12 months of signing the JV agreement.

Our company has made all required cash and share payments necessary for the first year of the joint venture signed with GCL. The GCL joint venture project is currently in the pre-construction phase and the project location is not determined. If the construction cost exceed the funds already advanced by the company each party is required to pay its pro rata share (currently 49% for our company and 51% for GCL).

If the Heath Canada production license is not received by the first anniversary date of the agreement our company would have no further obligations under the joint venture. If a production license is granted by Health Canada then our company would be responsible to make payments under the joint Venture agreement as follows:

on or before the first anniversary of the agreement, we must pay the sum of \$250,000 and issue 3,000,000 common shares in return for which we will be granted and vested with an additional 2% ownership interest in the joint venture;

on or before the second anniversary of the agreement, we pay the sum of \$150,000 to GCL and issue 3,000,000 common shares to GCL, in return for which Enertopia will be granted and vested with an additional 9% ownership Interest ownership interest in the joint venture.

Upon earning a 60% ownership interest on or before the second anniversary of the agreement in we shall have the option to acquire an additional 15% ownership interest through the issuance of an additional 3,000,000 common shares to GCL on or before the third anniversary of the agreement.

In the event that the joint venture does not obtain a license from Health Canada by February 28, 2015:

GCL shall return all common shares issued to it by Enertopia pursuant to the agreement, other than 3,600,000 common shares issued for the benefit of third parties which GCL shall be entitled to retain 1,800,000 and 1,800,000 finder s fee retained by Wolverton Securities Inc;

All management agreements entered into by the joint venture shall terminate; and

The joint venture agreement shall terminate.

Status of Green Canvas Joint Venture

The GCL submitted its-application to Health Canada for a production license on July 2014. The application is in the preliminary screening phase during which any deficiencies in the application cited by Health Canada must be corrected before the application proceeds to advanced screening and security clearance. When preliminary screening, enhanced screening and security clearance are concluded, the application review process will begin, followed by pre-license inspection if the application is successful. We are unable at this time to meaningfully anticipate or predict a timeline for review, approval and processing of our application by Health Canada. If the Heath Canada license is not received by the first anniversary date of the agreement our company would have no further obligations under the joint venture. If a production licensed is granted by Health Canada then our company would be responsible to make the above described payments pursuant to the agreement. If a production license is not obtained by the February 28, 2015 deadline, we may nevertheless seek to extend our participation in the joint venture beyond the anniversary date if we determine that (i) sufficient progress has been made to merit additional investment, and (ii) we have access to adequate financing. Any extension of the joint venture will be subject to the mutual approval of our Company and the GCL.

The proposed production facility for the Green Canvas joint venture is located in Regina, Saskatchewan. The facility is scalable to up to 55,000 ft² and is currently undergoing upgrades to make a 14,000 square foot production space compliant with MMPR standards. It is estimated that production from this facility based on the 14,000 production space will reach 10,000 kilograms per year.

As described above, we have satisfied our cash and equity obligations to the GCL joint venture until February 28, 2015, earning a 49% interest in the joint venture. If a license is obtained by February 28, 2015, we will be responsible to pay to the GCL \$250,000 and 3,000,000 common shares by February 28, 2015 in consideration of an additional 2% interest in the joint venture. Any additional expenses of the joint venture not accounted for in the joint venture agreement are to be paid on a pro rata basis according to ownership in the joint venture. In July, 2014 Health Canada implemented updated security requirements under the MMPR to ensure inventories of medical marijuana were stored in secure facilities. The joint venture is currently reviewing the updated security requirements with respect to the enhanced Health Canada standards and is preparing a new budget based on these new calculations. In anticipation of additional costs for completion of the GCL joint venture facility renovation we have allocated \$250,000 in our capital requirements for fiscal 2015.

Lexaria Joint Venture

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

Our joint venture will terminate in the event that we do not fulfill our contractually mandated financial obligations in respect of the joint venture or if the joint venture does not receive a medical marijuana production license from Health Canada by May 27, 2015.

The proposed Burlington, Ontario facility is now comprised of ~30,000 ft², with Lexaria having acquired a right of first refusal having been acquired for another 45,000 square feet totaling 75,000 ft² to accommodate future growth. Municipal approval has been obtained to use the site for our intended purposes. Planned production areas have 22 foot ceilings which could allow for the possibility of a 2nd mezzanine level in many areas for further expansion. The production target for the facility based on 30,000 ft² (with approximately 50% devoted to production space) is approximately 10,000 kilograms per year production.

Status of Lexaria Joint Venture

The Lexaria joint venture has identified a production location in Burlington, Ontario, secured a lease to the facility and received municipal zoning approval for the proposed site in July, 2014. The joint venture's license application to Health Canada under the MMPR was submitted in July, 2014 and is currently in the preliminary screening stage. We currently lease 30,000 square feet of the planned facility space and may terminate the lease with 90 days notice to the landlord if our Health Canada application is refused for any reasons. The lease is payable in shares of our common stock and cash. If we do not receive a ready to build letter from Health Canada by January 22, 2015, we will have no further obligations under the lease agreement. Alternately, the joint venture may continue under the lease agreement and the applicable rent shall be payable in cash or in shares at the discretion of the lessor. agreement (\$8.25 per square foot of occupied space). Commencement of construction on the proposed facility is subject to successful completion of preliminary and enhanced screening, security clearance, application review, and the issuance of a ready-to-build letter from Health Canada. Following completion of construction (if applicable) the facility will be subject to successful inspection before a license may be granted. We are currently unable to provide a meaningful time estimate

for completion of this process. We estimate that construction of the facility will take approximately 6 to 9 months from the time we obtain a ready-to-build letter.

Marihuana Production in the United States

Our company is focused on the Medical Marihuana Industry in Canada that is supported by the Canadian Federal Government and administered by Health Canada in accordance with the MMPR. Our company is following the strict guidelines that have been outlined with respect to security, quality control and safety of the product at all times under the current federal MMPR program.

In the United States it is still illegal under federal law to grow, cultivate and sell medical or adult use marijuana. However 23 states have approved medical marihuana for use and two states have approved adult use regulations. The United States Federal government justice department has released memo's that will respect the individual states where strict guidelines are followed and enforced so that the health, safety and security are protected at all times by state authorities. If the individual state framework fails to protect the public the Federal government will act in enforcing the controlled substances act of 1970 and the DEA will enforce the federal law.

As at the date of this registration statement, our company has not entered into any prospective or definitive arrangements to produce or distribute marihuana products in the United States and has no intention of engaging in marihuana related activities in the United States. However, our Company continually reviews opportunities and monitors legal and regulatory developments related the medical marihuana sector in both Canada and the United States. We anticipate that we will re-evaluate our participation in the United States medical marihuana sector in the event that medical marihuana production becomes federally sanctioned.

Summary

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

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

Competition

There is strong competition relating to all aspects of the medical marihuana sector. We will actively compete for capital, skilled personnel, and in all other aspects of its operations with a substantial number of other organizations, many of which have greater technical and financial resources than our company. We will actively compete medical marihuana projects and opportunities, and will constantly be facing competition by both smaller and larger companies in all geographical segments of the market. We also anticipate that our joint ventures will face considerable competition for industrial marihuana customers. According to Health Canada, as at August 25, 2014, it had received 1,009 formal production license applications under the MMPR since its call for applications in 2013. Of those, 462 applications have been returned as incomplete, 201 have been rejected and 32 withdrawn. To date, 14 productions licenses have been granted to 13 different producers. Despite the slow progress by Health Canada to grant production licenses under the MMPR, we anticipate that hundreds of production licenses will be granted by Health Canada across Canada and that our joint ventured will be required to compete with those licensees for medical marihuana consumers.

Compliance with Government Regulation

The growing, cultivating and selling of Medical Marihuana in Canada is subject to various Canadian federal, provincial and municipal requirements and regulations. We will from time to time be required to obtain licenses and permits from various governmental authorities in regards to the development of our property and joint venture interests. Prior to submitting an application to become a licensed producer of marihuana for medical purposes under the MMPR, each applicant must provide a written notice to local authorities to inform them of their intention to submit an application. The notice must include the applicant's name, the activities for which the licence is sought (i.e. that activities are to be conducted in respect of cannabis), the site address (and of each building on the site, if applicable) at which the applicant proposes to conduct those activities, as well as the date when the application will be submitted to Health Canada. Thereafter, production facilities require a variety of municipal approvals and permits, including zoning approvals and construction permits. These required approvals and permits will vary from jurisdiction to jurisdiction. In light of the rigorous security standards imposed by the MMPR, we do not anticipate any significant obstacles in obtaining necessary permits and approvals. Each of our joint ventures will, however, select locations for prospective facilities based on the availability of municipal zoning allowances for our proposed activities.

Employees

We primarily used the services of sub-contractors and consultants for our intended business operations. Our only technical employee 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.

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. 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.

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. However, with project advancements in the medical marijuana and if we are successful in our initial and any subsequent drilling programs we may retain additional employees.

Research and Development

We have incurred \$Nil 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

The possession, cultivation and distribution of marijuana may under certain circumstances lead to prosecution under United States federal law, which may cause our business to fail.

Our planned medical marijuana (“MMJ”) business is structured to comply with the Canadian Medical Marijuana Purposes Regulations (“MMPR”), which permits the sale of medical marijuana in Canada under federal license. In the United States, 23 states, including our state of incorporation, Nevada, have approved and regulate medical marijuana use. Similarly, two states have approved and regulate non-medical marijuana use by adults. However, it remains illegal under United States federal law to grow, cultivate or sell marijuana for any purpose. In that regard, the United States Justice Department has released the COLE Memorandum of 8-29-13 which states that the Justice Department will not prioritize the prosecution of marijuana related activities authorized under state laws provided that state authorities implement and enforce strict guidelines to ensure the health, safety and security of the public. Where the individual state framework fails to protect the public, the Justice Department has instructed federal prosecutors to enforce the Controlled Substances Act of 1970. The Department of Justice has not, to our knowledge, published any policy or guidance specifically regarding the participation of a United States corporation in lawful medical marijuana related activities outside of the United States.

Although our planned medical marijuana business is federally sanctioned in Canada and not contrary to the public policy or laws of our state of incorporation, neither state law nor Canadian federal law provides protection against federal prosecution in the United States, which remains at the discretion of the Department of Justice. Although, in light of the COLE Memorandum, we do not anticipate that we will be targeted for prosecution by the Department of Justice, if the Department of Justice uses its discretion to prosecute our company for a violation of the Controlled Substances Act, the resulting civil or criminal consequences will have a material adverse effect on our business, and may cause our business to fail.

The failure to become licensed by Health Canada for the production of medical marijuana production may cause us to abandon our business plan.

There is no assurance that any of our company's joint ventures will be approved by Health Canada or will be granted licensed producer status. Our failure to obtain a license from Health Canada would materially and adversely affect our company's operations, and we would need to revise or abandon our business plan accordingly.

Untimely processing of our license applications by Health Canada may cause our business to fail.

The success of our business plan relies in part on the timely processing by Health Canada of one or more of the various applications submitted by our joint ventures to become licensed producers under MMPR. According to Health Canada, as at August, 25, 2014, it had received 1,009 formal production licenses applications under the MMPR since its call for applications in 2013. Of those, 462 applications have been returned as incomplete, 201 have been rejected and 32 withdrawn. To date, 14 production licenses have been granted to 13 different producers with only 2 licenses granted during the summer of 2014. Due to the slow progress, uncertain timing, and apparent backlog of production license application reviews by Health Canada, we are unable to determine with any accuracy when any of our applications will be processed. Undue delays on the part of Health Canada in processing our application may result in our failure to meet contractual deadlines and termination of our joint ventures, or cause our joint ventures to incur additional expenses without the imminent prospect of revenues, which could cause our business to fail.

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 medical marihuana products may cause our business plan to be unprofitable.

Demand for medical marijuana is dependent on a number of social, political and economic factors that are beyond the control of our company. While we believe that demand for medical marihuana will continue to grow in Canada, there is no assurance that such increase in demand will happen or that our joint ventures will be profitable.

We may not acquire market share or achieve profits due to competition in the medical marijuana industry

Our Company operates in a highly competitive marketplace with various competitors. Increased competition may result in reduced gross margins and/or loss of market share, either of which would seriously harm its business and results of operations. Management cannot be certain that the company will be able to compete against current or future competitors or that competitive pressure will not seriously harm its business. Some of the company's competitors are much larger and have greater access to capital, sales, marketing and other resources. These competitors may be able to respond more rapidly to new regulations or devote greater resources to the development and promotion of their business model than the company can. Furthermore, some of these competitors may make acquisitions or establish co-operative relationships among themselves or with third parties in the industry to increase their ability to rapidly gain market share.

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 MMJ operations are in the start-up 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.

Termination of our joint ventures may result in the failure of our business plan.

Our MMJ business plan relies upon our joint ventures with third parties including The Green Canvas Ltd., and Lexaria Corp. We currently rely upon our joint venture partners to co-finance our MMJ business opportunities, and to contribute administrative support and MMJ expertise toward the development of our business opportunities. Each of our joint venture agreements may be terminated by our joint venture partners in the event that we do not fulfill our contractually mandated financial obligations in respect of the joint venture. In the case of our joint venture with The Green Canvas, joint venture shall terminate if no MMJ production license from Health Canada is received Canada by February 28, 2015. Our joint venture with Lexaria will terminate automatically if no production license is received by May 27, 2016. Additionally, our joint venture partners may not perform their contractual obligations to the joint venture, which would give our company the option to terminate. Because the performance and success of our business relies on the success of our joint ventures, the termination of any joint venture would materially harm our business prospects or cause our business to fail.

We may not have access to certain financial information that is relevant to the prospective activities of our joint ventures.

Investors are advised that certain information which may be useful in evaluating the condition or prospects of our joint ventures, such as the financial condition or qualifications of our joint venture partners, , are not included in this Prospectus and may not otherwise be available to investors or to our Company. Our management has selected our joint venture partners with a view to their respective expertise in the MMJ industry, and we are not aware of any adverse financial conditions affecting our joint venture partners. Our joint venture partner Lexaria Corp. is a publicly reporting company in the United States. However, our other joint venture partner, The Green Canvas Ltd., is a private corporation, and therefore neither our company nor our investors will have access to the private financial or management information of The Green Canvas Ltd. which may be useful in determining the short term financial or strategic viability of our joint venture. We may therefore be unable to anticipate the failure of the Green Canvas to meet its obligations to our joint venture, which may result in the failure of our business plan.

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. The MMJ sector offers many choices for MMJ patients and their can be no assurance that the product supplied by our company and or its partners will be successful in market penetration.

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. Willingness by MMJ patients to continue to buy MMJ products may be dependent upon general economic conditions and any material downturn may reduce the potential profitability of the MMJ business sector.

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.

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.

Unethical business practices may compromise the growth and development of our business.

The production and sale of medical marijuana is an emerging industry in which business practices are not yet standardized and are subject to frequent scrutiny and evaluation by federal, state, provincial, and municipal authorities, academics, and media outlets, among others. Although we intend to develop our business in accordance with best ethical practices, we may suffer negative publicity if we, our partners, contractors, or customers are found to have engaged in any environmentally, insensitive practices or other business practices that are viewed as unethical.

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

We currently have no long-term agreements with any customers. Many of our services may be provided on a "onetime" basis. Accordingly, we will require new customers on a continuous basis to sustain our operations.

We could be required to enter into fixed price contracts which will expose us to significant market risk.

Fixed price contracts require the service provider to perform all agreed services for a specified lump-sum amount. We anticipate a material percentage of our services will be performed on a fixed price basis. Fixed price contracts expose us to some significant risks, including under-estimation of costs, ambiguities in specifications, unforeseen costs or difficulties, and delays beyond our control. These risks could lead to losses on contracts which may be substantial and which could adversely affect the results of our operations.

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

The future growth and profitability of our MMJ 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 services, (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 will depend on our ability to attract, retain and motivate our management team, consultants and other employees. There is strong competition for qualified technical and management personnel in the MMJ 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, 2014 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, 2014, we have incurred a net loss of \$4,641,005 for the year ended August 31, 2014 (net loss \$730,904 for the year ended August 31, 2013) and as at August 31, 2014 has incurred cumulative losses of \$10,765,663 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 may require licenses and permits from various governmental authorities to build and install alternative energy systems or to conduct energy retrofits and build MMJ operations. 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 environmental regulation may result in increased or insupportable financial burden on our company.

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.

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.

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

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

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

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 profitably.

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. 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 principal executive office is Suite 950, 1130 West Pender Street, Vancouver, British Columbia V6E 4A4. This space is leased at CAD\$1,230 per month. Our main telephone number is (604) 602-1675. We have a second office located in Kelowna, British Columbia, which is leased for CAD\$826 per month. Our current locations provide 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.

The license application for the WOM joint venture was submitted in October 2013. To date the WOM joint venture has been financed by our Company in the amount of \$375,000. The \$375,000 budget is intended to fund the joint venture through completion of facility upgrades and completion of the licensing process. On September 18, 2014 we announced that we have provided notice to WOM alleging default under the terms of the joint venture agreement for, among other things, their failure to provide financial information in regards to the funding, expenses and operation of the joint venture. WOM has provided notice in response disputing their default, and we are currently in correspondence with WOM's attorney. Subsequent to year end, On October 16, 2014 we entered into a termination and settlement agreement, dated effective October 14, 2014, with WOM and Mathew Chadwick (the Settlement Agreement), pursuant to which the parties have entered into mutual releases, Mr. Chadwick has resigned from our board of directors and as an officer of the Company, and WOM has returned back to the treasury of the Company 15,127,287 common shares that had been issued to it. Given the foregoing, all relationships between the parties, including but not limited to the WOM Agreement in regards to the Joint Venture business, have been terminated.

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:

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Quarter Ended⁽¹⁾	High	Low
August 2014	\$0.22	\$0.10
May 2014	\$1.08	\$0.15
February 2014	\$0.45	\$0.05
November 2013	\$0.08	\$0.02

Edgar Filing: Enertopia Corp. - Form 10-K/A

August 2013	\$0.15	\$0.01
May 2013	\$0.18	\$0.04
February 2013	\$0.05	\$0.05
November 2012	\$0.06	\$0.05
August 2012	\$0.08	\$0.04

(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 7, 2014, the last closing price for one share of our common stock as reported by the OTC Bulletin Board was \$0.06. 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 2014	\$0.24	\$0.11
May 2014	\$1.20	\$0.16
February 2014	\$0.49	\$0.05
November 2013	\$0.08	\$0.02
August 2013	\$0.05	\$0.01
May 2013	\$0.01	\$0.01
February 2013	\$0.06	\$0.05
November 2012	\$0.10	\$0.05
August 2012	\$0.10	\$0.06

(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 7, 2014, there were 564 holders of record of our common stock. As of November 20, 2013, 41,364,415 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 17, 2013 the Company 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 the company issued 100,000 of its common shares to Downhole Energy LLC. The Company decided not to continue with the agreement and wrote off the asset.

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

The Company has entered into a Letter of Intent Agreement (LOI) on November 1, 2013 with 0984329 BC Ltd. (the Vendor) where the Company wishes to buy and the Vendor wishes to sell 51% of the issued and outstanding capital stock of the Vendor. The Vendor is the owner, operator of a Medical Marihuana operation located at 33420 Cardinal Street, Mission, British Columbia, Canada. Until such time as the Vendor and the Company enter into a Definitive Agreement, the Parties agree that all terms of this LOI are and shall serve only as an expression of interest between the Vendor and the Company. This LOI is not comprehensive and no business relationship is created between the Vendor and the Company unless and until such time as negotiations between the Parties result in the consummation of a Definitive Agreement and such Definitive Agreement is ratified by their respective authorized representatives. On November 15, 2013, the Company issued 10,000,000 shares of the restricted common stock of the Company at a price of \$0.04 per share to 0984329 B.C. Ltd at the direction of WOM pursuant to the term of LOI signed with WOM.

On November 18, 2013, the Company entered into an investor relations contract with Coal Harbour Communications Inc. The initial term of this agreement shall begin on the date of execution of this Agreement and continue for **two months**. Thereafter the agreement will continue on a month-by-month basis pending cancellation by written notification with 30 days notice. In consideration for the services the Company will pay the Provider a one-time payment of two hundred thousand shares (200,000) of restricted common stock in Enertopia Corporation.

On November 26, the 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 (US\$136,000). Each warrant will be 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 December 23, 2013, the Company closed its 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 will be exercisable into one further share at a price of \$0.10 per warrant share for a period of thirty six months following the close. The Company also paid a cash finders fee of \$10,140 and 202,800 broker warrants to Canaccord Genuity and Wolverton Securities that are exercisable into one common share at a price of \$0.10 that expire on December 23, 2016.

On January 16, 2014, the Company issued 5,000,000 common shares of the Company at a price of \$0.18 per share to 0984329 BC Ltd, which shares will be held in escrow by the Company's solicitors until such time which subject to certain condition has occurred per the term of the WOM Agreement.

On January 13, 2014, the Company entered into a corporate development agreement with Don Shaxon. The initial term of this agreement shall begin on the date of execution of this agreement and continue for twelve months. In consideration for the services the Company issued 250,000 common shares of the Company at a price of \$0.15 per share to Don Shaxon as a signing stock bonus. As at February 28, 2014, a total of \$4,685 has been expensed and \$32,812 has been recorded as prepayment.

On January 31, 2014, the Company accepted and received gross proceeds of CAD\$40,500 (\$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 the Company.

On January 31, 2014, the Company closed the first tranche of a private placement of 4,292,000 units at a price of \$0.10 per unit for gross proceeds of \$429,200. Each Unit consists of one common share of the Company and one half (1/2) of one non-transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable into one further Share at a price of \$0.15 per Warrant Share for a period of twenty four (24) months following closing. A cash finders' fee for \$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 13, 2014, the Company closed the final tranche of a private placement by issuing 12,938,000 units at a price of \$0.10 per unit for gross proceeds of \$1,293,800. Each Unit consists of one common share of the Company and one half (1/2) of one non-transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable into one further Share at a price of \$0.15 per Warrant Share for a period of twenty four (24) months following closing. One Director and One Officer of the Company participated in the final tranche for \$30,000. A cash finders' fee for \$98,784; 8,000 common shares in lieu of \$800 finders' fee 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 the Company of CAD\$7,050 (\$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 the 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 the Company for net proceeds of \$115,000.

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

On February 28, 2014, the Company issued to GCL an aggregate of 10,000,000 common shares at a price of \$0.235 of the Company. Of such shares issued, 6,400,000 of the shares issued pursuant shall be held in escrow (the "Escrow Shares") by the Company's solicitors until such time which subject to certain condition has occurred per the term of the GCL Agreement.

On March 11, 2014, Robert Chadwick joined the Company as an advisor and was paid a \$1,000 honorarium. Robert Chadwick was issued a one-time 100,000 common shares of the Company.

On March 11, 2014, as per the terms of the Joint Venture Agreement dated January 16, 2014 with World of Marihuana Productions Ltd., the Company made a payment of \$200,000 and issued 1,000,000 at a price of \$0.60 per share to 0984329 B.C. LTD, the Company now owns 31% in the Joint Venture business interest with World of Marihuana Productions Ltd.

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

On March 14, 2014, the Company accepted and received gross proceeds from a director of the 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 the Company.

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

On March 25, 2014, Enertopia Corp (the "Company") 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 the Company.

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

On March 26, 2014, the Company's Board has appointed Dr. Robert Melamede as an Advisor to the Board of Directors' and has been paid an honorarium of \$2,500 for the first year of his participation on our Advisory Board and issued 250,000 shares of common stock of the Company.

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

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

On April 10, 2014 a letter of intent, was executed on behalf of a corporation to be incorporated by Lexaria Corp. and Enertopia Corporation(Lessee) and Mr. Jeff Paikin of Ontario Inc. (Lessor) sets out the Lessee's and Lessor's shared intent to enter into a lease agreement (the "Lease") for warehouse space (the "Leased Premises") in the building located in Ontario (the "Building"). The Company issued the 38,297 common shares at a deemed price of \$0.47 per the terms of the Letter of Intent to lease space in Ontario. The LOI has been extended for another 30 days.

On April 17, 2014, the 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 the Company.

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

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. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company entered into a one year consulting contract with Clark Kent as Media Coordinator for a monthly fee of CAD\$2,250 plus GST. Upon signing of the contract of acceptance the Company issued 90,000 common shares 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 the Company. Consulting agreement amended on June 18, 2014, Mr. Kent can be eligible to receive up to a total of 1,350,000 common shares of the Company. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company 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 of acceptance the Company issued 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 the Company. Consulting agreement amended on June 18, 2014, Mr. Shaxon can be eligible to receive up to a total of 1,350,000 common shares of the Company. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company entered into a one year consulting contract with 490072 Ontario Ltd. operating as HEC Group, wholly owned company by Greg Boone as Human Resources Manager. Upon signing of the contract of acceptance the Company 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 the Company. Consulting agreement amended on June 18, 2014, Mr. Boone can be eligible to receive up to a total of 1,350,000 common shares of the Company. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company 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 of acceptance the Company issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Springett 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. Springett can be eligible to receive up to a total of 1,350,000 common shares of the Company. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company entered into a one year consulting contract with 2342878 Ontario Inc. wholly owned company by Chris Hornung as Assistant Operations Manager. Upon signing of the contract of acceptance the Company issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Hornung or his company can be eligible to receive up to a total of 472,500 common shares of the Company. On July 14, the Company accepted Mr. Hornung's resignation. 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 the Company for net proceeds of \$40,000.

On May 3, 2014 the Company entered into a one year consulting contract with Bmullan and Associates wholly owned company by Brian Mullan as Security Consultant. Upon signing of the contract of acceptance the Company issued 45,000 common shares at a deemed price of \$0.28. Based on the milestones listed in the contract, Mr. Mullan or his

company can be eligible to receive up to a total of 225,000 common shares of the Company. On July 14, the Company issued 45,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

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On May 29, 2014, the Company 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 the Company.

On June 9, 2014 as per marketing agreement signed with Agoracom on February 27, 2014 for a 12 month contract, the Company made its second quarter payment is \$12,500 plus GST by issuing 72,917 common shares of the Company at a market price of \$0.18 per share.

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

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

On August 1, 2014 the Company signed an extension to the Letter of intent executed on April 10, 2014 on behalf of a corporation to be incorporated by Lexaria Corp. and Enertopia Corporation (Lessee) and Mr. Jeff Paikin of 1475714 Ontario Inc. (Lessor) sets out the Lessee's and Lessor's shared intent to enter into a lease agreement (the "Lease") for warehouse space (the "Leased Premises") in the building located at Burlington, Ontario (the "Building"). On August 5, 2014, as per the terms of the extension, 118,416 common shares of the Company were issued at a deemed price of \$0.19 per share.

On September 16, 2014, the Green Canvas Joint Venture has made an application to Health Canada and is in its preliminary application screening process.

On September 17, 2014, the Company had announced that the Burlington, Ontario Joint Venture with Lexaria Corp. has its application is in Health Canada's preliminary application screening process.

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

On September 18, 2014 we announced that we had provided notice to our joint venture partner World of Marihuana Productions Inc. ("WOM") alleging default by WOM under the terms of our joint venture agreement for among other things, WOM's failure to provide financial information in regards to the funding, expenses and operation of 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 pursuant to which the parties have entered into mutual releases, Mr. Chadwick has resigned from our board of directors and as an officer of our company, and WOM has returned for cancellation 15,127,287 of our common shares issued to it pursuant to our joint venture agreement. Given the foregoing, all relationships and agreement between our Company, WOM, and Mr. Chadwick have been terminated.

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 on 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 on November 18, 2019.

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	3,655,000	\$0.30	1,065,348
2014 Stock Option Plan approved by security holders	Nil	Nil	17,400,000
Total	3,655,000	\$0.30	18,465,348

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, 2014.

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 consolidated 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 consolidated 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, 2014), we intend to:

- continue to support and further the progress of the medical marijuana production license applications for our joint ventures with The Green Canvas and Lexaria;
- identify and secure sources of equity and/or debt financing for our medical marijuana joint venture projects;

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- identify and secure sources of equity and/or debt financing for our prospective drilling project with Downhole Energy LLC;
- continue to identify and evaluate business opportunities in the marihuana production industry in Canada.

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

Estimated Funding Required During the 12 Months beginning June 1, 2014	
Expense	Amount (\$)
Research and Development	100,000
Development of The Green Canvas Joint Venture (facility planning and development, management consulting fees, contingency)	450,000
The Green Canvas Joint Venture anniversary payment (subject to award of MMPR production license)	250,000
Development of Lexaria Joint Venture (MMPR application support, development and construction of Burlington, Ontario facility, lease payments, staff requirements, computer and office equipment)	1,500,000
Management Consulting Fees	450,000
Professional fees	80,000
Rent	35,000
Other general administrative expenses	100,000
Total	\$ 2,965,000

12 Month Outlook for The Green Canvas Ltd. Joint Venture

Our joint venture with The Green Canvas Ltd. submitted its-application to Health Canada for a medical marihuana production license in July 2014. The application is in the preliminary screening phase during which any deficiencies in the application cited by Health Canada must be corrected before the application proceeds to advanced screening and security clearance. When preliminary screening, enhanced screening and security clearance are concluded, the application review process will begin, followed by pre-license inspection if the application is successful. We are unable at this time to meaningfully anticipate or predict a timeline for review, approval and processing of our application by Health Canada. The joint venture will terminative automatically if the joint venture does not receive a medical marihuana production license from Health Canada by February 28, 2015.

We have satisfied our cash and equity obligations to the joint venture until February 28, 2015, earning a 49% interest in the joint venture. If a production license is obtained by February 28, 2015, we will be responsible to pay to the GCL \$250,000 and 3,000,000 common shares by February 28, 2015 in consideration of an additional 2% interest in the joint venture. We are also responsible to pay consulting fees of \$180,000 per year (\$15,000 per month) during the first year of the GCL joint venture from February 28, 2014 to February 28, 2015. Finally, we are committed to pay a 49% share of any expenses incurred by the joint venture, subject to the possible termination of the joint venture (at our option) for failure to obtain a production license by February 28, 2015.

During the 12 months beginning September 1, 2015, it is anticipated that the joint venture will:

- attend to its ongoing license application with Heath Canada (no anticipated costs to Enertopia);
- in light of upgraded Health Canada security requirements issued in July, 2014, prepare a new preliminary design and budget for renovation of the planned production facility (estimated cost to Enertopia of \$5,000);

- if the joint venture is continued after February 28, 2015, and further subject to receipt of *Ready to Build* letter, finalize design and execute renovation of planned production facility (estimated cost to Enertopia of \$240,000);
- pay consulting fees of \$135,000 through February 28, 2015 (cost to Enertopia of \$135,000).

We have sufficient cash on hand to satisfy our obligations to The Green Canvas joint venture and have allocated \$700,000 for the 12 month period beginning June 1, 2014 which amount includes \$250,000 (annual payment); \$250,000 (planning, design, and construction), \$135,000 (management consulting fees) and \$65,000 (contingency).

If the joint venture does not obtain a production license from Health Canada by the February 28, 2015 deadline, the joint venture will terminate without further obligation to our company. If the license is not obtained, we may nevertheless seek to extend the joint venture beyond the anniversary date if we determine that (i) sufficient progress has been made to merit additional investment, and (ii) we have access to adequate financing to satisfy our annual payments under the joint venture, in addition to any other capital requirements which may emerge during the licensing process.

12 Month Outlook for Lexaria Joint Venture

On May 28, 2014, our company and Lexaria entered into a definitive agreement to develop a joint business for the production, manufacture, propagation, import/export, testing, research and development of marijuana in the Province of Ontario under the MMPR. Pursuant to the Agreement, ownership, revenues, and liability related to the the Joint Venture is 51% to Enertopia and 49% to Lexaria. Expenses incurred by the joint venture shall be allocated 45% to Enertopia and 55% to Lexaria. Enertopia shall be responsible for management of the joint venture for as long as it maintains majority ownership.

Since May 28, 2014, to date, Lexaria and Enertopia have contributed \$55,000 and \$45,000 to the joint venture, respectively. The Lexaria joint venture has identified a production location in Burlington, Ontario, secured a lease to the facility and received municipal zoning approval for the proposed site in July, 2014. The joint venture's license application to Health Canada under the MMPR was submitted in July, 2014 and is currently in the preliminary screening stage. We currently lease 20,000 square feet of the planned facility space and may terminate the lease with 90 days' notice to the landlord if our Health Canada application is refused for any reasons. The lease is payable in shares of our common stock under January, 2015. If we do not receive a ready to build letter from Health Canada by January 22, 2015, we will have no further obligations under the lease agreement. Alternately, the joint venture may continue under the lease agreement and the applicable rent shall be payable in cash or in shares at the discretion of the lessor. The applicable lease payments are \$8.25 per square foot of occupied space per year.

During the 12 months beginning September 1, 2014 we anticipate that the joint venture will undertake the following activities and expenses:

- subject to receipt of a ready-to-build letter from Health Canada, engage an architect to design the production facility;
- subject to receipt of a ready-to-build letter from Health Canada and completion of design, commence construction of the Burlington production facility (cost to Enertopia of \$1,350); and
- extend lease agreement for Burlington facility. At the discretion of the landlord, this may require monthly cash lease payments of \$13,750 beginning January 22, 2015 (cost to Enertopia of \$6,187.50 per month).

We are currently unable to provide a meaningful time estimate for completion of license application and construction milestone. We estimate that design and construction of the proposed facility will take approximately 6 to 9 months from the time we obtain a ready-to-build letter. Our joint may be terminated by Lexaria in the event that we do not fulfill our contractually mandated financial obligations in respect of the joint venture. The joint venture will also terminative automatically if the joint venture does not receive a medical marihuana production license from Health

Canada by January 22, 2016.

As at the date of this annual report, we do not have sufficient cash on hand to finance our entire potential and estimated \$1,500,000 cash obligation to the Lexaria joint venture for the 12 months beginning September 1, 2014. In the uncertain event that all of our anticipated financial obligations to the joint venture become due, we will be required to seek additional debt or equity financing. As at the date of this registration statement we have no financing arrangements in place.

Results of Operations for our Years Ended August 31, 2014 and 2013

Our net loss and comprehensive loss for our year ended August 31, 2014, for our year ended August 31, 2013 and the changes between those periods for the respective items are summarized as follows:

		Year Ended August 31, 2014 \$		Year Ended August 31, 2013 \$		Change Between Year Ended August 31, 2014 and Year Ended August 31, 2013 \$
Revenue	\$	Nil	\$	Nil	\$	Nil
Other (income)expenses		2,281,986		388,585		1,893,401
General and administrative		2,359,019		342,319		2,016,700
Interest expense		4,745		6,874		(2,129)
Exploration Costs		Nil		13,380		(13,380)
Impairment of long-term investment		469,048		55,931		413,117
Consulting fees		1,780,866		189,089		1,591,777
Professional Fees		122,747		60,327		62,420
Net Income (loss)		(4,641,005)		(730,904)		(3,910,101)

Other Income

The increase in other income expenses for our year ended August 31, 2014, relates to the issuance of Lexaria common shares to the Company that have gone down in fair market value, The Green Canvas Joint Venture expenses on the medical marijuana license applications, the write off of the WTI deal and the write down of the World of Marijuana Joint Venture termination that occurred subsequent to year end discussed in notes to the financial statements in 8 and 17. The other income costs have increased by \$1,893,401 for the year ended August 31, 2014 compared to August 31, 2013.

General and Administrative

Our general and administrative expenses were higher by \$2,016,700 for our year ended August 31, 2014 compared to August 31, 2013. The increased costs were largely due to new consulting contracts and granting stock options to various consultants. In addition the Company incurred increased costs of \$170,777 for advertising, \$44,184 for investor relations, \$45,147 for rent, \$51,182 for fees, \$32,902 for training and conference, \$56,593 for travel and \$122,747 in professional fees for the year ended August 31, 2014. These increased costs are due to the Company's entrance into the Medical Marijuana business sector, and thus entering into definitive joint venture agreements and letter of intents with various parties.

Professional Fees

There was a increase in legal fees for our year ended August 31, 2014 by \$76,180 compared to the prior year due to financings, registration statements and additional legal advice required for the medical marijuana business.

Interest Expense

There was a slight increase in interest expense for our year ended August 31, 2014 by \$2,129 compared to the prior year.

Exploration Costs

There were no exploration costs for our year ended August 31, 2014 compared to prior year due to the Company cancelling both Copper Hills and Mildred Peak leases.

Impairment of Long-Term Investment

For the year ended August 31, 2014, there was a write off of the WTI deal and from the termination of the World of Marihuana joint venture subsequent to year end. For the year ended August 31, 2013, the Company wrote down GSWPS.

Consulting Fees

There is an increase in consulting fees for the year ended August 31, 2014 compared to August 31, 2013 by \$1,591,777 due new consulting agreements and stock based compensation required for the entrance in the medical marijuana business. The increased costs are associated with the medical marijuana business sector. The Company has entered into various joint venture agreements, advisor and consulting agreements which has increased our costs.

Liquidity and Financial Condition**Working Capital**

	At August 31, 2014	At August 31, 2013
Current assets	\$ 1,488,227	\$ 54,469
Current liabilities	579,826	525,918
Working capital surplus/(deficit)	\$ 908,401	\$ (471,449)

Cash Flows

	Year Ended	
	August 31, 2014	August 31 2013
Cash flows (used in) operating activities	\$ (2,201,179)	(72,751)
Cash flows (used in) investing activities	3,734	(40,000)
Cash flows from financing activities	3,084,226	100,400
Net increase (decrease) in cash during year	\$ 886,781	(12,351)

Operating Activities

Net cash used in operating activities was \$2,201,179 for our year ended August 31, 2014 compared with cash used in operating activities of \$72,751 in 2013. The increase in net cash used in operating activities is due to our Company increase in accounts payable, prepaid expenses and WOM joint venture termination compared to August 31, 2013.

Investing Activities

Net cash provided from investing activities was \$3,734 for our year ended August 31, 2014 compared to net cash used in investing activities of \$40,000 in the same period in 2013. The increase in funds used was for investing activities was in the joint ventures for the medical marijuana business.

Financing Activities

Net cash provided by financing activities was \$3,028,324 for our year ended August 31, 2014 compared to \$100,400 in the same period in 2013. This increase is primarily due to financings, warrant exercises and options exercised.

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. We have a net loss of \$4,641,005 for the year ended August 31, 2014 [2013 – net loss of \$730,904] and at August 31, 2014 had a deficit accumulated during the exploration stage of \$10,765,663 [2013 – \$6,124,658]. We generated revenue of \$nil for the year ended August 31, 2014 [2013 - \$nil]. We have working capital surplus of \$908,401 as at August 31, 2014 [2013 – working capital deficit \$471,449]. 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 December, 2011, the FASB issued ASU 2011-11, "Disclosures about Offsetting Assets and Liabilities", in an effort to improve comparability between US GAAP and IFRS financial statements with regard to the presentation of offsetting assets and liabilities on the statement of financial position arising from financial and derivative instruments, and repurchase agreements. The ASU establishes additional disclosures presenting the gross amounts of recognized assets and liabilities, offsetting amounts, and the net balance reflected in the statement of financial position. Descriptive information regarding the nature and rights of the offset must also be disclosed. This guidance is effective as of the beginning of a fiscal year that begins after January 1, 2013. The adoption of the new guidance is not expected to have an impact on the Company's financial statements.

In February 2013, the FASB issued ASU 2013-02, "Comprehensive Income (Topic 220); Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income." This updated guidance improves the reporting of

significant items reclassified out of accumulated other comprehensive income and requires an entity to present, either on the face of the statement where net income is presented or in the notes, separately for each component of comprehensive income, the current period reclassifications out of accumulated other comprehensive income by the respective line items of net income affected by the reclassification. The updated guidance is effective prospectively for reporting periods beginning after December 15, 2012. The adoption of the new guidance is not expected to have an impact on the Company's financial statements.

In March 2013, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2013-05, “Foreign Currency Matters (Topic 830); Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity.” This guidance applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity. ASU No. 2013-05 is effective prospectively for fiscal years (and interim reporting periods within those years) beginning after December 15, 2013. We will adopt this guidance beginning with our fiscal quarter starting from March 1, 2014. The adoption of the new guidance does not have an impact on the Company’s financial statements.

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. This new guidance provides specific financial statement presentation requirements of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The guidance states that an unrecognized tax benefit in those circumstances should be presented as a reduction to the deferred tax asset. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted. The Company does not believe that the adoption of this guidance does not have a material impact on its consolidated financial statements.

FASB ASU 2013-12, “Definition of a Public Business Entity (An Addition to the Master Glossary),” was issued December 2013 and the amendment provides a single definition of public business entity for use in future financial accounting and reporting guidance. There is no actual effective date for the amendment, however, the term public business entity will be used in future ASUs. The ASU did not have a significant impact to the Company.

FASB ASU 2014-06, “Technical Corrections and Improvements related to the Glossary Terms,” The new guidance is designed to clarify the Master Glossary of the Codification. ASU 2014-06 is not intended to significantly change U.S. GAAP and there was no significant impact to the Company upon adoption.

FASB ASU 2014-09, “Revenue from Contracts with Customers,” was issued May 2014 and updates the principles for recognizing revenue. The ASU will supersede most of the existing revenue recognition requirements in U.S. GAAP and will require entities to recognize revenue at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. This ASU also amends the required disclosures of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The guidance is effective for annual periods beginning after December 15, 2016, including interim periods within that period. Early adoption is not permitted under U.S. GAAP. The Company is determining its implementation approach and evaluating the potential impacts of the new standard on its existing revenue recognition policies and procedures.

FASB ASU 2014-12, “Compensation - Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period,” was issued June 2014. This guidance was issued to resolve diversity in accounting for performance targets. A performance target in a share-based payment that affects vesting and that could be achieved after the requisite service period should be accounted for as a performance condition and should not be reflected in the award’s grant date fair value. Compensation cost should be recognized over the required service period, if it is probable that the performance condition will be achieved. The guidance is effective for annual periods beginning after December 15, 2015 and interim periods within those annual periods. The Company does not anticipate a significant impact upon adoption.

FASB ASU 2014-15, “Presentation of Financial Statements-Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern, which was issued September 2014. This provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. 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 the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity’s ability to continue as a going concern. The ASU applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The Company does not anticipate a significant impact upon adoption.

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.

(A development stage company)

We have audited the consolidated balance sheets of Enertopia Corp. (the Company) (a development stage company, formerly Golden Aria Corp.) as at August 31, 2014 and 2013 and the related consolidated statements of stockholders equity, operations and cash flow for the years then ended and the period from November 24, 2004 (inception) to August 31, 2014. 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 did not audit the Company's financial statements as of and for the year ended August 31, 2010, and the cumulative data from November 24, 2004 (inception) to August 31, 2010 in the statements of stockholders' equity, operations and cash flows, which were audited by other auditors whose report, dated November 25, 2010 which expressed an unqualified opinion, has been furnished to us. Our opinion, insofar as it relates to the amounts included for cumulative data from November 24, 2004 (inception) to August 31, 2010, is based solely on the report of the other auditors.

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at August 31, 2014 and 2013 and the results of their operations and their cash flows for the years then ended and the period from November 24, 2004 (inception) to August 31, 2013 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements referred to above have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the consolidated 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 consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Vancouver, Canada
November 28, 2014

Chartered Accountants

Enertopia Corp.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)

	August 31 2014	August 31 2013
ASSETS		
Current		
Cash and cash equivalents	\$ 888,122	\$ 1,341
Owned securities (Note 4)	323,750	3,750
Accounts receivable	42,264	10,268
Prepaid expenses and deposit	234,091	6,912
Assets held for sale (Note 5)	-	32,197
Total current assets	1,488,227	54,468
Non-Current		
Long term investments - GSWPS (Note 6)	1	1
Medical Marijuana Assets (Note 8,17)	774,271	-
Total Assets	\$ 2,262,499	\$ 54,469
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable	\$ 234,993	\$ 354,928
Short Term Loan- related party (Note 9)	-	47,380
Deferred Revenues	280,000	-
Due to related parties (Note 10)	64,833	123,610
Total Current Liabilities	579,826	525,918
STOCKHOLDERS' EQUITY		
Share capital		
Authorized:		
200,000,000 common shares with a par value of \$0.001 per share		
Issued and outstanding:		
90,870,747 common shares at August 31, 2014 and August 31, 2013:	90,870	30,314
30,314,415		
Additional paid-in capital	14,070,611	5,622,895
Shares to be returned (Note 17)	(1,713,145)	-
Deficit accumulated during the development stage	(10,765,663)	(6,124,658)
Total Stockholders' Equity	1,682,673	(471,449)
Total Liabilities and Stockholders' Equity	\$ 2,262,499	\$ 54,469

The accompanying notes are an integral part of these consolidated financial statements

Enertopia Corp.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)

	Twelve Months Ended		CUMULATIVE PERIOD FROM INCEPTION NOVEMBER 24, 2004 TO
	August 31 2014	August 31 2013	August 31 2014
Revenue			
Non-renewal energy - natural gas and oil revenue	\$ -	\$ -	\$ 374,342
Renewable energy - service revenue	-	-	32,119
			406,461
Cost of revenue			
Non-renewable energy:			
Natural gas and oil operating costs and royalties	-	-	141,197
Depletion	-	-	298,489
Write-down in carrying value of oil and gas property	-	-	293,436
Renewable energy	-	-	48,050
			781,172
Gross Profit	-	-	(374,711)
Expenses			
Accounting and audit	44,069	57,829	431,231
Sales & Marketing	2,199	-	3,045
Advertising & Promotions	170,777	5,437	251,271
Bank charges and interest expense	4,745	6,874	70,979
Consulting	1,780,866	189,089	3,563,725
Mineral exploration costs	-	13,380	520,869
Fees and dues	51,182	25,831	202,809
Insurance	13,939	20,307	94,361
Investor relations	44,184	-	167,998
Legal and professional	78,678	2,498	302,165
Office and miscellaneous	31,979	(5,551)	90,963
Rent	45,147	12,782	141,069
Telephone	1,759	2,784	22,123
Training & Conferences	32,902	-	48,388
Travel	56,593	11,059	174,995
Total expenses	2,359,019	342,319	6,085,991
(Loss) for the period before other items	(2,359,019)	(342,319)	(6,460,702)
Other income (expense)			

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Other income	71,922	-	81,355
Impairment of long term investments (Note 8,17)	(469,048)	(55,931)	(722,889)
MMJ license expenses (Note 8)	(1,882,860)	-	(1,882,860)
Others			22,775
Equity interest pick up	-	(850)	(17,744)
Gain on owned securities	-	(3,750)	(283,082)
Gain on disposition of oil and gas interests	-	-	522,976
Revaluation of warrants liability	-	9,789	896,019
Write down of oil and gas properties (Note 6)	(2,000)	(337,843)	(2,921,511)
Net loss and comprehensive loss for the period	\$ (4,641,005)	\$ (730,904)	\$ (10,765,663)
Basic and diluted income (loss) per share	\$ (0.07)	\$ (0.02)	
Weighted average number of common shares outstanding - basic and diluted	65,894,839	29,897,481	

The accompanying notes are an integral part of these consolidated financial statements

ENERTOPIA CORP.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
NOVEMBER 24, 2004 (inception) TO AUGUST 31, 2014
(Expressed in U.S. Dollars)

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	STOCK TO BE ISSUED	STOCK TO BE RETURNED	DEFICIT ACCUMULATED DURING EXPLORATION STAGE	TOTAL STOCKHOLDERS' EQUITY
Balance November 24, 2004 (Inception)	\$ -	\$ -	\$ -	\$ -	-	- \$	
Issuance of common stock for cash at \$0.02 per share on March 22, 2005	5,467,500	5,468	103,882	-		-	
Issuance of common stock for cash at \$0.30 per share on April 6, 2005	1,112,500	1,112	332,638	-		-	
Stock to be issued	125,000	-	37,375	125		-	
Comprehensive income (loss): (Loss) for the period	-	-	-	-		(167,683)	
Balance, August 31, 2005	6,705,000	6,580	473,895	125		(167,683)	
Stock issued on September 29, 2005	-	125	-	(125)		-	
Comprehensive income (loss): (Loss) for the year	-	-	-	-		(200,091)	
Balance, August 31, 2006	6,705,000	6,705	473,895	-		(367,774)	
Units issued for cash at \$0.50 per unit to related parties on	92,740	93	163,236				

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March 6, 2007
(included stock
based
compensation
of \$116,959)

Stock issued for property on April 18, 2007	250,000	250	274,750	-	-
Units issued for cash at \$0.50 per unit on April 19, 2007	100,000	100	49,900	-	-
Units issued for cash at \$0.50 per unit on August 31, 2007	600,000	600	299,400	-	-
Imputed interest from non- interest bearing loan	-	-	3,405	-	-
Comprehensive income (loss):					
(Loss)	-	-	-	-	(607,397)
for the year					
Balance, August 31, 2007	\$ 7,747,740	\$ 7,748	\$ 1,264,586	\$ -	(975,171)\$
Units issued for acquisition at \$0.42 per unit on November 30, 2007	6,905,000	6,905	2,893,195	-	-
Imputed interest from non- interest bearing loan	-	-	7,139	-	-
Stock-based compensation on 1,785,000 options granted	-	-	104,257	-	-
Comprehensive income (loss):					
(Loss)	-	-	-	-	(372,535)
for the year					
Balance, August 31, 2008	\$ 14,652,740	\$ 14,653	\$ 4,269,177	\$ -	(1,347,706)\$
	-	-	4,410	-	-

Imputed
interest for
non- interest
bearing loan

Stock-based compensation	-	-	35,780	-	-
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Comprehensive
income (loss):

(Loss)	-	-	-	-	84,233
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for the year

Balance, August 31, 2009	\$ 14,652,740	\$ 14,653	\$ 4,309,367	-	(1,263,473)\$
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Imputed
interest for
non- interest
bearing loan
Stock-based
compensation

2,442
78,858

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Stock issued for acquisition at \$0.20 per share on February 28, 2010	500,000	500	124,500			125,000
Units issued for cash at \$0.15 per unit on May 31, 2010	557,500	557	83,068			83,625
Gain on settlement of the amount due to related parties			34,542			34,542
Comprehensive income (loss):						
(Loss) for the year	-	-	-	-	(2,955,141)	(2,955,141)
Balance, August 31, 2010	15,710,240	15,710	4,632,777	-	(4,218,614)	429,873
Debt settlement on November 22, 2010	62,500	63	9,313			9,376
Debt settlement on November 19, 2010	100,000	100	14,900			15,000
Stock-based compensation			254,443			254,443
Share Subscriptions on March 3, 2011	8,729,000	8,729	885,264	-		893,993
Share Issuance costs			(96,490)	-		(96,490)
Warrants issued on March 3, 2011			(848,459)			(848,459)
Common Shares cancelled on January 1, 2011	(1,000,000)	(1,000)	1,000			-
Debt settlement on March 16, 2011	78,125	78	12,422			12,500
Debt settlement on April 27, 2011	360,000	360	157,412			157,772
Debt settlement on April 27, 2011	100,000	100	45,900			46,000
Shares issued Wildhorse on April 11, 2011	500,000	500	74,500			75,000
Share issuance correction on Jun 4, 2011	4,000	4	(4)			-
Comprehensive income (loss):						
(Loss) for the year					(165,405)	(165,405)
Balance, August 31, 2011	\$ 24,643,865	\$ 24,644	\$ 5,142,978	\$ -	(4,384,019)	\$ 783,603
Stock-based compensation			66,953			66,953

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Shares issued Altar on October 11, 2011	100,000	100	9,900			10,000
Shares issued Wildhorse on March 30, 2012	150,000	150	14,850			15,000
Shares issued Tom Ihrke on April 10, 2012	93,750	94	9,281			9,375
Shares subscription for cash on April 13, 2012	2,080,000	2,080	191,499			193,579
Shares subscription for cash on July 27, 2012	600,000	600	29,400			30,000
Shares subscription for cash on August 24, 2012	160,000	160	7,840			8,000
Comprehensive income (loss):						
(Loss) for the year					(1,009,735)	(1,009,735)
Balance, August 31, 2012	\$ 27,827,615	\$ 27,828	\$ 5,472,701	\$ -	(5,393,754)	\$ 106,775
Shares issued for cash September 28, 2012	1,074,500	1,074	48,676			49,750
Shares issued Altar on November 24, 2012	100,000	100	5,900			6,000
Shares issued for cash November 15, 2012	1,152,300	1,152	49,498			50,650
Shares issued to Mark Snyder	160,000	160	15,840			16,000
Debt settlement on March 1, 2013			30,280			30,280
Comprehensive income (loss):						
(Loss) for the year					(730,904)	(730,904)
Balance, August 31, 2013	30,314,415	30,314	5,622,895	-	(6,124,658)	(471,449)
Shares issued to Downhole Energy	100,000	100	1,900			2,000
Shares issued to Stewart Briggs/Olibri	750,000	750	36,750			37,500
Shares issued for MM Assets	10,000,000	10,000	190,000			200,000

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Shares issued for Investor Relations	200,000	200	13,800	14,000
Shares issued for cash for PP on Nov 26	2,720,000	2,720	133,280	136,000
Shares issued for cash for PP on Dec 23	2,528,000	2,528	113,732	116,260
Shares issued per Agreement with DS	250,000	250	37,250	37,500
Shares issued per JV with WOM	5,000,000	5,000	895,000	900,000
Shares issued for cash for PP on Jan 31	4,292,000	4,292	395,292	399,584
Shares issued for warrant conversion	1,126,500	1,127	214,973	216,100
Shares issued for option conversion	450,000	450	43,800	44,250
Shares issued for cash for PP on Feb 13	12,946,000	12,946	1,182,070	1,195,016
Shares issued as per Agreement with Agora	54,347	54	12,446	12,500
Shares issued per JV Agreement with GCL	10,000,000	10,000	2,090,000	2,100,000
Shares issued per JV Agreement with WOM	1,000,000	1,000	599,000	680,000
Shares issued for warrant conversion	5,802,855	5,803	909,143	914,946
Shares issued for option conversion	450,000	450	83,800	84,250
Shares issued as per agreement with R. Chadwick	100,000	100	59,900	60,000
Shares issued as per agreement with Dr. Melamede	250,000	250	169,750	170,000
Shares issued as per various Ontario agreements	623,297	623	212,676	213,299
Shares issued as per Agreement with Agora	72,917	73	13,053	13,126
Shares issued as per various Ontario	720,000	720	100,080	100,800

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agreements							
Shares issued as per Agreement with Emerging LLC	750,000	750	119,250				120,000
Shares issued for warrant conversion	252,000	252	24,948				25,200
Shares issued per LOI Burlington	118,416	118	22,382				22,500
Stock Based Compensation	-	-	773,441	-	-	-	773,441
WOM JV	-	-	-	-	(1,682,545)	-	(1,682,545)
Termination, shares back to Treasury							
Shares returned for contract cancellation C. Hornung	-	-	-	-	(30,600)	-	(30,600)
Comprehensive income (loss):							
(Loss) for the year	-	-	-	-		(4,641,005)	(4,641,005)
Balance, August 31, 2014	90,870,747	90,870	14,070,611	-	(1,713,145)	(10,765,663)	1,682,673

The accompanying notes are an integral part of these consolidated financial statements

ENERTOPIA CORP.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)

	Twelve Months Ended		CUMULATIVE PERIOD FROM INCEPTION November 24, 2004 TO
	August 31, 2014	August 31, 2013	August 31, 2014
Cash flows used in operating activities			
Net Income (loss)	\$ (4,641,005)	\$ (730,904)	\$ (10,765,663)
Changes to reconcile net loss to net cash used in operating activities			
Compensation	773,441	-	1,430,691
Depletion	-	-	298,489
Write down in carrying value of oil and gas properties	-	-	293,436
Stock issued for mineral resource and oil and gas property	-	-	37,500
MMJ expenses	1,332,010	-	1,332,010
Write down of oil and gas properties	2,000	337,843	2,921,511
Gain on disposition of oil and gas properties	-	-	(522,976)
Fair value of warrants liabilities	-	(9,789)	(896,019)
Gain on owned securities	-	3,750	283,082
Equity pick-up	-	850	17,744
Impairment of long term investments (Note 8,17)	17,454	55,931	271,295
Imputed interest	-	-	17,396
Accrued loan interest	-	-	17,928
Other non-cash activities	510,013	-	540,166
Change in non-cash working capital items:			-
Accounts receivable	(9,805)	46,456	(12,324)
Prepaid expenses and deposit	(6,575)	3,818	10,796
Accounts payable and accrued liabilities	(119,935)	228,158	216,754
Due to related parties	(58,777)	(8,864)	95,496
Net cash (used in) operating activities	(2,201,179)	(72,751)	(4,412,688)
Cash flows from (used in) investing activities			

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Proceeds from sale of marketable securities	-	-	56,241
Oil and gas properties acquisition and divestment	-	-	(345,180)
Proceeds from sale of oil and gas interests	-	-	521,545
Mineral resource properties acquisition	-	(40,000)	(231,843)
Investment in GSWPS	-	-	(103,500)
Investment in Pro Eco	10,005	-	(34,996)
Investment in Medical Marijuana Operations	(6,271)	-	(6,270)
Cash provided in connection with business acquisition	-	-	201,028
Net cash from (used in) investing activities	3,734	(40,000)	57,025

Cash flows from financing activities

Promissory notes - related party	(47,380)	-	2,665
Net Proceeds from Options exercised	128,500	-	128,500
Net Proceeds from Warrants exercised	1,156,246	-	1,156,246
Net proceeds from subscriptions received	1,846,860	100,400	3,956,374
Net cash from financing activities	3,084,226	100,400	5,243,785

Increase (Decrease) in cash and cash equivalents	886,781	(12,351)	888,122
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Cash and cash equivalents, beginning of period	1,341	13,692	-
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Cash and cash equivalents, end of period	\$ 888,122	\$ 1,341	\$ 888,122
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Supplemental information of cash flows

Interest paid in cash	\$ -	\$ -	\$ -
Income taxes paid in cash	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements

ENERTOPIA CORP.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2014
(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 gas and oil company engaged in the exploration, development and acquisition of natural gas and oil properties 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 and considered as a development stage company. Subsequent to year ended August 31, 2013, the Company began its entry into the medicinal marijuana business. This change of business was approved by the Company's shareholders during its Annual General Meeting held on July 15, 2014. The Company has offices in Vancouver and Kelowna, B.C., Canada.

2. GOING CONCERN UNCERTAINTY

The accompanying consolidated 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 surplus of \$908,401 for the year ended August 31, 2014 [working capital deficit of \$471,449 for year ended August 31, 2013]. The Company incurred a net loss of \$4,641,005 for the year ended August 31, 2014 [net loss \$730,904 for the year ended August 31, 2013] and as at August 31, 2014 has incurred cumulative losses of \$10,765,663 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 the Company will be able to obtain further funds required for our continued operations. As noted herein, the Company is 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 consolidated 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 consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries, Thor Pharma Corp. and Target Energy, Inc. Target Energy, Inc. was dissolved effective November 4, 2013 with no significant accounting impact. The consolidated financial statements also include the equity interests of Pro Eco Energy Inc. and Global Solar Water Power Systems Inc. Pro Eco Energy Inc. has been sold on December 2, 2013 and Global Solar Water Power Systems Inc. has been written down to \$1. All significant inter-company balances and transactions have been eliminated.

b) Revenue Recognition

The Company recognizes its medical marijuana revenue when services are performed and payments are received or rights to receive consideration are obtained, evidence of an arrangement exists, and collection of consideration is reasonably assured.

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, 2014 and 2013, cash and cash equivalents consist of cash only.

d) Investments in 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 exceed 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.

e) 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.

f) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

The Company's operations are located in the United States of America and Canada, 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.

i) 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, owned securities, accounts payable, short term loan and due to related parties. With the exception of owned securities and non-current portion of promissory notes, the carrying amounts of these financial instruments approximate their fair values due to their short maturities. The fair values of the non-current portion of promissory notes are estimated using quoted market prices or are based on the discounted value of future cash flows. The fair value of owned securities are measured based on quoted prices in active markets. The fair value of the warrants liability is determined by using the Black-Scholes option pricing model.

The Company's operations are in 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.

j) Income 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.

k) Long-Lived Assets Impairment

Long-term assets of the Company are reviewed for impairment when circumstances indicate the carrying value may not be recoverable in accordance with the guidance established in ASC 360, *Property, Plant and Equipment* . For assets that are to be held and used, an impairment loss is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value. Fair values are determined based on discounted cash flows or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value.

l) 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 management of the Company had estimated the asset retirement obligation to be immaterial and therefore was not reflected on the consolidated financial statements as of August 31, 2014 and 2013.

m) 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 Consolidated Statement of Stockholders' Equity. Comprehensive income comprises equity except those transactions resulting from investments by owners and distributions to owners.

n) Concentration of credit risk

The Company places its cash and cash equivalent with high credit quality financial institution. As of August 31, 2014, the Company had \$817,038 in a bank beyond insured limit (August 31, 2013: \$Nil).

o) New Accounting Pronouncements and Adopted Pronouncements

In March 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") 2013-05, "Foreign Currency Matters (Topic 830); Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity." This guidance applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity. ASU No. 2013-05 is effective prospectively for fiscal years (and interim reporting periods within those years) beginning after December 15, 2013. The Company has adopted this guidance beginning with our fiscal quarter starting from March 1, 2014. The adoption of this standard has no material impact on this consolidated financial statement.

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. This new guidance provides specific financial statement presentation requirements of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The guidance states that an unrecognized tax benefit in those circumstances should be presented as a reduction to the deferred tax asset. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted. The Company has adopted this guidance beginning with our fiscal quarter starting from March 1, 2014. The adoption of this standard has no material impact on this consolidated financial statement.

FASB ASU 2013-12, Definition of a Public Business Entity (An Addition to the Master glossary), was issued December 2013 and the amendment provides a single definition of public business entity for use in future financial accounting and reporting guidance. There is no actual effective date for the amendment,

however, the term public business entity will be used in future ASUs. The ASU did not have a significant impact to the Company.

FASB ASU 2014-06, Technical Corrections and Improvements related to the Glossary Terms, The new guidance is designed to clarify the Master Glossary of the Codification. ASU 2014-06 is not intended to significantly change U.S. GAAP and there was no significant impact to the Company upon adoption.

FASB ASU 2014-09, Revenue from Contracts with Customers, was issued May 2014 and updates the principles for recognizing revenue. The ASU will supersede most of the existing revenue recognition requirements in U.S. GAAP and will require entities to recognize revenue at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. This ASU also amends the required disclosures of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The guidance is effective for annual periods beginning after December 15, 2016, including interim periods within that period. Early adoption is not permitted under U.S. GAAP. The Company is determining its implementation approach and evaluating the potential impacts of the new standard on its existing revenue recognition policies and procedures.

FASB ASU 2014-12, Compensation - Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period, was issued June 2014. This guidance was issued to resolve diversity in accounting for performance targets. A performance target in a share-based payment that affects vesting and that could be achieved after the requisite service period should be accounted for as a performance condition and should not be reflected in the award's grant date fair value. Compensation cost should be recognized over the required service period, if it is probable that the performance condition will be achieved. The guidance is effective for annual periods beginning after December 15, 2015 and interim periods within those annual periods. The Company does not anticipate a significant impact upon adoption.

FASB ASU 2014-15, Presentation of Financial Statements-Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which was issued September 2014. This provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. 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 the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. The ASU applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The Company does not anticipate a significant impact upon adoption.

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.

4. OWNED SECURITIES

As at August 31, 2014 owned securities consist of 375,000 common shares of Cheetah Oil & Gas Ltd. obtained through the disposal of the Company's oil and gas properties in Mississippi in 2010. The Company classified the securities owned as held-for-trade and recorded at fair value.

The fair value of the common shares of Cheetah Oil & Gas Ltd. was \$0.01 per share as at August 31, 2014 (August 31, 2013 - \$0.01).

As at August 31, 2014 owned securities consist of 1,000,000 common shares of Lexaria Corp. obtained through Definitive Agreements as per Note 8. The Company classified the securities owned as held-for-trade and

recorded at fair value.

The fair value of the common shares of Lexaria Corp. was \$0.12 per share as at August 31, 2014.

As at August 31, 2014 owned securities consist of 500,000 restricted common shares of Lexaria Corp. Such shares to be released to the Company when a valid license from Health Canada, which designate Enertopia as a Licensed Producer pursuant to Canada's Marijuana for Medical Purposes Regulations (the MMPR license), has been received. In the event of MMPR license has not been received within 24 months of the date of this agreement, such shares will be cancelled and returned to treasury. Restricted shares are not within the scope of ASC 320-10 and are therefore accounted for at cost less other than temporally impairment if the restriction does not terminated within one year. No other than temporally impairment incurred as at August 31, 2014.

5. ASSETS HELD FOR SALE

Assets held for sale as August 31, 2014 and 2013 were comprised of the following:

	2014	2013
Investments in Pro-Eco Energy	\$ -	\$ 32,197
	-	32,197

Pro Eco Energy USA Ltd.

On April 21, 2008, the Company purchased 900,000 shares for \$45,000 in Pro Eco Energy USA Ltd. (Pro Eco Energy) which represented 8.25% ownership. The former Chairman of the Company is a Director in Pro Eco Energy which had established the existence of significant influence in Pro Eco Energy and accordingly the equity method of accounting was adopted for the investment.

On December 2, 2013, the Company sold its investment in Pro Eco Energy Ltd. from its original purchase price of \$45,000 which gave the Company 900,000 shares or 8.25% interest in the Pro Eco on April 21, 2008 to Western Standard Energy Corp. (the Purchase) for \$40,000. The terms of the purchase are as follows: a) \$10,000 on the Closing date which is December 02, 2013; b) \$10,000 on or before December 31, 2013; c) \$10,000 on or before January 31, 2014; d) \$10,000 on or before February 28, 2014. As at August 31, 2014, \$30,000 was included in receivable. The Company is confident that this amount is collectable once the Purchaser completes its ongoing financing.

6. 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.

7. OIL AND GAS PROPERTY

On September 17, 2013 the Company 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. In order to earn the interest in this property, the Company is required to make the following payments:

- Issuing to the Vendor 100,000 common shares in the capital stock of the Company as soon as practicable following the execution of this Agreement (issued at \$0.02 per share),
- Drilling up to 10 wells in year one and issuing 10,000 common shares per producing well after 60 days of commercial production on or before the first anniversary of this Agreement,
- Drilling up to 20 wells in year two and issuing 10,000 common shares per producing well after 60 days of commercial production on or before the second anniversary of this Agreement,
- Drilling up to 30 wells in year three and issuing 10,000 common shares per producing well after 60 days of commercial production on or before the third anniversary of this Agreement, and
- Drilling up to 40 wells in year four and issuing 10,000 common shares per producing well after 60 days of commercial production on or before the fourth anniversary of this Agreement.

On execution of this agreement the Company issued 100,000 of its common shares at \$0.04 per share to Downhole Energy LLC. During the year ended August 31, 2014, based on the management's assessment the result from the oil and gas property, the Company decided that it will not proceed with the terms of the Agreement and as a result the oil and gas property has been written off to \$Nil.

8. MEDICAL MARIJUANA INVESTMENT

- (a) The Company has entered into a Joint Venture Agreement (the "WOM Agreement") on January 16, 2014 with World of Marihuana Productions Ltd. ("WOM") where the Company can acquire up to 51% of the Joint Venture business ownership interest. WOM is expected to acquire a licence issued by Health Canada (the "Licence") to allow for WOM to operate a business of legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, and selling marijuana (the "WOM Business") which shall be located at 33420 Cardinal Street, Mission, British Columbia (the "Premises"). Both parties entered into a non-binding Letter Of Intent dated for reference the 1st day of November, 2013 (the "LOI") which shall be superseded by the WOM Agreement. Both parties entered into the WOM Agreement which set out the terms and conditions in which the Company may acquire up to a 51% ownership interest in the Joint Venture WOM Business. The Effective Date" means the first business day following the day on which WOM has received the final and duly issued Licence from Health Canada and has notified Enertopia of such receipt.

The execution date (the "Execution Date") is upon signing of this WOM Agreement.

The following are the terms of the WOM Agreement:

Enertopia shall purchase its Interest in the Business as set out below, provided that all cash payments are payable directly to WOM by way of wire transfer:

- i) 10,000,000 shares of the restricted common stock of Enertopia (the "Shares") to 0984329 B.C. Ltd ("098") at the direction of WOM at the time of execution of the LOI (the "LOI Shares") (Completed);
- ii) Issuance of 5,000,000 Shares to 098 and payment of \$100,000 to WOM upon signing of this WOM Agreement the Execution Date which Shares will be held in escrow (the "Escrow Shares") by Enertopia's solicitors until such time as the Effective Date has occurred. Upon occurrence of the Effective Date, the Escrow Shares will be released from escrow; (Completed)
- iii) Payment to WOM of \$75,000 by January 31, 2014 in exchange for which Enertopia will be granted a 30% Interest in the WOM Business;(Completed)

- iv) Issue 1,000,000 Shares to 098 and pay \$200,000 to WOM on or before the date that is six months from the Execution Date in exchange for which Enertopia shall be granted a further 1% Interest in the WOM Business; (Completed)
- v) Issue 1,000,000 Shares to 098 and pay \$200,000 to WOM on or before the one year anniversary of the Execution Date in exchange for which Enertopia shall be granted a further 2% Interest in the WOM Business;
- vi) Issue 1,000,000 Shares to 098 and \$200,000 to WOM on or before the second year anniversary of the Execution Date in exchange for which Enertopia shall be granted a further 6% Interest in the WOM Business;

- vii) Issue 1,000,000 Shares to 098 and \$300,000 to WOM on or before the third year anniversary of the Execution Date in exchange for which Enertopia shall be granted a further 6% Interest in the WOM Business;
- viii) Issue 1,000,000 Shares to 098 and \$300,000 to WOM on or before the fourth year anniversary of the Execution Date in exchange for which Enertopia shall be granted a further 6% interest in the WOM Business for a total of 51% Interest to be held by Enertopia at such time;
- ix) Following the Effective Date and subject to any required stock exchange approvals, Enertopia shall appoint Mathew Chadwick, the current sole director of WOM (the "Appointee"), to the board of directors of Enertopia. The Appointee will hold office until the next annual meeting of the shareholders of Enertopia unless his office is earlier vacated in accordance with applicable corporate law. Enertopia shall include the Appointee as one of the management nominees put forth by Enertopia at each shareholder meeting at which the election of directors is an item of business, provided however, that the Appointee shall only be entitled to serve as a director of Enertopia as long as this Agreement is in good standing, full force and effect;
- x) WOM shall not, at any time following the Effective Date and during the course this Agreement remains in effect, issue, split, reverse split, hypothecate or otherwise transact any of its share capital, under any circumstance, without the prior written consent of Enertopia; and
- xi) WOM shall use the first \$375,000 paid by Enertopia pursuant to the term of the WOM Agreement hereof to upgrade the Business as may be required pursuant to Health Canada stipulations or as my otherwise required to advance the Business.

The license application for the WOM joint venture was submitted in October 2013. To date the WOM joint venture has been financed by our Company in the amount of \$375,000. The \$375,000 budget is intended to fund the joint venture through completion of facility upgrades and completion of the licensing process. On September 18, 2014 we announced that we have provided notice to WOM alleging default under the terms of the joint venture agreement for, among other things, their failure to provide financial information in regards to the funding, expenses and operation of the joint venture. WOM has provided notice in response disputing their default, and we are currently in correspondence with WOMs attorney.

Subsequent to year end, on October 16, 2014, the Company entered into a termination and settlement agreement, dated effective October 14, 2014, with WOM and Mathew Chadwick (the **Settlement Agreement**), pursuant to which the parties have entered into mutual releases, Mr. Chadwick has resigned from our board of directors and as an officer of the Company, and WOM has returned back to the treasury of the Company 15,127,287 common shares that had been issued to it. Given the foregoing, all relationships between the parties, including but not limited to the WOM Agreement in regards to the Joint Venture business, have been terminated. As at August 31, 2014, the Company recognized impairment loss for total amount of \$392,454.

- (b) On February 7, 2014, the Company has entered into a binding Letter of Intent ("LOI") shall set forth the basic terms of the recent discussions between Enertopia Corporation ("Enertopia") and Wisplite Technologies Incorporated ("WTI") and Wisplite Technologies Group Incorporated (WTGI) and CEX Holdings Limited (CEX) (collectively, the "Parties") with regard to the acquisition (the "Acquisition") by Enertopia of all of the issued and outstanding shares of WTI. In accordance with the terms of a formal and definitive agreement to be entered into between Enertopia and the current shareholders of WTI (the "Shareholders) (the "Definitive Agreement"), Enertopia shall be entitled to acquire all of the issued and outstanding shares of WTI from the Shareholders. WTGI and CEX are the majority shareholders of WTI.

WTI owns certain proprietary technologies, inventions, products, processes, formulae, designs, data, information and materials related to portable vaporizing devices. Upon the execution of this LOI, Enertopia paid WTI the sum of CAD\$85,000 which is for the payment of patent payments and associated costs. As at February 28, 2014, the LOI has been terminated and the CAD\$85,000 (\$76,594) has been expensed.

- (c) On February 28, 2014, the Company has entered into a Joint Venture Agreement ("the GCL Agreement") with The Green Canvas Ltd. ("GCL") (collectively, the "Parties") with regard to the acquisition (the "Acquisition") by Enertopia of up a 75% interest in the business of GCL (the "GCL Business"), being the business of legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, and selling marihuana for medical purposes.

The Company shall be entitled to acquire up to 75% ownership interest in the GCL Business (an "Ownership Interest") as follows:

- a) Payment of \$100,000 at the time of execution of the LOI (paid);
- b) Either concurrently with or immediately following the Execution Date, Enertopia shall complete the following in return for which Enertopia will be granted and vested with a 49% Ownership Interest in the Business:
 - (i) issue to GCL an aggregate of 10,000,000 common shares of Enertopia ("Shares"); and (issued)
 - (ii) pay to GCL the aggregate sum of \$500,000, the full amount of which, less the sum of \$113,400 payable to Wolverton Securities as a finder's fee, shall be used by GCL to upgrade the GCL Business as may be necessary pursuant to MMPR requirements or as may otherwise be required to advance the GCL Business.(paid)
- c) An aggregate of 6,400,000 of the Shares issued pursuant to the term of CGL Agreement shall be held in escrow (the "Escrow Shares") by the Company's solicitors until the Effective Date. Upon occurrence of the Effective Date, Enertopia will cause its solicitors to release the Escrow Shares from escrow. (paid)
- d) On or before the first anniversary of the Execution Date, Enertopia shall pay the sum of \$250,000 to GCL and issue 3,000,000 Shares to GCL, in return for which Enertopia will be granted and vested with an additional 2% Ownership Interest for a total Ownership Interest of 51% at such time.
- e) On or before the second anniversary of the Execution Date, pay the sum of \$150,000 to GCL and issue 3,000,000 Shares to GCL, in return for which Enertopia will be granted and vested with an additional 9% Ownership Interest for a total Ownership Interest of 60% at such time.
- f) Upon earning a 60% Ownership Interest on or before the second anniversary of the Execution Date in accordance with Sections (d) and (e), Enertopia shall have the option to acquire an additional 15% Ownership Interest through the issuance of an additional 3,000,000 Shares to GCL on or before the third anniversary of the Execution Date.
- g) In the event the Effective Date does not occur within twelve (12) months from the Execution Date:
 - (i) GCL shall return all Shares issued to it by Enertopia pursuant to this Agreement other than 3,600,000 Shares of the 10,000,000 Shares issued pursuant to the term of GCL Agreement (comprised of 1,800,000 Shares issued to Wolverton Securities and 1,800,000 Shares issued to GCL) which GCL shall be entitled to retain;
 - (ii) The Management Agreements (as hereinafter defined) shall terminate immediately and Enertopia shall have no further obligation with respect to the Management Compensation (as hereinafter defined); and
 - (iii) This Agreement shall terminate and Enertopia will be released from all obligations under this GCL Agreement and GCL will also be so released provided that it has fulfilled its obligation pursuant to the term of GCL Agreement

The terms of the GCL Agreement also require Enertopia to fund, for a period of three years subject to early termination of the Agreement, any shortfall in the payment of management fees to certain Green Canvas consultants in the amount of \$15,000 per month, which fees are to be paid out of the gross profits of the GCL Business.

The parties did not form a separate legal entity as part of the GCL Agreement; therefore, the Company accounts for the GCL Agreement as a collaborative arrangement in accordance with applicable accounting guidance. For the year ended August 31, 2014, the Company recorded \$1,873,610 expenses related to such collaborative arrangement. The

Company also recorded restricted common shares issued to GCL for total amount of \$768,000 as assets.

- a) On March 5, 2014, the Company and Mr. Robert McAllister has entered into a three year Joint Venture Agreement ("JV") with Lexaria Corp. (collectively, the "Parties"). Whereas the Company and Robert McAllister will source opportunities in the business, and the terms and conditions on which the Parties will form a joint venture to jointly participate in, or offer specific opportunities within the business (the "Joint Venture"), and Robert McAllister will join the Lexaria Corp. advisory board for the term of this Agreement. Lexaria Corp. issued the Company 1,000,000 shares and Robert McAllister 500,000 shares upon signing of the Agreement. Lexaria agrees to additionally pay Enertopia a finder's commission, received at the sole election of Enertopia in either cash or in common restricted shares of Lexaria, within a range of 2% - 5% of the value (less of taxes) of any future business acquisition, joint venture or transaction that Lexaria accepts and closes for the life of this Agreement. Lexaria as its initial Contribution, hereby pays to McAllister 500,000 common restricted shares as compensation for entering the Joint Venture and for McAllister to initiate and during the term of the Agreement continue to provide to Lexaria opportunities for Lexaria to build its business. Lexaria agrees to additionally award McAllister 500,000 stock options to buy common shares of Lexaria, with terms to be specified and ratified by shareholder and regulatory approvals, as compensation for joining and serving as Chairperson of Lexaria's marihuana business advisory board for the term of this Agreement.
- b) On May 28, 2014, Enertopia and Lexaria signed a Definitive Agreement. Enertopia and Lexaria each wish to develop a business of legally producing, manufacturing, propagating, importing/exporting, testing, researching and developing, marijuana (the "Business") located in Ontario (the "Property"), and on or about April 10, 2014, the Parties entered a Letter of Intent that set forth the basic terms of a proposed joint venture agreement between Enertopia and Lexaria for those purposes. Lexaria issued 500,000 common shares to Enertopia. Enertopia wishes to acquire a license from Health Canada to designate Enertopia as a Licensed Producer pursuant to Canada's Marijuana for Medical Purposes Regulations (the "License"). The Parties are entering into this Agreement to set out the terms and conditions by which Enertopia does own a 51% interest in the Business and Lexaria does own a 49% interest in the Business; and the terms and conditions on which the Parties will form and operate the joint venture to jointly participate in the Business (the "Joint Venture").

The Parties contribute the following as their initial contributions to the Business:

Enertopia, as its initial contribution, hereby contributes \$45,000 to the Joint Venture bank account.

Lexaria, as its initial contribution, hereby contributes \$55,000 to the Joint Venture bank account.

The Parties shall have the following Ownership Interests under this Agreement and of the Business:

Enertopia - 51%

Lexaria - 49%

The Parties shall bear the costs arising under this Agreement and the operation of the Business as to the following, as further described in this Agreement (the "Cost Interests"):

Enertopia - 45%

Lexaria - 55%

The Parties shall have the following insured liability for all things that are not operating costs arising under this Agreement and the operation of the Business as to the following:

Enertopia - 51%

Lexaria - 49%

The Parties shall receive all revenues and profits derived from the operation of the Business as to the following, as further described in this Agreement (the "Revenue Interests"):

Enertopia - 51%

Lexaria - 49%

Enertopia shall act as the manager of the Operations (the "Manager") for so long as its Ownership Interest is 51% or more. Enertopia may designate a specified individual as Manager if the Parties unanimously consent to such appointment. If any party, including Lexaria, gains a 51% Ownership Interest in the Business, then Enertopia shall have the obligation, if requested by the 51% Ownership Interest party, to surrender the Manager position.

The parties did not form a separate legal entity as part of the Joint Venture Agreement; therefore, the Company accounts for the Joint Venture as a collaborative arrangement in accordance with ASC 808 "Collaborative Arrangements". For the year ended August 31, 2014, the Company recorded \$9,250 as expenses related to the collaborative arrangement. The Company also recorded leasehold improvement of \$6,271 as assets.

9. SHORT TERM LOAN

On February 9, 2012, the Company signed a Loan Agreement with Robert McAllister, president and director of the Company to borrow \$47,380 (CAD\$50,000). The loan is unsecured, was due on May 9, 2012 at an interest rate of 10% per annum. Upon the due date, the loan term has been changed to month to month.

On February 20, 2014, the Company paid back the loan in full to Robert McAllister.

10. RELATED PARTIES TRANSACTION

For the year ended August 31, 2014, the Company was party to the following related party transactions:

- Paid /accrued \$69,000 (August 31, 2013: \$60,000) to the President of the Company in consulting fees. The Company also granted 250,000 stock options to him.
- Paid/accrued \$78,000CAD (August 31, 2013: \$66,000CAD) in consulting fees to a company controlled by the CFO of the Company. The Company also granted 250,000 stock options to her.
- Paid/accrued \$7,500 (August 31, 2013: \$Nil) director fees to the directors of the Company. The Company also granted 50,000 stock options to each director.
- Paid \$125,000 (August 31, 2012: \$Nil) cash in consulting fees to the Senior Business Development. The Company also granted 100,000 stock options and issued 100,000 common shares to him.
- Included in accounts payable, \$64,833 was payable to the President and a company controlled by a CFO of the Company.
- Director of Enertopia fell under the short swing rule and paid the Company \$31,922.
- See Notes 8 and 9.

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

11. COMMON STOCK

On September 17, 2013 the Company 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 the company issued 100,000 of its common shares at a price of \$0.02 to Downhole Energy LLC.

On October 4, 2013 the Company entered into a consulting agreement with a six months term with Olibri Acquisitions and issued 750,000 common shares at a price of \$0.05 of the Company for services provided in oil and gas consulting.

On November 1, 2013, the Company issued 10,000,000 shares of the restricted common stock of the Company at a price of \$0.02 per share to 0984329 B.C. Ltd at the direction of WOM pursuant to the term of LOI signed with WOM.

On November 18, 2013, the Company entered into an investor relations contract with Coal Harbour Communications Inc. In consideration for the services the Company issued 200,000 of restricted common stock at a price of \$0.07 of the Company.

On November 26, 2013, the 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 will be exercisable into one further share at a price of \$0.10 per warrant share for a period of thirty six month following the close.

On December 23, 2013, the Company closed its 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 will be exercisable into one further share at a price of \$0.10 per warrant share for a period of thirty six months following the close. The Company also paid a cash finders fee of \$10,140 and 202,800 broker warrants to Canaccord Genuity and Wolverton Securities that are exercisable into one common share at a price of \$0.10 that expire on December 23, 2016.

On January 13, 2014, the Company entered into a corporate development agreement with Don Shaxon. The initial term of this agreement shall begin on the date of execution of this agreement and continue for twelve months. In consideration for the services the Company issued 250,000 common shares of the Company at a price of \$0.15 per share to Don Shaxon as a signing stock bonus. As at February 28, 2014, a total of \$4,685 has been expensed and \$32,812 has been recorded as prepayment.

On January 16, 2014, the Company issued 5,000,000 common shares of the Company at a price of \$0.18 per share to 0984329 BC Ltd, which shares will be held in escrow by the Company's solicitors until such time which subject to certain condition has occurred per the term of the WOM Agreement.

On January 31, 2014, the Company accepted and received gross proceeds of CAD\$40,500 (\$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 the Company.

On January 31, 2014, the Company closed the first tranche of a private placement of 4,292,000 units at a price of \$0.10 per unit for gross proceeds of \$429,200. Each Unit consists of one common share of the Company and one half (1/2) of one non-transferable Share purchase warrant (each whole warrant, a Warrant). Each Warrant will be exercisable into one further Share at a price of \$0.15 per Warrant Share for a period of twenty four (24) months following closing. A cash finders fee for \$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 13, 2014, the Company closed the final tranche of a private placement by issuing 12,938,000 units at a price of \$0.10 per unit for gross proceeds of \$1,293,800. Each Unit consists of one common share of the Company and one half (1/2) of one non-transferable Share purchase warrant (each whole warrant, a Warrant). Each Warrant will be exercisable into one further Share at a price of \$0.15 per Warrant Share for a period of twenty four (24) months following closing. One Director and One Officer of the Company participated in the final tranche for \$30,000. A cash finders fee for \$98,784; 8,000 common shares in lieu of \$800 finders fee 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 the Company of CAD\$7,050 (\$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 the Company for net proceeds of \$101,100.

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

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

On February 28, 2014, the Company issued to GCL an aggregate of 10,000,000 common shares at a price of \$0.235 of the Company. Of such shares issued, 6,400,000 of the shares issued pursuant shall be held in escrow (the "Escrow Shares") by the Company's solicitors until such time which subject to certain condition has occurred per the term of the GCL Agreement.

On March 11, 2014, Robert Chadwick joined the Company as an advisor and was paid a \$1,000 honorarium. Robert Chadwick was issued a one-time 100,000 common shares of the Company.

On March 11, 2014, as per the terms of the Joint Venture Agreement dated January 16, 2014 with World of Marihuana Productions Ltd., the Company made a payment of \$200,000 and issued 1,000,000 at a price of \$0.60 per share to 0984329 B.C. LTD, the Company now owns 31% in the Joint Venture business interest with World of Marihuana Productions Ltd.

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

On March 14, 2014, the Company accepted and received gross proceeds from a director of the 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 the Company.

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

On March 25, 2014, Enertopia Corp (the Company) 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 the Company.

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

On March 26, 2014, the Company's Board has appointed Dr. Robert Melamede as an Advisor to the Board of Directors and has been paid an honorarium of \$2,500 for the first year of his participation on our Advisory Board and issued 250,000 shares of common stock of the Company.

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

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

On April 10, 2014 a letter of intent, was executed on behalf of a corporation to be incorporated by Lexaria Corp. and Enertopia Corporation(Lessee) and Mr. Jeff Paikin of Ontario Inc. (Lessor) sets out the Lessee's and Lessor's shared intent to enter into a lease agreement (the Lease) for warehouse space (the Leased Premises) in the building located in Ontario (the Building). The Company issued the 38,297 common shares at a deemed price of \$0.47 per the terms of the Letter of Intent to lease space in Ontario. The LOI has been extended for another 30 days.

On April 17, 2014, the 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 the Company.

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

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. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company entered into a one year consulting contract with Clark Kent as Media Coordinator for a monthly fee of CAD\$2,250 plus GST. Upon signing of the contract of acceptance the Company issued 90,000 common shares 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 the Company. Consulting agreement amended on June 18, 2014, Mr. Kent can be eligible to receive up to a total of 1,350,000 common shares of the Company. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company 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 of acceptance the Company issued 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 the Company. Consulting agreement amended on June 18, 2014, Mr. Shaxon can be eligible to receive up to a total of 1,350,000 common shares of the Company. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company entered into a one year consulting contract with 490072 Ontario Ltd. operating as HEC Group, wholly owned company by Greg Boone as Human Resources Manager. Upon signing of the contract of acceptance the Company 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 the Company. Consulting agreement amended on June 18, 2014, Mr. Boone can be eligible to receive up to a total of 1,350,000 common shares of the Company. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company 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 of acceptance the Company issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Springett 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. Springett can be eligible to receive up to a total of 1,350,000 common shares of the Company. On July 14, the Company issued 135,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On April 24, 2014 the Company entered into a one year consulting contract with 2342878 Ontario Inc. wholly owned company by Chris Hornung as Assistant Operations Manager. Upon signing of the contract of acceptance the Company issued 90,000 common shares at a deemed price of \$0.34. Based on the milestones listed in the contract, Mr. Hornung or his company can be eligible to receive up to a total of 472,500 common shares of the Company. In July, the Company accepted Mr. Hornung's resignation. 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 the Company for net proceeds of \$40,000.

On May 3, 2014 the Company entered into a one year consulting contract with Bmullan and Associates wholly owned company by Brian Mullan as Security Consultant. Upon signing of the contract of acceptance the Company issued 45,000 common shares at a deemed price of \$0.28. Based on the milestones listed in the contract, Mr. Mullan or his company can be eligible to receive up to a total of 225,000 common shares of the Company. On July 14, the Company issued 45,000 common shares at a deemed price of \$0.14, based on meeting the second milestone.

On May 29, 2014, the Company 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 the Company.

On June 9, 2014 as per marketing agreement signed with Agoracom on February 27, 2014 for a 12 month contract, the Company made its second quarter payment is \$12,500 plus GST by issuing 72,917 common shares of the Company at a market price of \$0.18 per share.

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

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

On August 1, 2014 the Company signed an extension to the Letter of intent executed on April 10, 2014 on behalf of a corporation to be incorporated by Lexaria Corp. and Enertopia Corporation(Lessee) and Mr. Jeff Paikin of 1475714 Ontario Inc. (Lessor) sets out the Lessee's and Lessor's shared intent to enter into a lease agreement (the Lease) for warehouse space (the Leased Premises) in the building located at Burlington, Ontario (the Building). On August 5, 2014, as per the terms of the extension, 118,416 common shares of the Company were issued at a deemed price of \$0.19 per share.

As at August 31, 2014, the Company had 90,870,747 shares issued and outstanding.

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

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

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On January 1, 2014, the Company granted 200,000 stock options to consultant of the Company with an exercise price of \$0.075 with 100,000 stock options vesting 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, the Company granted 250,000 stock options to consultant of the Company with respect to the Corporate Development Agreement dated January 13, 2014. The exercise price of the stock options is \$0.16, 250,000 stock options vested immediately, expiring January 13, 2019.

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

On March 11, 2014, the Company granted 100,000 stock options to Robert Chadwick with an exercise price of \$0.68, 50,000 stock options vested immediately, 50,000 stock options vested on September 11, 2014, expiring March 11, 2019. The Company also granted 100,000 options to Clayton Newbury with an exercise price of \$0.68, 50,000 stock options vested immediately, 50,000 stock options vested on September 11, 2014, expiring March 11, 2019.

On March 26, 2014, the Company's Board has appointed Dr. Robert Melamede as an Advisor to the Board of Directors the Company has granted 500,000 stock options with an exercise price of \$0.70, 250,000 stock options vest immediately and the remaining 250,000 stock options vest September 26, 2014, expiring March 26, 2019.

On April 1, 2014, the Company granted 200,000 stock options vesting immediately, with an exercise price of \$0.86, expiring April 1, 2019.

On April 3, 2014, the Company entered into another 3 month Social Media/Web Marketing Agreement with Stuart Gray. The Company issued 100,000 stock options. The exercise price of the stock options is \$0.72, 100,000 stock options vested immediately, expiring April 3, 2019.

On April 8, 2014, the Company granted 50,000 stock options to a consultant of the Company. The exercise price of the stock options is \$0.50, 50,000 stock options vested immediately, expiring April 8, 2019.

For the year ended August 31, 2014, the Company recorded \$773,441 (August 31, 2013 \$Nil) stock based compensation expenses which has been included in consulting fees.

A summary of the changes in stock options for the years ended August 31, 2014 and 2013 are presented below:

		Options Outstanding	
	Number of Shares		Weighted Average Weighted Average Exercise Price
Balance, August 31, 2013	2,455,000	\$	0.15
Expired	(150,000)		0.18
Exercised	(900,000)		0.10
Granted	2,250,000		0.70
Balance, August 31, 2014	3,655,000	\$	0.30

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:

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	August 31, 2014	August 31, 2013
Expected volatility	204%-219%	134.43%-142.22%
Risk-free interest rate	1.33%-1.79%	1.32%-1.46%
Expected life	5.00 years	5.00 years
Dividend yield	0.00%	0.00%
Estimated fair value per option	\$0.05-\$0.69	\$0.06

The Company has the following options outstanding and exercisable.

August 31, 2014 Exercise prices	Options outstanding			Options exercisable		
	Number of shares	Remaining contractual life	Exercise Price	Number of shares exercisable	Remaining contractual life	Exercise Price
\$0.50	50,000	4.60 years	\$0.50	50,000	4.60 years	\$0.50
\$0.72	100,000	4.59 years	\$0.72	100,000	4.59 years	\$0.72
\$0.86	200,000	4.58 years	\$0.86	200,000	4.58 years	\$0.86
\$0.70	500,000	4.57 years	\$0.70	250,000	4.57 years	\$0.70
\$0.68	*200,000	4.53 years	\$0.68	100,000	4.53 years	\$0.68
\$0.35	50,000	4.43 years	\$0.35	50,000	4.43 years	\$0.35
\$0.16	250,000	4.37 years	\$0.16	250,000	4.37 years	\$0.16
\$0.075	50,000	4.34 years	\$0.075	50,000	4.34 years	\$0.075
\$0.06	550,000	4.18 years	\$0.06	550,000	4.18 years	\$0.06
\$0.10	300,000	0.14 years	\$0.10	300,000	0.14 years	\$0.10
\$0.10	400,000	0.33 years	\$0.10	400,000	0.33 years	\$0.10
\$0.15	555,000	1.45 years	\$0.15	555,000	1.45 years	\$0.15
\$0.15	150,000	1.52 years	\$0.15	150,000	1.52 years	\$0.15
\$0.15	150,000	2.55 years	\$0.15	150,000	2.55 years	\$0.15
\$0.20	100,000	1.19 years	\$0.20	100,000	1.19 years	\$0.20
\$0.25	50,000	1.75 years	\$0.25	50,000	1.75 years	\$0.25
	3,655,000	2.85 years	\$0.30	3,305,000	2.67 years	\$0.25

August 31, 2013 Exercise prices	Options outstanding			Options exercisable		
	Number of shares	Remaining contractual life	Exercise Price	Number of shares exercisable	Remaining contractual life	Exercise Price
\$0.10	400,000	1.14 years	\$0.10	400,000	1.14 years	\$0.10
\$0.10	450,000	1.33 years	\$0.10	450,000	1.33 years	\$0.10
\$0.15	655,000	2.46 years	\$0.15	655,000	2.46 years	\$0.15
\$0.15	150,000	2.44 years	\$0.15	150,000	2.44 years	\$0.15
\$0.15	250,000	3.55 years	\$0.15	250,000	3.55 years	\$0.15
\$0.18	150,000	1.98 years	\$0.18	150,000	1.98 years	\$0.18
\$0.20	100,000	1.98 years	\$0.20	150,000	1.98 years	\$0.20
\$0.25	300,000	2.76 years	\$0.25	300,000	2.76 years	\$0.25
	2,455,000	2.18 years	\$0.15	2,455,000	2.18 years	\$0.15

*such stock options expired subsequent to year end.

Warrants

On November 26, 2013 the 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 will be exercisable into one further share at a price of \$0.10 per warrant share for a period of thirty six months following the close.

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On December 23, 2013, the Company closed its 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 will be exercisable into one further share at a price of US\$0.10 per warrant share for a period of thirty six months following the close. The Company also paid a cash finders fee of \$10,140 and 202,800 broker warrants to Canaccord Genuity and Wolverton Securities that are exercisable into one common share at a price of US\$0.10 that expire on December 23, 2016.

On January 31, 2014, Enertopia 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 \$429,200. Each Unit consists of one common share of the Company and one half (1/2) of one non-transferable Share purchase warrant (each whole warrant, a Warrant). Each Warrant will be exercisable into one further Share at a price of \$0.15 per Warrant Share for a period of twenty four (24) months following closing. A cash finders fee for \$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 13, 2014, Enertopia closed the final tranche of a private placement by issuing 12,938,000 units at a price of \$0.10 per unit for gross proceeds of \$1,293,800. Each Unit consists of one common share of the Company and one half (1/2) of one non-transferable Share purchase warrant (each whole warrant, a Warrant). Each Warrant will be exercisable into one further Share at a price of \$0.15 per Warrant Share for a period of twenty four (24) months following closing. One Director and One Officer of the Company participated in the final tranche for \$30,000. A cash finders fee for \$98,784; 8,000 common shares in lieu of \$800 finders fee 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, 541,500 warrants from previous private placements were exercised into 541,500 common shares of the Company for net proceeds of US\$101,100. The exercise price was \$0.20 for 469,500 warrants and \$0.10 for 72,000 warrants.

On February 27, 2014, 585,000 warrants from previous private placements were exercised into 585,000 common shares of the Company for net proceeds of US\$115,000. The exercise price was \$0.20 for 565,000 warrants and \$0.10 for 20,000 warrants.

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

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

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

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

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

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

On May 29, 2014, the Company 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 the Company.

On July 22, 2014, the Company accepted and received gross proceeds of \$25,200 for the exercise of 252,000 warrants at \$0.10 each into 252,000 common shares of the Company.

As at August 31, 2013, the Company has 5,429,800 warrants issued and outstanding. A summary of warrants as at August 31, 2014 and 2013 is as follows:

	Number of warrant	Warrant Outstanding Weighted Average Exercise Price
Balance, August 31, 2013	5,429,800	\$ 0.20
Exercised	(7,181,355)	\$ 0.16
Granted	15,357,800	\$ 0.13
Balance, August 31, 2014	13,606,245	\$ 0.14

Number Outstanding ¹	Exercise Price	Expiry Date
460,000	\$0.20	July 27, 2015
136,000	\$0.20	August 24, 2015
278,275	\$0.20	September 28, 2015
430,670	\$0.20	November 15, 2015
1,468,000	\$0.10	November 26, 2016
1,438,800	\$0.10	December 23, 2016
2,167,160	\$0.15	January 31, 2016
7,227,340	\$0.15	February 13, 2016
13,606,245		

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

13. 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 HST/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.
- (b) On October 9, 2009, the Company entered into 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 per month plus HST/GST. Effective April 1, 2011, the consulting services are CAD\$5,500 per month plus HST/GST. Effective March 1, 2014, the Company entered into a new consulting agreement with the consulting services at CAD\$7,500 per month plus GST.
- (c) On January 1, 2014 the Company entered into an Social Media/Web Marketing Agreement with Stuart Gray. The initial term of this agreement shall begin on the date of execution of this Agreement and continue for three months. In consideration for the services the Company will pay the Provider Stuart Gray a monthly fee of \$5,000. Upon execution of the Agreement, the Company issued 200,000 stock options. The exercise price of the stock options is \$0.075, 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.

- (d) On January 13, 2014, the Company entered into a corporate development agreement with Don Shaxon. The initial term of this agreement shall begin on the date of execution of this agreement and continue for twelve months. Thereafter the agreement will continue on a month-by-month basis pending cancellation by written notification with 30 days notice. In consideration for the services the Company will pay the Provider Don Shaxon a signing stock bonus of 250,000 common shares of the Company, one-time cash bonus of \$40,000 90 days after the commencement of the contract, and a monthly fee of \$3,500 plus \$500 in monthly expenses. Upon execution of the Agreement, the Company also granted 250,000 stock options. to Don Shaxon with respect to the corporate development agreement dated January 13, 2014. The exercise price of the stock options is \$0.16, 250,000 stock options vested immediately, expiring January 13, 2019.
- (e) On February 27, 2014, the Company signed a \$50,000 12 month marketing agreement with Agoracom payable in common shares of the Company on a quarterly basis. The first quarter payment of \$12,500 has been paid by issuing 54,347 common shares of the Company at a market price of \$0.23 per share. On June 9, 2014, the Company made its second quarterly payment by issuing 72,917 common shares of the Company at a market price of \$0.18 per share.
- (f) On March 10, 2014, the Company's Board has appointed Mr. Matthew Chadwick and the Company entered into a Management Agreement with Matthew Chadwick as Senior Vice President of Marijuana Operations. The initial term of this agreement shall begin on the date of execution of this agreement and continue for six months. In consideration for the services the Company was paid Mr. Matthew Chadwick CAD\$25,000 per month for five months for a total of \$125,000. Subsequent to year end on October 14, 2014, has stepped down as Director from the Company's Board.
- (g) On March 14, 2014, the Company signed a six month contract for \$21,735 with The Money Channel to provide services for national television, internet and radio media campaign.
- (h) On April 1, 2014, the Company entered into a 90 day investor relations contract for CAD \$9,000 with Ken Faulkner.
- (i) On April 3, 2014, the Company entered into another 3 month Social Media/Web Marketing Agreement with Stuart Gray. In consideration for the services the Company will pay the Provider Stuart Gray a monthly fee of \$5,000.
- (j) On April 24, 2014 the Company entered into a one year consulting contract with Clark Kent as Media Coordinator for a monthly fee of CAD\$2,250 plus GST. Upon signing of the contract of acceptance the Company issued 90,000 common shares. 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 the Company.
- (k) On April 24, 2014 the Company 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 of acceptance the Company issued 90,000 common shares. 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 the Company.
- (l) On April 24, 2014 the Company entered into a one year consulting contract with 490072 Ontario Ltd. operating as HEC Group, wholly owned company by Greg Boone as Human Resources Manager. Upon signing of the contract of acceptance the Company issued 90,000 common shares. 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 the Company.
- (m)

On April 24, 2014 the Company 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 of acceptance the Company issued 90,000 common shares. Based on the milestones listed in the contract, Mr. Springett can be eligible to receive up to a total of 472,500 common shares of the Company.

- (n) On April 24, 2014 the Company entered into a one year consulting contract with 2342878 Ontario Inc. wholly owned company by Chris Hornung as Assistant Operations Manager. Upon signing of the contract of acceptance the Company issued 90,000 common shares. Based on the milestones listed in the contract, Mr. Hornung or his company can be eligible to receive up to a total of 472,500 common shares of the Company.
- (o) On July 1, 2014, the Company has entered into a one year services agreement with TDM Financial for \$120,000 payable in common shares of the Company. TDM Financial will provide marketing solutions and strategies to the Company. Upon the signing of the contract with TDM Financial, the Company issued 750,000 common stock of the Company at a deemed price of \$0.16 for the term of the agreement.
- (p) On August 1, 2014 the Company signed an extension to the Letter of intent executed on April 10, 2014 on behalf of a corporation to be incorporated by Lexaria Corp. and Enertopia Corporation (Lessee) and Mr. Jeff Paikin of 1475714 Ontario Inc. (Lessor) sets out the Lessee's and Lessor's shared intent to enter into a lease agreement (the "Lease") for warehouse space (the "Leased Premises") in the building located at Burlington, Ontario (the "Building"). On August 5, 2014, as per the terms of the extension, 118,416 common shares of the Company were issued at a deemed price of \$0.19 per share.
- (q) On August 1, 2014 the Company entered into a three month Investor Relations and Marketing Agreement with Neil Blake with a monthly fee of CAD\$2,500.
- (r) On August 1, 2014 the Company entered into a five month consulting Agreement with JAT Metconsult Ltd. with a monthly fee of CAD\$6,400.
- (s) Also see notes 7, 8, 11, 15.

14. 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, 2014 and 2013:

	2014	2013
Income (Loss) Before Taxes	\$ (4,641,006)	(730,904)
	\$	
Statutory tax rate	34%	38.6%
Expected income tax (recovery)	(1,577,942)	(282,129)
Non-deductible items	1,360	(3,778)
Change in estimates	260,756	17,909
Change in enacted tax rate	222,795	(219,744)
Change in valuation allowance	1,093,031	487,742
Income tax expense (recovery)	\$ -	\$ -

Deferred taxes reflect the tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes. Deferred tax assets (liabilities) at August 31, 2014 and 2013 are comprised of the following:

	2014	2013
Net operating loss carry forwards	\$ 3,240,330	\$ 2,117,719
Marketable Securities	(17,000)	131,301
Mineral Properties	-	178,951
	3,223,330	2,427,971
Valuation Allowance	3,223,330	2,427,971
Deferred Tax Assets (Liabilities)	\$ -	\$ -

The Company has net operating loss carry forwards of approximately \$9,911,204 (2013 - \$5,226,818) which may be carried forward to apply against future taxable income for US tax purposes, subject to the final determination by the taxation authority, expiring in the following years:

Expiry	Enertopia	Target	Consolidated
2025	83,396	-	83,396
2026	-	-	-
2027	615,341	-	615,341
2028	350,002	-	350,002
2029	113,828	-	113,828
2030	3,073,726	-	3,073,726
2031	-	-	-
2032	611,284	-	611,284
2033	379,241	-	379,241
2034	4,684,386	-	4,684,386
Total	9,911,204	-	9,911,204

15. SEGMENTED INFORMATION

The Company identifies its segments based on the way management organizes the Company to assess performance and make operating decisions regarding the allocation of resources. In accordance with the criteria in FASB ASC 280 "*Segment Reporting*," the Company has concluded that it currently has three reportable segments: renewable energy, and oil and gas exploration and medical marijuana, which are managed separately based on fundamental differences in their operations nature.

Summarized financial information concerning the Company's reportable segments is shown in the following tables:

Year ended August 31, 2014	Renewable energy	Oil and Gas	Medical Marijuana
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