

Enertopia Corp.
Form 10-Q
January 06, 2016

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

Form 10-Q

(Mark One)

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

For the quarterly period ended **November 30, 2015**

or

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

For the transition period from _____ to _____

Commission File Number **000-51866**

Enertopia Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

20-1970188

(IRS Employer Identification No.)

950 1130 West Pender Street, Vancouver, BC

(Address of principal executive offices)

V6E 4A4

(Zip Code)

604-602-1675

(Registrant's telephone number, including area code)

Enertopia Corporation

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer,

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or a small reporting company. See the definitions 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 [X]

(Do not check if a 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 [X] NO

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

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

[] YES [] NO

APPLICABLE ONLY TO CORPORATE ISSUERS

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

71,508,460 common shares issued and outstanding as of November 30, 2015

PART 1 FINANCIAL INFORMATION

Item 1. Financial Statements.

Our unaudited condensed financial statements for the three months period ended November 30, 2015 form part of this quarterly report. They are stated in United States Dollars (US\$) and are prepared in accordance with United States generally accepted accounting principles.

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

	November 30	August 31
	2015	2015
ASSETS		
Current		
Cash and cash equivalents	\$ 46,500	\$ 84,157
Marketable securities (Note 4)	161,050	181,950
Accounts receivable	27,212	23,653
Prepaid expenses and deposit	5,281	15,832
Inventory (Note 6)	32,645	38,335
Total current assets	272,688	343,927
Non-Current		
Long term investments - GSWPS (Note 5)	1	1
Other long term investments (Note 5)	22,182	22,182
Total Assets	\$ 294,871	\$ 366,110
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable	\$ 249,262	\$ 208,749
Deferred revenues	30,000	40,000
Due to related parties (Note 7)	88,288	76,288
Total Current Liabilities	367,550	325,037
	-	-
	367,550	325,037
STOCKHOLDERS' EQUITY		
Share capital		
Authorized:		
200,000,000 common shares with a par value of \$0.001 per share		
Issued and outstanding:		
71,508,460 common shares at November 30, 2015 and August 31, 2015:		
71,508,460	71,508	71,508
Additional paid-in capital	11,920,797	11,884,661
Shares to be returned	-	-
Deficit accumulated during the exploration stage	(12,064,984)	(11,915,096)
Total Stockholders' Equity	(72,679)	41,073
Total Liabilities and Stockholders' Equity	\$ 294,871	\$ 366,110

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

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

	COMMON STOCK		ADDITIONAL	STOCK	DEFICIT	TOTAL
	SHARES	AMOUNT	PAID-IN	TO BE	ACCUMULATED	STOCKHOLDERS'
			CAPITAL	ISSUED	DURING	EQUITY
					EXPLORATION	
					STAGE	
Balance, August 31, 2014	90,870,747	90,871	14,070,611	(1,713,145)	(10,765,663)	1,682,673
WOM JV Termination, shares back to Treasury	(15,127,287)	(15,127)	(1,667,418)	1,682,545	-	-
Shares returned for contract cancellation C. Hornung	(90,000)	(90)	(30,510)	30,600	-	-
Stock based compensation			177,596	-	-	177,596
Shares issued for PP on January 30	1,665,000	1,665	70,400	-	-	72,065
Shares issued for PP on March 12	590,000	590	25,582	-	-	26,172
Shares to be returned for JV termination	(6,400,000)	(6,400)	(761,600)	-	-	(768,000)
Comprehensive income (loss): (Loss) for the year	-	-	-	-	(1,149,433)	(1,149,433)
Balance, August 31, 2015	71,508,460	71,508	11,884,661	-	(11,915,096)	41,073
Stock Based Compensation	-	-	36,136	-	-	36,136

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Comprehensive income (loss): (Loss) for the period	-	-	-	-	(149,888)	(149,888)
Balance, November 30, 2015	71,508,460	71,508	11,920,797	-	(12,064,984)	(72,679)

The accompanying notes are an integral part of these condensed financial statements
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Enertopia Corp.
CONDENSED STATEMENTS OF OPERATIONS (unaudited)
(Expressed in U.S. Dollars)

	Quarter Ended	
	November 30 2015	November 30 2014
Revenue		
Net sales	\$ 11,810	\$ -
Cost of product sales	6,016	-
Gross profit	5,794	-
Expenses		
Accounting and audit	40,000	35,416
Sales & Marketing	1,780	-
Advertising & Promotions	10,561	48,749
Bank charges and interest expense	1,987	393
Consulting/Stock Based Compensation	90,881	398,197
Fees and dues	9,298	8,752
Insurance	4,433	2,049
Investor relations	5,005	6,735
Legal and professional	21,698	23,521
Office and miscellaneous	(1,804)	6,217
Research and development	3,148	-
Rent	6,148	24,095
Telephone	530	789
Training & Conferences	666	-
Travel	737	2,629
Total expenses	195,068	557,542
(Loss) for the period before other items	(189,274)	(557,542)
Other income (expense)		
Other income	10,000	10,000
Gain (loss) on marketable securities	29,386	-
Impairment of long term investments	-	(30,000)
MMJ license expenses	-	(384,000)
	39,386	(404,000)
Net loss and comprehensive loss for the period	\$ (149,888)	\$ (961,542)
Basic and diluted (loss) per share	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	71,508,460	80,906,329

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

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

	Quarter Ended	
	November 30 2015	November 30 2014
Cash flows used in operating activities		
Net (loss)	\$ (149,888)	\$ (961,542)
Changes to reconcile net loss to net cash used in operating activities		
Consulting - stock based compensation	36,136	177,595
MMJ expenses	-	384,000
Gain on marketable securities	(29,386)	-
Impairment of long term investments	-	30,000
Other non-cash activities	-	(10,000)
Change in non-cash working capital items:		
Accounts receivable	(3,559)	(7,678)
Prepaid expenses and deposit	10,551	103,542
Inventory	5,689	-
Deferred charges	(10,000)	-
Accounts payable and accrued liabilities	40,513	16,110
Due to related parties	12,000	-
Net cash (used in) operating activities	(87,944)	(267,973)
Cash flows from investing activities		
Proceeds from disposal of marketable securities	50,287	-
Net cash from investing activities	50,287	-
(Decrease) in cash and cash equivalents	(37,657)	(267,973)
Cash and cash equivalents, beginning of period	84,157	888,122
Cash and cash equivalents, end of period	\$ 46,500	\$ 620,149
Supplemental information of cash flows		
Interest paid in cash	\$ -	\$ -
Income taxes paid in cash	\$ -	\$ -

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

ENRTOPIA CORP.
NOTES TO CONDENSED FINANCIAL STATEMENTS (unaudited)
November 30, 2015
(Expressed in U.S. Dollars)

1. ORGANIZATION

The unaudited condensed financial statements for the period ended November 30, 2015 included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with United States generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These unaudited condensed financial statements should be read in conjunction with the August 31, 2015 audited annual financial statements and notes thereto.

The Company was formed on November 24, 2004 under the laws of the State of Nevada and commenced operations on November 24, 2004. The Company was an independent natural resource company engaged in the exploration, development and acquisition of natural resources in the United States and Canada. In the fiscal year 2010, the Company shifted its strategic plan from its non-renewal energy operations to its planned renewal energy operations and natural resource acquisition and development. In late summer of 2013, the Company added another business sector in its entrance to alternative health and wellness and is considered a development stage company. The Company has offices in Vancouver and Kelowna, B.C., Canada.

Effective September 25, 2009, the Company effected one (1) for two (2) share consolidation of our authorized and issued and outstanding common stock.

On February 8, 2010, the Company changed its name from Golden Aria Corp. to Enertopia Corp.

On February 22, 2010, the Company increased its authorized share capital to 200,000,000 common shares.

2. GOING CONCERN UNCERTAINTY

The accompanying unaudited condensed 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 incurred a net loss of \$149,888 for the three months ended November 30, 2015 [net loss of \$961,542 for the three months ended November 30, 2014] and as at November 30, 2015 has incurred cumulative losses of \$12,064,984 that raises substantial doubt about its ability to continue as a going concern. Management has been able, thus far, to finance the operations through equity financing and cash on hand. There is no assurance that the Company will be able to continue to finance the Company on this basis.

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

should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying unaudited condensed financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The accompanying condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) for interim financial information and the instructions to Securities and Exchange Commission (SEC) Form 10-Q and Article 10 of SEC Regulation S-X. They do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Therefore, these financial statements should be read in conjunction with our audited financial statements and notes thereto for the year ended August 31, 2015.

The Company early adopted Accounting Standards Update No. 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements. This standard removes all incremental financial reporting requirements from U.S. generally accepted accounting principles for development stage entities, including the removal of Topic 915 from the FASB Accounting Standards Codification. Upon adoption, the Company no longer reports its operations as a development stage entity and eliminated all inception to date information.

b) Accounting Estimates

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

b) Recently Adopted Accounting Pronouncements

In June 2014, the FASB issued Accounting Standards Update No. 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation (ASU 2014-10). The amendments in ASU 2014-10 remove all incremental financial reporting requirements from GAAP for development stage entities, including the removal of Topic 915, Development Stage Entities, from the FASB Accounting Standards Codification. ASU 2014-10 is effective for the first annual period beginning after December 15, 2014. Early adoption is permitted and the Company adopted ASU 2014-10 in the fourth quarter of 2015 which consisted principally of removing inception to date information on the Company's statements of operations, equity and cash flows as well as other inception to date disclosures in the notes to its financial statements.

c) New Accounting Pronouncements

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. MARKETABLE SECURITIES

As at November 30, 2015 marketable 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 November 30, 2015 (August 31, 2015 - \$0.01).

As at November 30, 2015 marketable securities consist of 715,000 common shares of Lexaria Corp. obtained through Definitive Agreements as per Note 6. 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 \$0.22 per share as at November 30, 2015.

5. LONG TERM INVESTMENTS

Global Solar Water Power Systems Inc. (GSWPS)

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

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

Pro Eco Energy USA Ltd.

During the year ended August 31, 2008, the Company purchased 900,000 shares in Pro Eco Energy USA Ltd. (Pro Eco Energy) for \$45,000. During the year ended August 31, 2014, the Company sold its investment in Pro Eco Energy to Western Standard Energy Corp. for \$40,000. During the year ended August 31, 2015, 600,000 shares of Pro Eco Energy was returned to the Company and the receivable from Western Standard Energy Corp. was settled. As at

November 30, 2015 the Company owns 600,000 common shares of Pro Eco Energy, with carrying amount of \$22,182, which represented 6.55% ownership. The Company has no significant influence in Pro Eco Energy.

6. INVENTORY

During the fiscal year August 31, 2015, the Company launched a new product line V-Love™. As at November 30, 2015, the Company had inventory of \$32,645 (August 31, 2015: \$37,066) relating to V-Love™ products. Net sales for the quarter ended November 30, 2015 were \$11,810 (November 30, 2014: \$nil) with \$6,017 (November 30, 2014: \$nil) in cost of goods sold and \$3,148 (November 30, 2014: \$nil) in research and development costs. During the quarter ended November 30, 2015, the Company also filed a provisional patent for V-Love™ in the United States.

7. RELATED PARTIES TRANSACTION

For the three months ended November 30, 2015, the Company was party to the following related party transactions:

Paid/accrued \$19,500 (November 30, 2014: \$19,500) to the President of the Company in consulting fees.

Paid/accrued \$22,500CAD (November 30, 2014: \$22,500CAD) in consulting fees to a company controlled by the CFO of the Company.

\$88,288 (August 31, 2015: \$76,288) was payable to the President and a company controlled by a CFO of the Company.

Incurred share based compensation expenses of \$23,433 in relation to stock options issued to key management personnel (November 30, 2014: \$nil).

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

8. COMMON STOCK

As at November 30, 2015 and August 31, 2014, the Company had 71,508,460 shares issued and outstanding.

9. 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 3, 2014 the Company granted 2,100,000 stock options to directors, officers, and consultant of the Company with an exercise price of \$0.10 vested immediately, expiring November 3, 2019.

On November 18, 2014, the Company granted 100,000 stock options to consultant of the Company with an exercise price of \$0.10 vested immediately, expiring November 13, 2019.

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

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For the three months ended November 30, 2015, the Company recorded \$36,136 (November 30, 2014 \$177,595) stock based compensation expenses which has been included in consulting fees.

A summary of the changes in stock options for the three months ended November 30, 2015 is presented below:

	Options Outstanding	
	Number of Shares	Weighted Average Exercise Price
Balance, August 31, 2015	3,955,000	\$ 0.20
Cancelled	(800,000)	0.16-0.70
Expired	(100,000)	0.10
Granted	1,850,000	0.05
Balance, November 30, 2015	4,905,000	\$ 0.09

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

	November 30, 2015	August 31, 2015
Expected volatility	216%	216%-219%
Risk-free interest rate	1.43%	1.63%-1.79%
Expected life	5.00 years	5.00 years
Dividend yield	0.00%	0.00%
Estimated fair value per option	\$0.05	\$0.05-\$0.07

The Company has the following options outstanding and exercisable.

November 30, 2015	Options outstanding			Options exercisable	
	Number of shares	Remaining contractual life	Exercise Price	Number of shares exercisable	Exercise Price
\$0.05	1,850,000	4.90 years	\$ 0.05	1,850,000	\$ 0.05
\$0.10	100,000	3.97 years	\$ 0.10	100,000	\$ 0.10
\$0.10	1,600,000	3.93 years	\$ 0.10	1,600,000	\$ 0.10
\$0.50	50,000	3.35 years	\$ 0.50	50,000	\$ 0.50
\$0.06	550,000	2.93 years	\$ 0.06	550,000	\$ 0.06
\$0.15	555,000	0.20 years	\$ 0.15	555,000	\$ 0.15
\$0.15	150,000	0.27 years	\$ 0.15	150,000	\$ 0.15
\$0.25	50,000	0.50 years	\$ 0.25	50,000	\$ 0.25
	4,905,000	3.61 years	\$ 0.09	4,905,000	\$ 0.09

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August 31, 2015	Options outstanding			Options exercisable	
	Number	Remaining contractual life	Exercise price	Number of shares exercisable	Exercise Price
Exercise prices	of shares				
\$0.10	100,000	4.22 years	\$ 0.10	100,000	\$ 0.10
\$0.10	1,600,000	4.18 years	\$ 0.10	1,600,000	\$ 0.10
\$0.50	50,000	3.60 years	\$ 0.50	50,000	\$ 0.50
\$0.70	500,000	3.57 years	\$ 0.70	500,000	\$ 0.70
\$0.35	50,000	3.43 years	\$ 0.35	50,000	\$ 0.35
\$0.16	250,000	3.37 years	\$ 0.16	250,000	\$ 0.16
\$0.06	550,000	3.18 years	\$ 0.06	550,000	\$ 0.06
\$0.15	555,000	0.45 years	\$ 0.15	555,000	\$ 0.15
\$0.15	150,000	0.52 years	\$ 0.15	150,000	\$ 0.15
\$0.20	100,000	0.19 years	\$ 0.20	100,000*	\$ 0.20
\$0.25	50,000	0.75 years	\$ 0.25	50,000	\$ 0.25
	3,955,000	3.09 years	\$ 0.20	3,955,000	\$ 0.20

Warrants

A summary of warrants as at November 30, 2015 and August 31, 2015 is as follows:

	Warrant Outstanding	
	Number of warrant	Weighted Average Exercise Price
Balance, August 31, 2015	15,435,085	\$ 0.14
Expired	(708,945)	0.20
Balance, May 31, 2015	14,726,140	\$ 0.13

Number Outstanding ¹	Exercise Price	Expiry Date
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
1,787,640	\$0.10 and \$0.15 after 24 months	January 30, 2018
637,200	\$0.10 and \$0.15 after 24 months	March 12, 2018
14,726,140		

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

10. 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 February 9, 2015, the Company entered into a one year contract with Maureen McGrath/McGrath Group as Lead Medical Strategist, with a monthly fee of CAD\$3,000 plus GST.

11. SUBSEQUENT EVENTS

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

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

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

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

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

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

Overview

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

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

The Company is actively pursuing business opportunities in the alternative health and wellness sector. In February, 2015 we announced the launch of a new product line, V-Love™ personal lubricant and desire gel designed for women. We are now engaged in the manufacture, and sale of V-Love™, which is available for purchase online and at select retailers in Canada.

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. We have another office located in Kelowna. Our current

locations provide adequate office space for our purposes at this stage of our development.

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

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

On February 8, 2010, the Company changed its name from Golden Aria Corp. to Enertopia Corp. Our new CUSIP number is **29277Q1047**

On February 22, 2010, the Company increased its authorized share capital to 200,000,000 common shares.

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

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

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

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

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

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

On January 31, 2011, the Company entered into a letter of intent and paid \$7,500 deposit to Wildhorse Copper Inc. and its wholly owned subsidiary Wildhorse Copper (AZ) Inc. (collectively, the Optionors). On April 11, 2011, the Company signed a Mineral Purchase Option Agreement (**Option Agreement**) with the Optionors respecting an option to earn a 100% interest, subject to a 1% NSR capped to a maximum of \$2,000,000 in a property known as the Copper Hills property. The Copper Hills property is comprised of 56 located mining claims covering a total of 1,150 acres located in New Mexico, USA. The Optionors hold the Copper Hills property directly and indirectly through property purchase agreements between the Optionors and third parties (collectively, the **Indirect Agreements**). Pursuant to the **Option Agreement** the Optionors have assigned the **Indirect Agreements** to the Company. In order to earn the interest in the Copper Hills property, the Company is required to make aggregate cash payments of \$591,650 over an eight year period and issue an aggregate of 1,000,000 shares of its common stock over a three year period. As at August 31, 2013, the Company has issued 500,000 shares at price of \$0.15 per share and 150,000 shares at price of \$0.10 per share to the Optionors and made aggregate cash payment of \$106,863 (August 31, 2012-\$106,863); the Company has

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

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

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

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

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

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

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

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

On June 22, 2011, 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 7,148 acres from Altar Resources which holds the mining claims directly and indirectly through federal mining claims and state mineral exploration leases; or, represented that it would hold such claims in good standing at the time of closing a definitive agreement. The Company is required to make aggregate cash payments of \$881,000 over a five year period and issue an aggregate of 1,000,000 shares of its common stock over a four year period. As at February 28, 2013, the Company had made aggregate cash payments of \$124,980 (August 31, 2012-\$84,980) and issued 100,000 shares at price of \$0.10 per share and 100,000 common shares at \$0.06 per share to Altar Resources; along with expensed incurred exploration costs of \$13,380. On May 30, 2013, the Company terminated the Option Agreement and has written off \$140,980 of capital costs.

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

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

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

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

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

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

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

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

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

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.

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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.

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

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

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

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

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

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

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

On November 18, 2013, we entered into an investor relations contract with Coal Harbour Communications Inc. The initial term of this agreement shall begin on the date of execution of this Agreement and continue for **two months**. Thereafter the agreement will continue on a month-by-month basis pending 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. 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 cancellation by written notification with 30 days notice. In consideration for the services we paid to Mr. Shaxon a signing stock bonus of 250,000 of our common shares, a one-time cash bonus of \$40,000, and a monthly fee of \$3,500 plus \$500 in monthly expenses. Upon execution of the Agreement we also granted 250,000 stock options. to Mr. Shaxon with an exercise price of \$0.16, vesting immediately and expiring January 13, 2019.

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

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

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

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

On February 13, 2014, we closed the final tranche of a private placement by issuing 12,938,000 units at a price of US\$0.10 per unit for gross proceeds of US\$1,293,800. Each unit consists of one common share and one half (1/2) of one non-transferable share purchase warrant with each whole warrant exercisable into one common share at a price of US\$0.15 per share for a period of twenty four (24) months following closing. One director and one officer of our

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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.

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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 its existing medical marijuana production facility to meet the standards introduced by the Marijuana for Medical Purposes Regulations (MMPR) administered by Health Canada. Subsequent to quarter end, this agreement has been terminated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our Current Business

The Company is diverse in its pursuit of business opportunities in alternative health and wellness.

Alternative Health and Wellness Products

V-Love™ Sexual Enhancement Gel

On February 9, 2015, we announced the launch of a new product line V-Love™ for women's sexual pleasure. V-Love™ a brand new water based, silky smooth fragrance free personal lubricant and intimate gel especially designed for women. V-Love™ is a personal lubricant and sexual desire gel to embrace the essence of what a female is sexy, confident, playful, loving, and unique. V-Love™ is carefully designed to enhance/enrich each and every intimate experience to be the most pleasurable and fulfilling it can be.

V-Love™ realizes that every woman is unique. While some women desire lubricants to enhance pleasure from toys, other women may not produce natural lubrication as they once used to, or may experience medical conditions which impact their personal comfort and desire for sexual intimacy.

V-Love™ appreciates the uniqueness of every woman. Some women use/utilize lubricants to enhance pleasure from toys, while others may experience reduced natural moisture which may impact their personal comfort and desire for sexual intimacy. V-Love™ can help replenishes/restores/replaces vaginal/personal moisture, as women may experience vaginal dryness due to hormonal changes at varying stages of life, such as after bearing children or during menopause. Dryness may also result from medical conditions or from using medications.

For all these reasons, V-Love™ personal lubricant and sexual desire gel is carefully formulated to replenish moisture and enhance/increase your sexual pleasure by lubricating. Safe, gentle, long-lasting, fragrance free, natural, and worry-free, so every private and partnered encounter is your ultimate pleasure.

The Company used the feedback and life experience of women in its formulation of V-Love™. V-Love™ was developed and designed to offer a unique personal lubricant and sexual desire gel that could be used safely and effectively by women who desired added lubrication. V-Love™ is designed to be used with, toys and foreplay, for increasing sexual experience by lubricating so women feel confident with intimacy with their partners or for their own personal pleasure.

The V-Love™ gel finished its production run in April, 2015. In May 2015, V-Love™ first became available for retail sale at Loblaws City Market store in North Vancouver, British Columbia. Enertopia owns 100% of the product and its formulation. Enertopia engaged a GMP compliant facility reputed to produce high quality cosmetic products for many well-known brands. They are a Vancouver based manufacturer with over 150 years of experience. They manufactured and formulated the final ingredients for V-Love™ and handled all the production.

The Company held an initial launch on February 13, 2015 by showcasing samples of V-Love™ at the Vancouver Health and Wellness Show and providing educational information on the gel. In May, 2015, V-Love™ was available to the retail market for purchase in stores and at various events.

During the month of July, 2015 V-Love™ became available for retail purchase at all London Drugs Limited stores across Western Canada and online through Amazon.ca.

On October 26, 2015, the Company announced it has applied for patent protection of V-Love™ with respect to claims involving lubrication, pH balance and the bioavailability of certain vitamins and minerals via absorption through the vaginal mucosal membrane.

Enertopia has filed a provisional patent application with the United States Patent and Trademark Office regarding its technology. Enertopia's patent-pending formulations were developed in part with the goal of achieving much higher levels of lubrication, thus reducing the potential for vaginal micro tears. However, patent-pending these compositions also provide greater bioavailability of ingredients such as water based vitamins via absorption through the vaginal mucosal membrane than would otherwise be absorbed by the daily oral intake of water based vitamins. It is in the Company's best interests to have filed the provisional patent application to protect the Company's formulations as evidence has shown that vaginal suppositories have had greater bioavailability results than the common oral intake of water soluble vitamins. The greater the opportunity for water soluble based vitamins to replenish the body, the better the overall health as water based vitamins need to be replenished on a daily basis.

V-Love™ is specifically balanced for a woman's healthy vaginal pH balance of 3.8 to 4.5. While this is on the acidic side of the pH scale, it is nowhere near the acidity of the average stomach acid that has a pH of 1.5. This allows for the potential slower decay of vitamins and minerals compared to oral intake, which in turn potentially allows for greater absorption potential over time. In addition, absorption through the vaginal mucosal membrane avoids the first-pass metabolism that occurs with oral administration of water soluble vitamins (metabolism that occurs in the intestine and portal circulation of the liver before reaching systemic circulation).

V-Love™ patent-pending formulation meets the needs of providing increased vaginal lubrication to decrease the chance of vaginal micro tears and providing water based vitamins with increased bioavailability, all under the protection of a healthy vaginal pH balance.

The sexual health market worldwide is estimated at \$20 billion dollars. The lubrication market is estimated at over \$1 billion dollars and products for sexual dysfunction in men are over \$4 billion dollars. The Company's V-Love™ product is made from food safe products, currently all products are sourced in Canada and all final product is processed by the manufacturing company in a GMP compliant facility.

The Company is currently producing sexual health informational material for men and women that is being overseen by a medical professional. The Company continues to attend conferences and festivals to educate the community about sexual health and V-Love™. The Company continues to provide educational seminars and looking at other retail stores for V-Love™ to be sold across Canada in the coming months.

Summary

The continuation of our alternative health and wellness sector 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.

Current Medical Marijuana Operations

On June 7, 2013 the Government of Canada implemented new legislation, the Marijuana for Medical Purposes Regulations (MMPR), concerning the production and sale of medical marijuana. The regulations create conditions for a commercial industry that is responsible for the production and distribution of marijuana by authorized healthcare practitioners for medical purposes. The MMPR permitted the licensing of commercial growers beginning April 1, 2014, while eliminating existing regulations permitting the production of medical marijuana on a personal-use basis. 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. To date, 26 producers have become licensed under the MMPR.

Since June 12, 2015 the Company has had no direct involvement or ownership interest in any active or prospective operations or permit applications under the MMPR.

On June 26, 2015, we signed a Definitive agreement to sell our wholly owned subsidiary, Thor Pharma Corp along with the MMPR application (no. 10MMPR0610) for our proposed production facility located in Burlington, Ontario. The Burlington MMPR license application will continue in the application process under new ownership. Pursuant to the agreement, we received a non-refundable \$10,000 deposit and are entitled to receive up to \$1,500,000 in milestone payments upon the Burlington facility becoming licensed under the MMPR. These monies would be split equally with our joint venture partner, Lexaria Corp. Notwithstanding the foregoing, we can neither guarantee nor provide a meaningful time estimate regarding the potential grant of a production license for the Burlington facility.

Investments

We currently hold the following investment interests:

Equity Investment in Pro Eco Energy, Inc.

On April 21, 2008, we announced that we had made a \$45,000 investment to acquire 8.25% of the equity of Pro Eco Energy USA Ltd., a clean tech energy company involved in designing, developing and installing solar energy solutions for commercial and residential customers. During fiscal year 2014, we entered into an agreement to sell our 8.25% ownership in Pro Eco Energy for \$40,000 to Western Standard Energy Corp. (now Dominovas Energy) The purchase price was to be payable as follows: a) \$10,000 on 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, 2015, we had collected \$10,000 of the \$40,000 purchase price. During fiscal year August 31, 2015, we have received back 600,000 of the 900,000 Pro Eco Energy shares from Western Standard Energy Corp. and the accounts receivable has been settled upon the return of the shares.

Equity Investment in Global Solar Water Power Systems Inc.

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 as at August 31, 2012. During the August 31, 2013 fiscal year end, based on the management's assessment of GSWPS's current operations, the Company decided to write down long-term investment in GSWPS to \$1.

Summary

The continuation of our business is dependent upon obtaining further financing, a successful 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 alternative health and wellness sectors. We actively compete for capital, skilled personnel, market share, and in all other aspects of our operations with a substantial number of other organizations. These organizations include small development stage companies like our own, and large, established companies, many of which have greater technical and financial resources than our company. In the alternative health and wellness product sector, our current product, V-Love™, competes for shelf space and sales with the products of both niche producers and large multinational producers of cosmetics and pharmaceuticals. Any future products we may produce will face similar competition.

Compliance with Government Regulation

Our current and prospective operations are subject to diverse government regulations in a number of areas including but not limited to ingredients, manufacturing standards, labour standards, product safety and quality, marketing, packaging, labeling, storage, distribution, advertising, imports and exports, social and environmental responsibility and health and safety. Non-compliance with regulations may result in significant financial losses arising from criminal or civil action, regulator-enforced factory closures, product recalls, delayed launches, penalties, and reputational loss, among others. What's more, regulations can change or may become more stringent, which may cause us to incur unforeseen costs or make our business model unsustainable.

Alternative Health and Wellness Products

The alternative health and wellness product sector is subject to regulatory oversight by diverse regulators in matters including consumer health and safety, environmental protection, manufacturing standards, packaging, and advertising.

Currently we produce and sell our V-Love™ personal lubricant for women in Canada. In Canada, personal lubricants like V-Love™ that are not for non-medicinal and non-therapeutic use are regulated as cosmetics. All cosmetics sold in Canada must be safe to use, must not pose any health risk, and must otherwise meet the requirements of the federal Food and Drugs Act (Canada) and the Cosmetic Regulations (Canada) which are enforced by Health Canada. Under the Food and Drugs Act, a cosmetic includes "any substance or mixture of substances, manufactured, sold or represented for use in cleansing, improving or altering the complexion, skin, hair or teeth and includes deodorants and perfumes." This includes cosmetics used by professional esthetic services, bulk institutional products (such as hand soap in school rest rooms), as well as "handmade" cosmetics sold at craft sales or home-based businesses.

The Cosmetic Regulations and the Food and Drugs Act require that cosmetics sold in Canada be manufactured, prepared, preserved, packed and stored under sanitary conditions. The manufacturer and importer must notify Health Canada that it is selling the product and provide a list of the product's ingredients. Additionally, cosmetics are subject to the requirements of Consumer Packaging and Labeling Act, and any chemicals found in cosmetics may be subject to the Environmental Protection Act (Canada) regarding the disposal of contaminants.

In order to meet these safety and quality requirements of the Food and Drugs Act and the Cosmetics Regulation, Health Canada encourages all cosmetic manufacturers to adhere to Good Manufacturing Practices (GMPs). GMPs are manufacturing guidelines which are used to ensure product quality control and an effective approach to risk

management. These guidelines set out standards for product manufacturing, testing, storage, handling and distribution, to ensure that each step of manufacturing is acceptable for quality and safety of the product.

Health Canada, along with its partners in the International Cooperation on Cosmetic Regulation (United States, European Union and Japan), endorse the use of the International Standards Organization (ISO) Guidelines on Good Manufacturing Practices for Cosmetics, ISO Standard 22716. Our V-Love™ personal lubricant for women is manufactured in accordance with these standards.

We also comply with the Canadian Guidelines for the Nonprescription and Cosmetic Industry Regarding Non-therapeutic Advertising and Labelling Claims administered by Advertising Standards Canada and Health Canada.

In the United States, personal lubricants such as V-Love™ are classified as Class II medical devices, putting them in the same category as items like condoms, acupuncture needles, and powered wheelchairs. In order for class II medical devices to be sold in the United States, producers must obtain a premarket notification or 510(k) clearance, a process that requires a comprehensive round of safety testing. As at the date of this report we have not made any arrangements to obtain 510(k) clearance for the sale of V-Love™ into the United States. We estimate that obtaining 510(k) clearance would require between \$100,000 and \$200,000 and approximately 24 months.

The continuation of our business is dependent upon obtaining further financing, a successful program of exploration and/or 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.

Purchase of Significant Equipment

We do not intend to purchase any significant equipment over the twelve months ending May 31, 2015 other than office computers, furnishings, and communication equipment as required.

Corporate Offices

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. We have another office located in Kelowna. Our current locations provide adequate office space for our purposes at this stage of our development.

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 programs we may retain additional employees.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Critical Accounting Policies

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

Long-Lived Assets

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.

Revenue Recognition

Revenues are recorded using sales method whereby our Company recognizes sales based on the amount of product sold to purchasers. Cost of goods sold is recognized in the same period of which the revenue is earned.

Going Concern

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

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

Recently Issued Accounting Standards

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 2014-10. In June 2014, the FASB issued ASU 2014-10, Development Stage Entities (Topic 915). The amendments in ASU 2014-10 remove all incremental financial reporting requirements from U.S. GAAP for development stage entities, including the removal of Topic 915, Development Stage Entities, from the FASB Accounting Standards Codification. In addition, the ASU: (a) adds an example disclosure in Topic 275, Risks and Uncertainties, to illustrate one way that an entity that has not begun planned principal operations could provide information about the risks and uncertainties related to the company's current activities; and (b) removes an exception provided to development stage entities in Topic 810, Consolidation, for determining whether an entity is a variable interest entity. The presentation and disclosure requirements in Topic 915 will no longer be required for the first annual reporting period beginning after December 15, 2014. The withdrawal of the presentation and disclosure requirements of Topic 915 is effective for annual reporting periods beginning after December 15, 2015. The revised consolidation standards are effective for annual reporting periods beginning after December 15, 2016. Early adoption is permitted for any annual reporting period or interim period for which an entity's financial statements have not yet been issued or made available for issuance. The Company has early adopted ASU 2014-10 and impacts of its adoption have been reflected throughout the Company's financial statements, with the significant effect being the elimination of disclosures of certain cumulative amounts incurred during the period from inception to the period end reporting date.

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.

Results of Operations Three Months Ended November 30, 2015 and 2014

The following summary of our results of operations should be read in conjunction with our financial statements for the quarter ended November 30, 2015, which are included herein.

Our operating results for the three months ended November 30, 2015, for the three months ended November 30, 2014 and the changes between those periods for the respective items are summarized as follows:

	Three Months Ended November 30, 2015	Three Months Ended November 30, 2014	Change Between Three Month Period Ended November 30, 2015 and November 30, 2014
Revenue (cost recovery)	\$ 11,810	\$ Nil	\$ 11,810
Cost of Goods Sold	6,017	Nil	6,017
Other (income) expenses	(39,386)	404,000	(443,386)
General and administrative	195,068	557,542	(362,474)
Interest expense	1,987	393	1,594
Consulting fees/Stock Based Compensation	90,881	398,197	(307,316)
Professional Fees	61,698	58,937	2,761
Net income (loss)	(149,888)	(961,542)	(811,654)

Our accumulated losses increased to \$12,064,984 at November 30, 2015. Our financial statements report revenue of \$11,810 for the three months ended November 30, 2015 compared to \$Nil for the three month period ended November 30, 2014. Our financial statements report a net loss of \$149,888 for the three-month period ended November 30, 2015, compared to a net loss of \$961,542 for the three-month period ended November 30, 2014. Our net losses have decreased by \$811,654 for the three month period ended November 30, 2015. Our general and administrative expenses were lower by \$362,474 for November 30, 2015 compared to November 30, 2014. The decrease was largely due to lower consulting fees and stock based compensation of \$90,881 for the three month period ended November 30, 2015, compared to \$398,197 for November 30, 2014. These high costs in consulting and stock based compensation for November 2014 were due to MMJ consulting contracts for joint venture partnerships. The Company had also reduced costs of \$9,298 for fees and dues, \$5,005 for investor relations, \$10,561 for advertising, \$6,148 for rent, and \$1,403 in travel, training and conferences for the three month period ended November 30, 2015. During the fiscal year 2015, the Company terminated Joint Venture agreements with both The Green Canvas and with Lexaria on the Burlington location. With respect to The Green Canvas, the 6,400,000 common shares were returned to treasury and cancelled.

As at November 30, 2015, we had \$367,550 in current liabilities. The increase is largely due to increase in payables and amounts due to related parties. Our net cash used in operating activities for the three months ended November 30, 2015 was \$37,657 compared to \$267,973 used in the three months ended November 30, 2014. The decrease in cash used in operating activities was in decreased expenses due to the cease of medical marijuana business operations.

Our total liabilities as of November 30, 2015 were \$367,550 as compared to total liabilities of \$325,037 as of August 31, 2015.

Liquidity and Financial Condition

Working Capital

	At November 30, 2015	At August 31, 2015
Current assets	\$ 272,688	\$ 343,927
Current liabilities	(367,550)	(325,037)
Working capital (deficiency)	\$ (94,862)	\$ 18,890

Cash Flows

	Three Months Ended	
	November 30 2015	November 30 2014
Cash flows (used in) operating activities	\$ (37,657)	\$ (267,973)
Cash flows from (used in) financing activities	Nil	Nil
Cash flows from (used in) investing activities	Nil	Nil
Net increase (decrease) in cash during period	\$ (37,657)	\$ (267,973)

Operating Activities

Net cash used in operating activities was \$37,657 in the three months ended November 30, 2015 compared with net cash used in operating activities of \$267,973 in the same period in 2014. The decrease in cash used mostly results from decreased operating costs incurred in the current period from the medical marijuana business operations and alternative health and wellness.

Financing Activities

Net cash provided by financing activities was \$Nil in the three months ended November 30, 2015 compared to \$Nil in the same period in 2014.

Investing Activities

Net cash used in investing activities was \$Nil in the three months ended November 30, 2015 compared to \$Nil in the same period in 2014.

Revenue comparisons for the Quarter ended November 30, 2015 compared to the quarter ended November 30, 2014

For the three month period ended November 30, 2015, the Company had \$11,810 in revenues compared to \$Nil in revenues for the same three-month period in the prior year.

Item 4. Controls and Procedures

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

As of November 30, 2015, the end of our first quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our president (also our principal executive officer) and our secretary, treasurer and chief financial officer (also our principal financial and accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our president (also our principal executive officer) and our secretary, treasurer and chief financial officer (also our principal financial and accounting officer) concluded that our disclosure controls and procedures were effective in providing reasonable assurance in the reliability of our financial reports as of the end of the period covered by this quarterly report.

Inherent limitations on effectiveness of controls

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

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting that occurred during the quarter ended November 30, 2015, that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

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

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

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

Risks Associated with Business

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

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

Uncertain demand for alternative health and wellness sector may cause our business plan to be unprofitable.

Demand for alternative health and wellness products 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 alternative health and wellness products will continue to grow in Canada and elsewhere, we cannot guarantee sufficient market demand to support our current or future products or business. In the event that the markets for health and wellness products stagnate or contract, our business may fail.

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

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

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

commercial preferences, or trends, toward or away from environmental issues may impact on businesses' decisions to undergo environmental reviews. The alternative health and wellness sector offers many choices for individuals and there 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. The willingness of consumers to buy our products may be dependent upon general economic conditions and any material downturn may reduce the potential profitability of the alternative health and wellness product 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. Risk of significant reputational impact as a result of systemic product quality issues resulting in undermining of consumer confidence in our brand, particularly in the growing alternative health and wellness portfolio. Various factors may adversely impact our reputation, including product quality inconsistencies or contamination resulting in product recalls. Reputational risks may also arise from our third parties' labour standards, health, safety and environmental standards, raw material sourcing, and ethical standards. We may also be the victim of product tampering or counterfeiting or grey imports. Any litigation, disputes on tax matters and pay structures may subject us to negative attention in the press, which can damage reputation.

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 sales may be on a one-time basis. Accordingly, we will require new customers on a continuous basis to sustain our operations. Risk of material impact on Group growth and profit of consumer led slowdown in key developing markets, exacerbated by increasing currency volatility. A variety of factors may adversely affect our results of operations and financial condition during periods of economic uncertainty or instability, social or labour unrest or political upheaval in the markets in which we operate. Such periods may also lead to government actions, such as imposition of martial law, trade restrictions, foreign ownership restrictions, capital, price or currency controls, nationalization or expropriation of property or other resources, or changes in legal and regulatory requirements and taxation regimes.

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

Consignment contracts require the seller to supply product to a retailer where compensation is contingent on sales. We anticipate a material percentage of our alternate health and wellness products may be sold on a consignment basis. Consignment contracts expose us to some significant risks, including investment risk if our products do not sell, and risks resulting from reduced cash-flow. These risks could lead to losses on contracts which may be substantial and which could adversely affect our 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 business will be dependent in part on the effectiveness and efficiency of our advertising and promotional expenditures, including our ability to (i) create greater awareness of our products, (ii) determine the appropriate creative message and media mix for future advertising expenditures, and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that we will experience benefits from advertising and promotional expenditures in the future. In addition, no assurance can be given that our planned advertising and promotional expenditures will result in increased revenues, will generate levels of service and name awareness or that we will be able to manage such advertising and promotional expenditures on a cost-effective basis.

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

We 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, 2015 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, 2015, we have incurred a net loss of \$1,149,433 for the year ended August 31, 2015 (net loss \$4,641,005 for the year ended August 31, 2014) and as at August 31, 2015 has incurred cumulative losses of \$11,915,096 that raises substantial doubt about its ability to continue as a going concern. Our management has been able, thus far, to finance the operations through equity financing and cash on hand. There is no assurance that our company will be able to continue to finance our company on this basis

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

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

capital will result in dilution to existing security-holders.

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

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

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

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

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

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

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

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

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

Risks Associated with the Shares of Our Company

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

We have not declared or paid any dividends on our shares since inception, and do not anticipate paying any such dividends for the foreseeable future. We presently do not anticipate that we will pay dividends on any of our common stock in the foreseeable future. If payment of dividends does occur at some point in the future, it would be contingent upon our revenues and earnings, if any, capital requirements, and general financial condition. The payment of any

common stock dividends will be within the discretion of our Board of Directors. We presently intend to retain all earnings to implement our business plan; accordingly, we do not anticipate the declaration of any dividends for common stock in the foreseeable future.

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

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

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

Other Risks

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

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

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

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15c-2-07 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Trends, risks and uncertainties.

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

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

None.

Item 3. Defaults Upon Senior Securities

None.

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

None.

Item 5. Other Information

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

Item 6. Exhibits

**Exhibit Description
Number**

(i) Articles of Incorporation; and (ii) Bylaws

3.1* Articles of Incorporation

3.2* Bylaws

31.1 Rule 13(a) - 14 (a)/15(d) - 14(a) Certifications

32.1 Section 1350 Certifications

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

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

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERTOPIA CORP.

By: /s/ "Robert McAllister "

Robert McAllister,
President (Principal Executive Officer)
04/01/2016

By: /s/ "Bal Bhullar"

Bal Bhullar,
Chief Financial Officer
04/01/2016
