

Enertopia Corp.
Form 10-Q
January 14, 2013

**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, 2012**

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)

604-602-1633

(Registrant's telephone number, including area code)

Enertopia Corporation

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

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

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting

company in Rule 12b-2 of the Exchange Act

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(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 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.

30,154,451 common shares issued and outstanding as of January 12, 2013

PART 1 FINANCIAL INFORMATION

Item 1. Financial Statements.

Our unaudited interim consolidated financial statements for the three month period ended November 30, 2012 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.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)

	November 30 2012	August 31 2012
ASSETS		
Current		
Cash and cash equivalents	\$ 31,978	\$ 13,692
Owned securities (Note 4)	3,750	7,500
Accounts receivable	32,036	56,724
Prepaid expenses and deposit	14,454	10,731
Total current assets	82,218	88,647
Non-Current		
Long term investments - Pro Eco & GSWPS (Note 5)	100,697	100,697
Mineral Property (Note 6)	337,843	291,843
Total Assets	\$ 520,758	\$ 481,187
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable	\$ 168,597	\$ 126,770
Short Term Loan- related party (Note 7)	50,045	50,045
Due to related parties (Note 8)	205,808	187,808
Total Current Liabilities	424,450	364,623
Warrants Liability (Note 10)	-	9,789
	424,450	374,412
STOCKHOLDERS' EQUITY		
Share capital		
Authorized:	30,154	27,828
200,000,000 common shares with a par value of \$0.001 per share		
Issued and outstanding:		
30,154,415 common shares at November 30, 2012 and August 31, 2012: 27,827,615		
Additional paid-in capital	5,576,774	5,472,701
Deficit accumulated during the exploration stage	(5,510,620)	(5,393,754)
Total Stockholders' Equity	96,308	106,775
Total Liabilities and Stockholders' Equity	\$ 520,758	\$ 481,187

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

ENERTOPIA CORP.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
NOVEMBER 24, 2004 (inception) TO November 30, 2012
(Expressed in U.S. Dollars)

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	STOCK TO BE ISSUED	DEFICIT ACCUMULATED DURING EXPLORATION STAGE	TOTAL STOCKHOLDERS' EQUITY
Balance November 24, 2004 (Inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of common stock for cash at \$0.02 per share on March 22, 2005	5,467,500	5,468	103,882	-	-	109,350
Issuance of common stock for cash at \$0.30 per share on April 6, 2005	1,112,500	1,112	332,638	-	-	333,750
Stock to be issued	125,000	-	37,375	125	-	37,500
Comprehensive income (loss):						
(Loss) for the period	-	-	-	-	(167,683)	(167,683)
Balance, August 31, 2005	6,705,000	6,580	473,895	125	(167,683)	312,917
Stock issued on September 29, 2005	-	125	-	(125)	-	-
Comprehensive income (loss):						
(Loss) for the year	-	-	-	-	(200,091)	(200,091)

Edgar Filing: Enertopia Corp. - Form 10-Q

Balance, August 31, 2006	6,705,000	6,705	473,895	-	(367,774)	112,826
Units issued for cash at \$0.50 per unit to related parties on March 6, 2007 (included stock based compensation of \$116,959)	92,740	93	163,236			163,329

Edgar Filing: Enertopia Corp. - Form 10-Q

Stock issued for property on April 18, 2007	250,000	250	274,750	-	-	275,000
Units issued for cash at \$0.50 per unit on April 19, 2007	100,000	100	49,900	-	-	50,000
Units issued for cash at \$0.50 per unit on August 31, 2007	600,000	600	299,400	-	-	300,000
Imputed interest from non-interest bearing loan	-	-	3,405	-	-	3,405
Comprehensive income (loss):						
(Loss) for the year	-	-	-	-	(607,397)	(607,397)
Balance, August 31, 2007	7,747,740	\$ 7,748	\$ 1,264,586	\$ -	\$ (975,171)	\$ 297,163
Units issued for acquisition at \$0.42 per unit on November 30, 2007	6,905,000	6,905	2,893,195	-	-	2,900,100
Imputed interest from non-interest bearing loan	-	-	7,139	-	-	7,139
Stock-based compensation on 1,785,000 options granted	-	-	104,257	-	-	104,257
Comprehensive income (loss):						
(Loss) for the year	-	-	-	-	(372,535)	(372,535)
Balance, August 31, 2008	14,652,740	\$ 14,653	\$ 4,269,177	\$ -	\$ (1,347,706)	\$ 2,936,124
Imputed interest for non-interest bearing loan	-	-	4,410	-	-	4,410
Stock-based compensation	-	-	35,780	-	-	35,780
Comprehensive income (loss):						
(Loss) for the year	-	-	-	-	84,233	84,233

Edgar Filing: Enertopia Corp. - Form 10-Q

Balance, August 31, 2009	14,652,740	\$	14,653	\$	4,309,367	\$	-	\$	(1,263,473)	3,060,547
Imputed interest for non-interest bearing loan					2,442					2,442

Edgar Filing: Enertopia Corp. - Form 10-Q

Stock-based compensation			78,858			78,858
Stock issued for acquisition at \$0.20 per share on February 28, 2010	500,000	500	124,500			125,000
Units issued for cash at \$0.15 per unit on May 31, 2010	557,500	557	83,068			83,625
Gain on settlement of the amount due to related parties			34,542			34,542
Comprehensive income (loss):						
(Loss) for the year	-	-	-	-	(2,955,141)	(2,955,141)
Balance, August 31, 2010	15,710,240	15,710	4,632,777	-	(4,218,614)	429,873
Debt settlement on November 22, 2010	62,500	63	9,313			9,376
Debt settlement on November 19, 2010	100,000	100	14,900			15,000
Stock-based compensation			254,443			254,443
Share Subscriptions on March 3, 2011	8,729,000	8,729	885,264		-	893,993
Share Issuance costs			(96,490)			(96,490)
Warrants issued on March 3, 2011			(848,459)			(848,459)
Common Shares cancelled on January 1, 2011	(1,000,000)	(1,000)	1,000			-
Debt settlement on March 16, 2011	78,125	78	12,422			12,500
Debt settlement on April 27, 2011	360,000	360	157,412			157,772
Debt settlement on April 27, 2011	100,000	100	45,900			46,000
	500,000	500	74,500			75,000

Shares issued Wildhorse on
April 11, 2011

Share issuance correction on
Jun 4, 2011

4,000

4

(4)

-

Edgar Filing: Enertopia Corp. - Form 10-Q

Comprehensive income (loss):						
(Loss) for the year					(165,405)	(165,405)
Balance, August 31, 2011	24,643,865	\$ 24,644	\$ 5,142,978	\$ -	\$ (4,384,019)	\$ 783,603
Stock-based compensation			66,953			66,953
Shares issued Altar on October 11, 2011	100,000	100	9,900			10,000
Shares issued Wildhorse on March 30, 2012	150,000	150	14,850			15,000
Shares issued Tom Ihrke on April 10, 2012	93,750	94	9,281			9,375
Shares subscription for cash on April 13, 2012	2,080,000	2,080	191,499			193,579
Shares subscription for cash on July 27, 2012	600,000	600	29,400			30,000
Shares subscription for cash on August 24, 2012	160,000	160	7,840			8,000
Comprehensive income (loss):						
(Loss) for the year					(1,009,735)	(1,009,735)
Balance, August 31, 2012	27,827,615	\$ 27,828	\$ 5,472,701	\$ -	\$ (5,393,754)	\$ 106,775
Shares subscription for cash September 28, 2012	1,074,500	1,074	48,676			49,750
Shares issued Altar on October 24, 2012	100,000	100	5,900			6,000
Shares subscription for cash November 15, 2012	1,152,300	1,152	49,497			50,649
Comprehensive income (loss):						
(Loss) for the year					(116,866)	(116,866)
Balance, November 30, 2012	30,154,415	30,154	5,576,774	-	(5,510,620)	96,308

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

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

	THREE Months Ended		CUMULATIVE PERIOD FROM INCEPTION NOVEMBER 24, 2004 TO November 30 2012
	November 30 2012	November 30 2011	
Revenue			
Non-renewal energy - natural gas and oil revenue \$	-	-	\$ 374,342
Renewable energy - service revenue	-	-	32,119
			406,461
Cost of revenue			
Non-renewable energy:			
Natural gas and oil operating costs and royalties	-	-	141,197
Depletion	-	-	298,489
Write-down in carrying value of oil and gas property	-	-	293,436
Renewable energy	-	310	48,050
			781,172
Gross Profit	-	(310)	(374,711)
Expenses			
Accounting and audit	32,205	28,717	361,538
Sales & Marketing	-	-	846
Advertising & Promotions	3,692	2,731	78,749
Bank charges and interest expense	2,532	568	61,892
Consulting	52,252	69,666	1,646,022
Mineral exploration costs	10,070	140,108	517,559
Fees and dues	11,047	11,923	136,843
Insurance	4,116	4,356	64,231
Investor relations	-	13,378	123,814
Legal and professional	-	2,297	220,989
Office and miscellaneous	96	13,622	64,631

Rent	3,934	3,710	87,074
Telephone	947	1,525	18,527
Training & Conferences	-	-	15,486
Travel	2,014	8,553	109,357
Total expenses	122,905	301,154	3,507,558
(Loss) for the period before other items	(122,905)	(301,464)	(3,882,269)
Other income (expense)			
Interest income	-	-	9,433
Impairment on long term investments	-	-	(197,910)
Others	-	-	22,775
Equity interest pick up	-	-	(16,894)
Gain on owned securities	(3,750)	(238,708)	(283,082)
Gain on disposition of oil and gas interests	-	-	522,976
Revaluation of warrants liability	9,789	197,203	896,019
Write down of oil and gas properties	-	-	(3,344,372)
Income (loss) before income taxes	(116,866)	(342,969)	(6,273,324)
Income tax recovery - deferred	-	-	762,704
Net loss and comprehensive loss for the period	\$ (116,866)	\$ (342,969)	\$ (5,510,620)
Basic and diluted income (loss) per share	\$ (0.00)	\$ (0.01)	
Weighted average number of common shares outstanding	25,688,882	24,698,213	
- basic and diluted			

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

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

	THREE Months Ended		CUMULATIVE PERIOD FROM INCEPTION TO
	November 30,	November 30,	November 30,
	2012	2011	2012
Cash flows used in operating activities			
Net Income (loss)	\$ (116,866)	\$ (342,969)	\$ (5,510,620)
Changes to reconcile net loss to net cash used in operating activities			
compensation	-	4,865	657,250
and gas properties	-	-	298,489
oil and gas property	-	-	293,436
properties	-	-	37,500
	-	-	3,344,372
	-	-	(522,976)
	(9,789)	(197,203)	(896,019)
	3,750	238,708	283,082
	-	-	16,894
	-	-	197,910
	-	-	17,396
	-	-	17,928
	-	-	(762,704)
	-	-	30,153
Change in non-cash working capital items:			
	24,688	2,709	(24,287)
	(3,723)	36,694	9,830
	-	-	-
liabilities	41,827	115,533	150,358
	18,000	28,500	181,137
Net cash (used in) operating activities	(42,113)	(113,163)	(2,180,871)

Cash flows from (used in) investing activities			
Proceeds from sale of marketable securities	-	-	56,241
Oil and gas properties acquisition and divestment	-	-	(345,180)
Proceeds from sale of oil and gas interests	-	-	521,545
Mineral resource properties acquisition	(40,000)	(74,039)	(231,843)
Investment in GSWPS	-	(10,500)	(103,500)
Investment in Pro Eco	-	-	(45,000)
Cash provided in connection with business acquisition	-	-	201,028
Net cash from (used in) investing activities	(40,000)	(84,539)	53,291
Cash flows from financing activities			
Promissory notes - related party	-	-	50,045
Net proceeds from subscriptions received	100,399	-	2,109,513
Net cash from financing activities	100,399	-	2,159,558
Increase (Decrease) in cash and cash equivalents	18,286	(197,702)	31,978
Cash and cash equivalents, beginning of period	13,692	263,152	-
Cash and cash equivalents, end of period	\$ 31,978	\$ 65,450	\$ 31,978
Supplemental information of cash flows			
Interest paid in cash	\$ -	\$ -	\$ -
Income taxes paid in cash	\$ -	\$ -	\$ -
The accompanying notes are an integral part of these consolidated financial statements			

ENERTOPIA CORP.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
November 30, 2012
(Expressed in U.S. Dollars)

1. ORGANIZATION

The unaudited interim consolidated financial statements for the quarter ended November 30, 2012 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 interim consolidated financial statements should be read in conjunction with the August 31, 2012 audited annual consolidated 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 gas and oil company engaged in the exploration, development and acquisition of natural gas and oil properties in the United States and Canada. In the fiscal year 2010, the Company shifted its strategic plan from its non-renewal energy operations to its planned renewal energy operations and natural resource acquisition and development and considered as a development stage company. The Company has offices in Vancouver and Kelowna, B.C., Canada.

Effective September 25, 2009, we 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 interim consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business for the foreseeable future. The Company incurred a net loss of \$129,561 for the three months ended November 30, 2012 [net loss \$342,969 for the three months ended November 30, 2011] and as at November 30, 2012 has incurred cumulative losses of \$5,523,315 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. These unaudited interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying unaudited interim consolidated

financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The unaudited interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Target Energy, Inc., and its equity interest of Pro Eco Energy Inc. and Global Solar Water Power Systems Inc. All significant inter-company balances and transactions have been eliminated.

b) New Accounting Pronouncements

In May 2011, the FASB issued new authoritative guidance to provide a consistent definition of fair value and ensure that fair value measurements and disclosure requirements are similar between GAAP and International Financial Reporting Standards. This guidance changes certain fair value measurement principles and enhances the disclosure requirements for fair value measurements. This guidance is effective for interim and annual periods beginning after December 15, 2011 and is applied prospectively. The Company adopted this guidance in the quarter ended May 31, 2012 and the adoption does not have a material impact on its financial statements.

In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income, which is effective for annual reporting periods beginning after December 15, 2011. This guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. In addition, items of other comprehensive income that are reclassified to profit or loss are required to be presented separately on the face of the financial statements. This guidance is intended to increase the prominence of other comprehensive income in financial statements by requiring that such amounts be presented either in a single continuous statement of income and comprehensive income or separately in consecutive statements of income and comprehensive income.

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

4. OWNED SECURITIES

Owned securities include, 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.

As at November 30, 2012, owned securities consists of 375,000 common shares of Cheetah Oil & Gas Ltd.

The fair values of the common shares of Cheetah Oil & Gas Ltd. were \$0.01 per share.

5. LONG TERM INVESTMENTS

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

During the quarter ended November 30, 2012, the Company recorded an equity loss of \$Nil (November 30, 2011 – equity loss of \$Nil), which resulted in a net investment of \$32,197 (August 31, 2012 - \$32,197).

Global Solar Water Power Systems Inc.

As at November 30, 2012, the Company has purchased 9.82% (August 31, 2012 – 9.82%) investment in Global Solar Water Power Systems Inc. ("GSWPS"). This was made by a cash contribution of \$103,500 and accrued contribution of \$42,000 and an issuance of 500,000 shares of the Company at \$0.25 per share for a combined value of \$270,500. GSWPS is owned by an executive officer of the Company.

During the August 31, 2012, year end, based on the management's assessment of GSWPS's current operations, the management determined that there was a decline in the fair value of the Company's long- term investment in GSWPS to \$68,500 (August 31, 2012 - \$68,500).

During the quarter ended November 30, 2012, the Company recorded an equity loss of \$Nil (November 30, 2011 – equity loss of \$Nil), which resulted in a net investment of \$68,500 (August 31, 2012 - \$68,500).

6. MINERAL PROPERTY

On January 31, 2011, the Company entered into a letter of intent and paid US\$7,500 deposit to Wildhorse Copper Inc. and its wholly owned subsidiary Wildhorse Copper (AZ) Inc. (collectively, the "Optionors"). On April 11, 2011, the Company signed a Mineral Purchase Option Agreement ("Option Agreement") with the Optionors respecting an option to earn a 100% interest, subject to a 1% NSR capped to a maximum of \$2,000,000 in a property known as the Copper Hills property. The Copper Hills property is comprised of 56 located mining claims covering a total of 1,150 acres located in New Mexico, USA. The Optionors hold the Copper Hills property directly and indirectly through property purchase agreements between the Optionors and third parties (collectively, the "Indirect Agreements"). Pursuant to the Option Agreement the Optionors have assigned the Indirect Agreements to the Company. In order to earn the interest in the Copper Hills property, the Company is required to make aggregate cash payments of \$591,650 over an eight year period and issue an aggregate of 1,000,000 shares of its common stock over a three year period. As at November 30, 2012, 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 \$0 (August 31, 2012-\$143,680).

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 November 30, 2012, the Company has made aggregate cash payments of \$125,480 (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; the Company has expensed the exploration costs of \$10,070 (August 31, 2011-\$31,423).

7. SHORT TERM LOAN

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

8. RELATED PARTIES TRANSACTION

For the three months ended November 30, 2012, the Company was party to the following related party transactions:

- Paid /accrued \$15,000 (November 30, 2011: \$15,000) to the President of the Company in consulting fees.
- Paid/accrued \$15,000 (November 30, 2011: \$15,000) of consulting fees to a company controlled by a Director/CEO of the Company.
- Paid \$16,606 (November 30, 2011: \$16,269) in consulting fees to a company controlled by the CFO of the Company.
- Paid /accrued \$3,000 (November 30, 2011: \$10,500) in consulting fee to the CTO of the Company.
- Paid / accrued \$30 (November 30, 2011: \$9,375) in consulting fee to the Senior VP, Business Development.
- Included in accounts payable, \$37,151 was payable to the directors and the companies controlled by the directors of the Company.
- See Notes 5, 7 and 11.

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

9. COMMON STOCK

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 (See Note 6) 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.

As at November 30, 2012, the Company had 30,154,415 shares issued and outstanding.

10. STOCK OPTIONS AND WARRANTS

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 this Plan is to advance the interests of the Corporation, through the grant of Options, by providing an incentive mechanism to foster the interest of eligible persons in the success of the Corporation and its affiliates; encouraging eligible persons to remain with the Corporation or its affiliates; and attracting new Directors, Officers, Employees and Consultants.

For the three months ended November 30, 2012, the Company recorded \$Nil (November 30, 2011 \$4,865) 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, 2012 is presented below:

	Number of Shares	Options Outstanding Weighted Average Exercise Price
Balance, August 31, 2012	4,185,000	\$ 0.15
Granted	-	-
Granted	-	-
Balance, November 30, 2012	4,185,000	\$ 0.15

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:

	Period ended November 30, 2012
Expected volatility	134.43%-142.22%
Risk-free interest rate	1.32%-1.46%
Expected life	5.00 years
Dividend yield	0.00%
Estimated fair value per option	\$0.0630-\$0.0684

The Company has the following options outstanding and exercisable.

November 30, 2012	Options outstanding			Options exercisable	
Exercise prices	Number of shares	Remaining contractual life	Exercise Price	Number of shares exercisable	Exercise Price
\$0.10	500,000	1.89 years	\$0.10	500,000	\$0.10
\$0.10	650,000	2.08 years	\$0.10	650,000	\$0.10
\$0.15	910,000	3.21 years	\$0.15	910,000	\$0.15
\$0.15	150,000	3.27 years	\$0.15	150,000	\$0.15
\$0.15	200,000	3.84 years	\$0.15	100,000	\$0.15
\$0.15	450,000	4.30 years	\$0.15	225,000	\$0.15
\$0.15	250,000	4.32 years	\$0.15	125,000	\$0.15
\$0.15	25,000	4.36 years	\$0.15	25,000	\$0.15
\$0.18	150,000	3.29 years	\$0.18	150,000	\$0.18
\$0.20	350,000	0.04 years	\$0.20	350,000	\$0.20
\$0.20	150,000	2.73 years	\$0.20	150,000	\$0.20
\$0.20	100,000	2.94 years	\$0.20	100,000	\$0.20
\$0.25	300,000	3.51 years	\$0.15	300,000	\$0.15

Edgar Filing: Enertopia Corp. - Form 10-Q

4,185,000

2.85 years

\$0.15

3,775,000

\$0.15

Warrants

8,729,000 Subscribers Warrants and 489,300 Broker s Warrants issued in association with the private placement on March 3, 2011 meet the definition of a derivative. Since the exercise price of these warrants is denominated in Canadian dollars, which is different from the Company s functional currency, the Subscribers Warrants and Broker s Warrants are not considered indexed to the Company s common shares and they cannot be classified within equity. Therefore the Subscribers Warrants and the Broker s Warrants, which expires on March 31, 2013, are classified as warrants liability on the Company s consolidated balance sheet.

The fair value of the Subscribers Warrants and the Broker s Warrants was revalued on November 30, 2012, \$Nil (August 31, 2012 - \$87,939) using the Black-Scholes option pricing model with the following assumptions:

	Period ended November 30, 2012
Exercise price (CDN dollars per warrant)	\$ 0.20
Expected volatility	0.00%
Risk-free interest rate	1.15%
Expected life	0.25 years
Dividend yield	0.00%
Estimated fair value per warrant (CDN dollars)	\$ 0.00

11. COMMITMENTS OTHER

- (a) The Company has a month-to-month rental arrangement for office space in Kelowna, British Columbia, Canada for CAD\$700 plus HST per month.
- (b) The Company has a consulting agreement with CAB Financial Services Ltd. (CAB), a corporation organized under the laws of the Province of British Columbia. CAB is a consulting company controlled by the chairman of the board and chief executive officer of the Company. CAB Financial Services Ltd. is to provide management consulting services for \$5,000 per month plus HST on a continuing basis.
- (c) 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 on a continuing basis.
- (d) 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. Effective April 1, 2011, the consulting services are CAD\$5,500 per month plus HST.
- (e) On October 9, 2009, the Company entered into a consulting agreement with the chief technical officer of the Company for \$1,000 per month.
- (f) On February 28, 2010, the Company entered into an Asset and Share Purchase Agreement with the Company s chief technical officer - Mr. Mark Snyder to acquire up to 20% ownership interest of GSWPS. As at November 30, 2012, the Company has acquired 9.82% (August 31, 2012 9.82%) (see Note 5) with the remaining 10.18% ownership payable by issuance of 500,000 common shares of the Company and cash of \$93,000 paid on a minimum monthly basis of \$3,500.

(g) On August 23, 2010, the Company entered into a consulting agreement with the Senior Vice-President, Business Development for \$3,125 per month. On November 17, 2010, the Company renewed the agreement into a month to month consulting agreement with the Senior Vice-President, Business Development for \$3,125. On December 1, 2011 the company renewed his agreement to a commission based with a monthly rate of \$10 per month.

(h) See Note 6.

12. SEGMENTED INFORMATION

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

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

Quarter ended November 30, 2012	Renewable energy	Mining exploration and development	Corporate	Consolidated
Revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss) from operations		(10,154)	(106,712)	(116,866)
Total assets	\$ 100,697	\$ 339,170	\$ 80,891	\$ 520,758

The operations of the Group are located geographically in the United States. The administrative functions are all located geographically in Canada.

13. COMPARATIVE FIGURES

Certain 2011 comparative figures have been reclassified to conform with the financial statements presentation adopted for 2012.

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 interim consolidated 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 interim consolidated 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 2008, the Company was primarily engaged in the acquisition and exploration of natural resource properties. Beginning in April 2008, the Company began its entry into the clean energy sector by purchasing an interest in a solar thermal design and installation company.

The Company is a renewable energy company that is pursuing business opportunities in several cleantech sectors, including: Solar PV (Photovoltaic), Solar Thermal (Hot Water), Energy Retrofits and Recovery, and Solar powered Filtered Drinking Water. The Company no longer has any material oil and gas resources. The Company has also created a business division that is dedicated with natural resource acquisitions and exploration.

Edgar Filing: Enertopia Corp. - Form 10-Q

The address of our principal executive office is Suite 950, 1130 West Pender Street, Vancouver, British Columbia V6E 4A4. Our telephone number is (604) 602-1633. 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.

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

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

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

On February 5, 2010, the Company held its Annual and Special Meeting of Shareholders for the following purposes:

1. To approve the change of the Company's name from Golden Aria Corp. to Enertopia Corporation.
2. To approve an increase in the Company's authorized capital from 37,500,000 to 200,000,000.
3. To approve the Company's proposed 2010 Equity Compensation Plan.
4. To elect Robert McAllister, Dr. Gerald Carlson and Chris Bunka as directors of the Company for the ensuing year.
5. To appoint Chang Lee LLP, Chartered Accountants, as the auditors of the Company for the ensuing year, at a remuneration to be fixed by the directors.

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 January 12, 2010.

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 August 23, 2010, the Company entered into a three month consulting agreement with Tom Ihrke to act as the Company's Senior Vice-President, Business Development and then on November 17, 2011, the Company entered into a month to month consulting agreement.

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 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 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.

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 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 (See Note 11(h)).

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

On 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.

Our Current Business

The Company is a renewable energy company that is pursuing business opportunities in several cleantech sectors, including: Solar PV (Photovoltaic), Solar Thermal (Hot Water), Energy Retrofits and Recovery, and Solar powered Filtered Drinking Water. The Company has also created a new business division that is dedicated with natural resource acquisitions and exploration.

We currently hold the following interests:

Equity Investment in Pro Eco Energy, Inc.

On April 21, 2008, we announced that we had made an 8.25% equity investment into Pro Eco Energy USA Ltd., a clean tech energy company involved in designing, developing and installing solar energy solutions for commercial and residential customers. We also welcomed the President of Pro Eco Energy, Mr. Roger Huber, as the first member of our Clean Tech Advisory board. Mr. Huber has a long career in optimizing energy solutions and his knowledge and wide industry contacts are expected to help us develop our alternative energy solutions.

Pro Eco Energy USA Ltd. owns 100% of the shares of a wholly-owned subsidiary company in Canada called Pro Eco Energy Ltd. (together, Pro Eco). The Chairman of our company is a director and shareholder of Pro Eco Energy USA Ltd.

Mr. Huber has been active in the fields of clean energy design and installations for many years. Through his private consulting and construction companies, he has helped to design and construct many of the largest solar thermal projects in Western Canada, These include the Best Western Hotel in Kelowna, British Columbia; the North Vancouver Public Library; the Comfort Inn in Red Deer, Alberta, and others. Pro Eco primarily services commercial clients and is both an installation and consulting company.

Pro Eco's range of services includes:

1. Consulting. Pro Eco evaluates customer's current energy needs and helps recommend ways that can optimize savings and energy efficiency; and
2. Design. Pro Eco designs personalized, custom systems to take the greatest advantage of the customer's unique geographical setting, fuel costs and availability, and building construction; and

3. Installation. Pro Eco's experts install and support a wide variety of commercial and residential systems including solar thermal, ground-source heat pumps, and heat recovery.

Pro Eco specializes in both energy retrofits of commercial buildings, and systems for new commercial construction.

Equity Investment in Global Solar Water Power Systems Inc.

Effective February 28, 2010, we entered into an asset and share purchase agreement with Mr. Mark Snyder to acquire up to 20% ownership of Global Solar Water Power Systems Inc., a private company beneficially owned by Mark Snyder, our company's Chief Technical Officer. Global Solar owns certain technology invented and developed by Mark Snyder for the design and manufacture of certain water filtration equipment.

Under the terms of the agreement, we may acquire up to a 20% equitable ownership interest in Global Solar payable as follows:

- (a) for the initial 10% equity interest, by the issuance of 500,000 restricted shares of our common stock at a deemed price of US \$0.20 per share, payable within 10 days of signing the agreement;
- (b) for the initial 10% equity interest, cash payments and/or deferred commissions totaling \$150,000 payable in installments of \$3,500 per month;
- (c) for the additional 10% equity interest, the issuance of 500,000 restricted shares of our common stock at any time up to December 31, 2011; and
- (d) for the additional 10% equity interest, cash payments and/or deferred commissions totaling \$250,000 paid a minimum of \$3,500 per month and beginning not later than December 31, 2011, as further described in the agreement.

Pursuant to the terms of the agreement Global Solar is required to pay our proportionate interest in any after tax profits on a quarterly basis. Our management obtained an independent valuation dated February 5, 2010 in support of the value ascribed to the proposed equity interest in Global Solar. As at November 30, 2012, we have paid \$103,500 and accrued \$42,000 in US dollars and issued 500,000 restricted shares of our common stock, following which we have acquired 9.82% equity interest in Global Solar.

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

One of Global Solar's business lines is the business of developing and manufacturing a portable solar powered trailer mounted water purification units that can be delivered and operated nearly anywhere in the world and can provide a village, resort, or remote work-camps with all their drinking water and domestic water requirements. The technology was developed in 2009 by Mark Snyder. Over 300 locations in Iraq were benefiting from clean drinking water as a result of the deployment of these systems, which were delivered to Iraq during 2009, prior to our company's involvement.

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.

Clean Tech Alliance with Snyder Electric.

On June 5, 2008, Mark Snyder, a long time clean energy expert in California, also joined our Clean Tech Advisory board. Mr. Snyder is an expert in alternative energy systems. Mr. Snyder's focus is on complete net zero home solutions homes that generate through alternative energy systems such as solar thermal, solar PV etc, as much energy as they consume.

Copper Hills Project, New Mexico

On January 31, 2011, we entered into a letter of intent and paid US\$7,500 deposit to the Optionor. On April 11, 2011, we signed a Mineral Purchase Option Agreement with Wildhorse Copper Inc. and its wholly owned subsidiary Wildhorse Copper (AZ) Inc. (collectively, the Optionors) respecting an option to earn a 100% interest, subject to a 1% NSR capped to a maximum of \$2,000,000 on one claim, 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 Agreement the Optionors have assigned the Indirect Agreements to Enertopia. In order to earn the interest in the Copper Hills property, we are 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 November 30, 2012, total consideration including cash paid and common stock issued was \$196,863; the Company has expensed the exploration costs of \$0 (August 31, 2012: \$143,680).

The Company has entered into an Option Agreement (Agreement) dated April 11, 2011 with Wildhorse Copper Inc, Wildhorse Copper (AZ) Inc., Northern Tiger Resources Inc., and Timber Wolf Minerals Ltd. (the Optionor) respecting the assignment of up to 100% interest in approximately 1,150 acres of 56 located mining claims in New Mexico, USA. One of these located mining claims is subject to a 1% NSR capped at US \$2,000,000 from commercial production from this located mining claim. The Optionor holds the located mining claims (the Claims) directly and indirectly through an option agreement between the Optionor and a third party. The Optionor hereby grants to the Company the sole and exclusive right and option to acquire up to an undivided 100% right, title and interest in and to the Property, free and clear of all charges, encumbrances, claims, liabilities and adverse interests of any nature or kind, except for the Royalty. The Option shall be in good standing and exercisable by the Company by paying the following amounts on or before the dates specified in the following schedule:

- i. paying the Optionor \$7,500 on signing the letter of intent (paid),
- ii. paying the Optionor \$51,150 on or before the execution of the April 11, 2011 Agreement and issuing to the Optionor 500,000 common shares in the capital stock of the Company as soon as practicable following the execution of the Agreement, (paid)
- iii. issuing to the Optionor 150,000 shares in the capital stock of the Company on or before the first anniversary of the Agreement, (paid)
- iv. issuing to the Optionor 150,000 shares in the capital stock of the Company on or before the second anniversary of the Agreement, and
- v. issuing to the Optionor 200,000 shares in the capital stock of the Company on or before the third anniversary of the Agreement.

The Company shall also pay Timber Wolf the following amounts on or before the dates specified in the following schedule, with such amounts and terms as further described in the Timber Wolf Agreement:

Edgar Filing: Enertopia Corp. - Form 10-Q

- i. paying \$3,000 on signing of the Agreement, (paid)
- ii. paying an additional \$7,500 on or before the first anniversary of the Agreement, (paid)
- iii. paying an additional \$10,000 on or before the second anniversary of the Agreement,
- iv. paying an additional \$12,500 on or before the third anniversary of the Agreement,
- v. paying an additional \$25,000 on or before the fourth anniversary of the Agreement,
- vi. paying an additional \$25,000 on or before the fifth anniversary of the Agreement,
- vii. paying an additional \$50,000 on or before the sixth anniversary of the Agreement,
- viii. paying an additional \$200,000 on or before the seventh anniversary of the Agreement,
- ix. paying an additional \$200,000 on or before the eighth anniversary of the Agreement.

Copper Hills is located on BLM land and as such mineral and surface rights are held by the BLM. Enertopia has acquired an option of 76 located mining claims. These claims are valid for one year and need to be renewed annually.

There are 76 federal located unpatented mining claims.

BUREAU OF LAND MANAGEMENT				SOCORRO COUNTY, NEW MEXICO, RECORDATION		
CLAIM NAME	SERIAL NO.	MC LOCATION	MC DATE RECEIVED	MC LOCATION	INSTRUMENT NO.	MAINTENANCE YEAR 2012 2011
COPPER HILLS #1	NMMC169266	9/14/2000	27/10/2000		Book 503 Page 3660	
WILDHORSE 1	NMMC190849	3/1/2011	22/04/2011	3/11/2011	201100729	
WILDHORSE 2	NMMC190850	3/1/2011	22/04/2011	3/11/2011	201100730	
WILDHORSE 3	NMMC190851	3/1/2011	22/04/2011	3/11/2011	201100731	
WILDHORSE 4	NMMC190852	3/1/2011	22/04/2011	3/11/2011	201100732	
WILDHORSE 5	NMMC190853	3/1/2011	22/04/2011	3/11/2011	201100733	
WILDHORSE 6	NMMC190854	3/1/2011	22/04/2011	3/11/2011	201100734	
WILDHORSE 7	NMMC190855	3/1/2011	22/04/2011	3/11/2011	201100735	
WILDHORSE 8	NMMC190856	3/1/2011	22/04/2011	3/11/2011	201100736	
WILDHORSE 9	NMMC190857	3/1/2011	22/04/2011	3/11/2011	201100737	
WILDHORSE 10	NMMC190858	3/1/2011	22/04/2011	3/11/2011	201100738	
WILDHORSE 11	NMMC190859	3/1/2011	22/04/2011	3/11/2011	201100739	
WILDHORSE 12	NMMC190860	3/1/2011	22/04/2011	3/11/2011	201100740	
WILDHORSE 13	NMMC190861	3/1/2011	22/04/2011	3/11/2011	201100741	
WILDHORSE 14	NMMC190862	3/1/2011	22/04/2011	3/11/2011	201100742	
WILDHORSE 15	NMMC190863	3/1/2011	22/04/2011	3/11/2011	201100743	
TIMBERWOLF 16	NMMC190864	3/1/2011	22/04/2011	3/11/2011	201100744	
TIMBERWOLF 17	NMMC190865	3/1/2011	22/04/2011	3/11/2011	201100745	
TIMBERWOLF 18	NMMC190866	3/1/2011	22/04/2011	3/11/2011	201100746	
	NMMC190867	3/1/2011	22/04/2011	3/11/2011	201100747	

TIMBERWOLF					
19					
TIMBERWOLF	NMMC190868	3/1/2011	22/04/2011	3/11/2011	201100748
20					
WILDHORSE	NMMC190869	3/1/2011	22/04/2011	3/11/2011	201100749
21					
WILDHORSE	NMMC190870	3/1/2011	22/04/2011	3/11/2011	201100750
22					
WILDHORSE	NMMC190871	2/28/2011	22/04/2011	3/11/2011	201100751
23					
WILDHORSE	NMMC190872	2/28/2011	22/04/2011	3/11/2011	201100752
24					
TIMBERWOLF	NMMC190873	2/28/2011	22/04/2011	3/11/2011	201100753
25					

Edgar Filing: Enertopia Corp. - Form 10-Q

TIMBERWOLF 26	NMMC190874	2/28/2011	22/04/2011	3/11/2011	201100754
TIMBERWOLF 27	NMMC190875	2/28/2011	22/04/2011	3/11/2011	201100755
TIMBERWOLF 28	NMMC190876	2/28/2011	22/04/2011	3/11/2011	201100756
TIMBERWOLF 29	NMMC190877	2/28/2011	22/04/2011	3/11/2011	201100757
WILDHORSE 30	NMMC190878	2/28/2011	22/04/2011	3/11/2011	201100758
WILDHORSE 31	NMMC190879	2/28/2011	22/04/2011	3/11/2011	201100759
WILDHORSE 32	NMMC190880	2/28/2011	22/04/2011	3/11/2011	201100760
WILDHORSE 33	NMMC190881	2/28/2011	22/04/2011	3/11/2011	201100761
WILDHORSE 34	NMMC190882	2/28/2011	22/04/2011	3/11/2011	201100762
WILDHORSE 35	NMMC190883	2/28/2011	22/04/2011	3/11/2011	201100763
WILDHORSE 36	NMMC190884	2/28/2011	22/04/2011	3/11/2011	201100764
WILDHORSE 37	NMMC190885	2/28/2011	22/04/2011	3/11/2011	201100765
WILDHORSE 38	NMMC190886	2/28/2011	22/04/2011	3/11/2011	201100766
WILDHORSE 39	NMMC190887	2/28/2011	22/04/2011	3/11/2011	201100767
WILDHORSE 40	NMMC190888	2/28/2011	22/04/2011	3/11/2011	201100768
WILDHORSE 41	NMMC190889	2/28/2011	22/04/2011	3/11/2011	201100769
WILDHORSE 42	NMMC190890	2/28/2011	22/04/2011	3/11/2011	201100770
WILDHORSE 43	NMMC190891	2/28/2011	22/04/2011	3/11/2011	201100771
WILDHORSE 44	NMMC190892	2/28/2011	22/04/2011	3/11/2011	201100772
WILDHORSE 45	NMMC190893	2/28/2011	22/04/2011	3/11/2011	201100773
WILDHORSE 46	NMMC190894	2/28/2011	22/04/2011	3/11/2011	201100774
WILDHORSE 47	NMMC190895	2/28/2011	22/04/2011	3/11/2011	201100775
WILDHORSE 48	NMMC190896	2/28/2011	22/04/2011	3/11/2011	201100776
WILDHORSE 49	NMMC190897	2/28/2011	22/04/2011	3/11/2011	201100777
WILDHORSE 50	NMMC190898	2/28/2011	22/04/2011	3/11/2011	201100778

Edgar Filing: Enertopia Corp. - Form 10-Q

WILDHORSE 51	NMMC190899	2/28/2011	22/04/2011	3/11/2011	201100779
WILDHORSE 52	NMMC190900	2/28/2011	22/04/2011	3/11/2011	201100780
WILDHORSE 53	NMMC190901	2/28/2011	22/04/2011	3/11/2011	201100781
WILDHORSE 54	NMMC190902	2/28/2011	22/04/2011	3/11/2011	201100782
WILDHORSE 55	NMMC190903	2/28/2011	22/04/2011	3/11/2011	201100783
WILDHORSE 56	NMMC191754	9/22/2011	06/12/2011	10/21/2011	201102627
WILDHORSE 57	NMMC191755	9/22/2011	06/12/2011	10/21/2011	201102628
WILDHORSE 58	NMMC191756	9/22/2011	06/12/2011	10/21/2011	201102629
WILDHORSE 59	NMMC191757	9/22/2011	06/12/2011	10/21/2011	201102630
WILDHORSE 60	NMMC191758	9/22/2011	06/12/2011	10/21/2011	201102631
WILDHORSE 61	NMMC191759	9/22/2011	06/12/2011	10/21/2011	201102632
WILDHORSE 62	NMMC191760	9/22/2011	06/12/2011	10/21/2011	201102633
WILDHORSE 63	NMMC191761	9/22/2011	06/12/2011	10/21/2011	201102634
WILDHORSE 64	NMMC191762	9/22/2011	06/12/2011	10/21/2011	201102635
WILDHORSE 65	NMMC191763	9/22/2011	06/12/2011	10/21/2011	201102636
WILDHORSE 66	NMMC191764	9/22/2011	06/12/2011	10/21/2011	201102637
WILDHORSE 67	NMMC191765	9/22/2011	06/12/2011	10/21/2011	201102638
WILDHORSE 68	NMMC191766	9/22/2011	06/12/2011	10/21/2011	201102639

WILDHORSE 69	NMMC191767	9/22/2011	06/12/2011	10/21/2011	201102640
WILDHORSE 70	NMMC191768	9/22/2011	06/12/2011	10/21/2011	201102641
WILDHORSE 71	NMMC191769	9/22/2011	06/12/2011	10/21/2011	201102642
WILDHORSE 72	NMMC191770	9/22/2011	06/12/2011	10/21/2011	201102643
WILDHORSE 73	NMMC191771	9/22/2011	06/12/2011	10/21/2011	201102644
WILDHORSE 74	NMMC191772	9/22/2011	06/12/2011	10/21/2011	201102645
WILDHORSE 75	NMMC191773	9/22/2011	06/12/2011	10/21/2011	201102646

Yearly maintenance fee to the BLM at \$140 per claim, due no later than August 31st each year.

Yearly recording fee State of NM approximately \$250 per year.

Copper Hills project is located approximately 8 miles west on HWY 60 from Magdalena, NM. HWY 60 actually crosses the property. Access south of the hwy is by dirt or gravel roads. Access north of the hwy is through locked ranch gate. The property is located within the physiographic province known as the Datil-Mogollon Section, locally characterized by volcanic highlands.

The geology of the project area was described by Wilkinson (1976). A northerly trending fault separates volcanic rocks to the west from younger piedmont gravels, alluvium and basalt to the east. Volcanic rocks are dominantly Oligocene Spears Formation andesitic volcanoclastics. The important Nipple Mountain tuff member is an interbedded lithic and variably welded tuff with deposition controlled by northeast and east-northeast trending, partly fault bounded paleovalleys. The overlying Hells Mesa Formation and the A-L Peak Tuff represents a change to ash flow volcanism related to the Mt. Withington caldera collapse. The caldera margin is situated 7 ½ km south of the Copper Hills prospect.

Structurally the property is situated within a north-northwest trending uplifted block bounded to the east by the Mulligan Gulch graben. Three major structural trends are present at Copper Hills. The west-northwest trending Capitan lineament is a pre-volcanic feature that was reactivated in the Oligocene. The northeast to east-northeast trending Morenci-Magdalena lineament is also a basement feature that in part controlled deposition of the Nipple Mountain tuff. The north to 335° trend reflects the monoclinial eastern edge of the uplifted block and controlled the emplacement of intrusive stocks and later Basin and Range faulting. Convergence of the three structural trends in the vicinity of the Copper Hills prospect resulted in an intense shattering of the rocks.

Mineralization at Copper Hills includes fracture controlled and disseminated copper oxides (plus silver) at the Copper Hills prospect and epithermal gold-silver veins. Wilkinson (1976) describes previous work conducted on the property. Various stakeholders held mining claims in the area almost continuously between 1950 and 2007. During the 1950s minor copper oxide production from the Copper Hills main outcrop took place and five short holes were drilled. In 1968 the Banner Mining Company reportedly drilled a deeper hole to 1,622 ft (494.5 m) and intersected pervasive propylitic alteration with abundant fresh and oxidized pyrite throughout the hole. Samples taken from the last 100 ft reportedly contained small amounts of pyrite plus chalcopyrite, sphalerite and galena. Numerous other prospecting pits and shafts are found on the property and most appear to be related to exploration and minor extraction of minerals associated with epithermal vein type systems. The Banner hole is on the eastern edge of a strong IP-chargeability anomaly defined by the IP survey completed by Wright geophysics in August, 2011.

Edgar Filing: Enertopia Corp. - Form 10-Q

The most recent exploration work done at Copper Hills was by Coyote Copper in the early part of 2008 which included a ground magnetics geophysical survey, followed by a reconnaissance and field verification mapping and rock chip sampling program and a soil sampling geochemical survey. Enertopia engaged Wright geophysical to manage an IP geophysical survey conducted in August, 2011. Wright also interpreted the results and provided a technical report.

In the Fall of 2011 IP/Res Survey was completed and returned sulphide targets at depth that have been recommended for drilling.

The total costs incurred to date and all planned future costs are as follows:

Exploration costs incurred by Enertopia to date ~ \$140,000

Future exploration plans involve a two phase drill program described below:

A two phase exploration program:

Phase 1 would commence with 3 core drill holes to an average depth of 550 meters designed to test the strong IP-chargeability anomalies defined by the geophysical survey completed in August, 2011. In addition, reverse circulation drilling will be undertaken to verify the grade and extent of the copper (+silver) mineralization as documented by previous operators, within and peripheral to the Copper Hills Prospect. This is will require about 750 m of drilling in 10 reverse circulation holes each about 75 m in depth spaced on a 50 m x 50 m grid. The total Phase 1 program will cost of \$720,000.

Contingent upon Phase 1 providing positive results it is recommended for Phase 2 that additional drilling be undertaken to add to the grade and extent of the copper (+silver) mineralization as documented by previous operators, within and peripheral to the Copper Hills Prospect. This is will require about 1,500 m of drilling in 20 reverse circulation holes each about 75 m in depth designed to extend the a 50 m x 50 m grid.

An additional 2,500 m of core drilling is recommended to offset the two core holes into the IP anomaly. Other facets of a Phase 2 program include conducting additional geological mapping, prospecting and sampling of priority targets based on geophysical and geochemical survey interpretations. The cost of Phase 2 will be about \$1,210,000. The total for both phases is US\$1,930,000.

The property is without known reserves and the program is exploratory in nature.

Results from the ground IP survey show a strong chargeability anomaly to the east of the Tres Montosas fault. The anomaly is about 500 meters wide east-west and about 1,000 meters long north-south. Wright concludes that the chargeability anomaly may be related to pyritic alteration. The IP anomaly is coincident with the presence of oxidized pyrite and copper at the surface along with quartz veining, silicification and strongly anomalous base metal anomalies along north-trending structures. These features are permissive of a porphyry-style hydrothermal system.

The exploration program would be funded through equity financing or a joint venture. The proposed work is dependant whether on the type of financing or joint venture that the company completes.

The required permits include BLM notice level application for an area of disturbance estimated to be less than 5 acres. Location map of drill locations and road or routes for vehicle traffic. The State of New Mexico also requires a minimal impact exploration permit application to be filed at the same time as the BLM notice level application is filed.

Mildred Peak Project, Arizona

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 November 30, 2012, the Company has made aggregate cash payments of \$125,480 and issued 100,000 shares at price of \$0.10 per share and issued 100,000 shares at a price of \$0.06 to Altar Resources; the Company has expensed the exploration costs of \$10,070 (August 31, 2012-\$31,423).

The Optionor hereby grants to the Company the sole and exclusive right and option to acquire up to an undivided 100% right, title and interest in and to the Property, free and clear of all charges, encumbrances, claims, liabilities and adverse interests of any nature or kind, except for the Royalty. The Option shall be in good standing and exercisable by the Company by paying the following amounts on or before the dates specified in the following schedule:

- i. paying the Optionor \$15,000 on signing the letter of intent (paid), and
- ii. paying the Optionor \$56,000 on the execution of this Agreement and issuing to the Optionor 100,000 common shares in the capital stock of the Optionee as soon as practicable following the execution of this Agreement (paid), and
- iii. paying the Optionor \$40,000 (paid) and issuing to the Optionor 100,000 shares in the capital stock of the Optionee on or before the first anniversary of this Agreement, and
- iv. paying the Optionor \$70,000 and issuing to the 200,000 shares in the capital stock of the Optionee on or before the second anniversary of the Agreement, and
- v. paying the Optionor \$100,000 and issuing to the Optionor 300,000 shares in the capital stock of the Optionee on or before the third anniversary of the Agreement, and
- vi. paying the Optionor \$200,000 and issuing to the Optionor 300,000 shares in the capital stock of the Optionee on or before the fourth anniversary of the Agreement, and

- vii. paying the Optionor \$400,000 on or before the fifth anniversary of the Agreement, and
-

Edgar Filing: Enertopia Corp. - Form 10-Q

Mildred Peak is located on BLM land and State lands as such mineral and surface rights are held by the BLM and Arizona State. Enertopia has acquired an option of 57 located mining claims.

There are 57 federal located unpatented mining claims.

BLM Federal Claim #	Claim Name
AMC412236	BAB 1
AMC412237	BAB 2
AMC412238	BAB 3
AMC412239	BAB 4
AMC412240	BAB 5
AMC412241	BAB 6
AMC412242	BAB 7
AMC412243	BAB 8
AMC412244	BAB 9
AMC412245	BAB 10
AMC412246	BAB 11
AMC412247	BAB 12
AMC412248	BAB 13
AMC412248	BAB 14
AMC412250	BAB 16
AMC412251	BAB 17
AMC412252	BAB 18
AMC412253	BAB 19
AMC412254	BAB 20
AMC412255	BAB 21
AMC412256	BAB 22
AMC412257	BAB 23
AMC412258	BAB 24
AMC412259	BAB 25
AMC412260	BAB 26
AMC412261	BAB 27
AMC412262	BAB 28
AMC412263	BAB 29
AMC412264	BAB 30
AMC412265	BAB 31

Edgar Filing: Enertopia Corp. - Form 10-Q

AMC412266	BAB 32
AMC412267	BAB 33
AMC412268	BAB 34
AMC412272	3P 1
AMC412273	3P 2
AMC412274	3P 3
AMC412275	3P 4
AMC412276	3P 5
AMC412277	3P 6
AMC412278	3P 7
AMC412279	3P 8
AMC412280	3P 9
AMC412281	3P 10
AMC412282	3P 11
AMC412283	3P 12
AMC412284	3P 13
AMC412285	3P 14
AMC412286	3P 15
AMC412287	3P 16

AMC412288	3P 18
AMC412289	3P 19
AMC412290	3P 20
AMC412291	3P 21
AMC412292	3P 22
AMC412293	3P 23
AMC412294	3P 24
AMC412295	3P 25

There are 12 State mineral exploration permits.

Pima County, Arizona Instrument Number
08-115833
08-115847
08-115848
08-115849
08-115850
08-115851
08-115852
08-115853
08-115854
08-115855
08-115856
08-115846

These mining claims and mining permits are valid for one year and need to be renewed annually at the rate of \$140 per BLM mining claim on or before August 31st and \$500 per Arizona State exploration mining permit on or before the anniversary payment date. The State of Arizona also has a yearly per acre exploration fee of \$10 per acre in years one and two and \$20 per acre in years 3-5.

The Mildred Peak Property is located in the Baboquivari Mountains of southern Arizona, approximately 65 miles southwest of Tucson, AZ and 15 miles (23 km) north of the USA/Mexico border. The Mildred Peak Property comprises approximately 7,148 acres and consists of 12 state mineral exploration permits 6,015 acres and 57 federal mining claims 1,133 acres.

The Company also has a right of first refusal (ROFR) on an additional two state mineral exploration permits and three federal mining claims covering approximately 1,240 acres.

The Mildred Peak area was historically the site of two gold mines; the Gold Bullion and Jupiter mines which are situated inside the ROFR lands, as well as the numerous smaller mines, including the Iowana mine. Subsequent drilling, sampling and trenching by numerous companies revealed the potential for the property to host a gold

deposit(s). Previous exploration by others resulted in the discovery of up to 67.43 grams gold per tonne (g Au/t) at or near the south zone and 40.65 g Au/t at or near the north zone from surface rock samples.

Mildred Peak is situated in the Baboquivari Mountains region contains sedimentary, volcanic and intrusiverocks that were originally part of a Jurassic continental magmatic arc (Lajack, 1994). These rocks were then subjected to a Late Cretaceous and early Tertiary episode of metamorphism and thrusting (Haxel *et al.*, 1980). The Mildred Peak area, along the most of the Baboquivari Mountains make up the lower plate of the Baboquivari thrust.

The northern and southern portion of the Mildred Peak prospect is underlain by a northeast-striking, altered early Jurassic metaconglomerate unit. Immediately south of the Shaffer Canyon fault, which trends northeast, the Jurassic metaconglomerate is overlain by metasiltstone and argillite, which in turn is overlain by Jurassic volcanic rocks (Somerville, 2002). All units were hydrothermally altered and intruded by prominent rhyolite dikes in the mid-Tertiary.

Previous work conducted at or near the Mildred Peak Property indicates that mineralization is dominantly hosted within a thick, shallow dipping Jurassic metaconglomerate unit throughout the property. To a lesser extent, mineralization has also been recognized in mid-Tertiary felsic bodies that intruded the metaconglomerate unit. The style of mineralization reported to date indicates that potential exists for epithermal Bonanza type vein hosted high grade precious metal deposits as well as more disseminated fine grained lower grade Carlin type precious metal deposits (Berger and Bethke, *eds.*, 1985). The presence of lower grade gold occurrences associated within quartz veins in the argillite-greenstone unit near Mildred Peak also indicate that there is also potential for shear hosted mesothermal gold deposits.

The gold mineralization at the Mildred Peak Property is found within two diverse geologic settings. First, around Jupiter Canyon-Weaver Canyon in the northern region and the Arroyo del Puente area in the southern region of the prospect area, extensive silicification and pyritization affected Early Jurassic metaconglomerate and intrusive porphyry (Lajack, 1994). Anomalous amounts of gold are found throughout the silicified area and most significantly within the metaconglomerates. These are the rocks that have produced the majority of gold in the past and have been the subject of exploration more recently. The cross-cutting (approximately E-W striking) mid-Tertiary dikes and quartz veins are associated with the highest concentrations of gold, including the Gold Bullion and Jupiter mines. Mineralization of silicified areas occurred during the mid- Tertiary and may be associated with (1) rhyolite intrusion, (2) remobilization of early Jurassic stratabound epigenetic mineralization, or (3) remobilization of early Jurassic syngenetic, stratabound mineralization (Lajack, 1994). This precious metal mineralization is most likely the results of high level hydrothermal processes.

The relatively limited amount of reconnaissance sampling/exploration demonstrates that numerous bedrock sources for gold mineralization exist within the Mildred Peak Property and verifies the findings of others. Based on the positive results to date, the character of the property is of sufficient merit to justify further exploration.

Exploration should include (but not be limited to) an aggressive staged exploration program.

The exploration program would be funded through equity financing or a joint venture. The proposed work is dependant whether on the type of financing or joint venture that the company completes.

The required permits include BLM notice level application for an area of disturbance estimated to be less than 5 acres. Location map of drill locations and road or routes for vehicle traffic. The State of Arizona also requires a minimal impact exploration permit application to be filed at the same time as the BLM notice level application is filed.

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

On October 24, 2012, the Company issued 100,000 common shares in connection with Altar Resources, Mildred Peak property (See Note 6) 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.

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 November 30, 2013 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) 602-1633. 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.

The Company had entered into a consulting agreement with Dr. Gerald G. Carlson's company, KGE Management Ltd. from March 1, 2005 to November 30, 2007. During the term of this agreement, Dr. Carlson, provided geological and corporate administration consulting services to our company, such duties and responsibilities included the provision of geological consulting services, strategic corporate and financial planning, management of the overall business operations of our company, and the supervision of office staff and exploration and mining consultants. Dr. Carlson, through KGE Management Ltd., was reimbursed at the rate of \$2,000 per month. This agreement was terminated on November 30, 2007, but Dr. Carlson does remain as an Advisor to the Company.

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.

On March 2, 2008, the Company entered into a controller agreement with CAB Financial Services, a corporation organized under the laws of the Province of British Columbia. CAB Financial Services is a consulting company controlled by the chairman of the board and chief executive officer of the Company. Pursuant to the controller agreement, CAB Financial Services provided corporate accounting and controller services to the Company in consideration for the payment of CAD\$3,675 (including \$175 GST) per month. This agreement was terminated on

October 9, 2009.

On December 1, 2008, the Company entered into a consulting agreement with CAB Financial Services, a corporation organized under the laws of the Province of British Columbia. CAB Financial Services is a consulting company controlled by the chairman of the board and the chief executive officer of the Company. A fee of \$5,000 per month is accrued. We may terminate this agreement without prior notice based on a number of conditions. CAB Financial Services Ltd. may terminate the agreement at any time by giving 30 days written notice of its intention to do so.

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 HST.

On October 9, 2009, the Company entered into a consulting agreement with Mark Snyder as the Chief Technical Officer. A fee of \$1,000 is accrued per month.

On August 23, 2010, the Company entered into a consulting agreement with the Senior Vice-President of Business Development for \$3,125 per month. Effective November 17, 2010, the Company has entered into a month to month consulting contract. On December 1, 2011, the Company renewed his agreement to a commission based with a monthly rate of \$10 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 advancement and if we are successful in our initial and any subsequent drilling 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 consolidated 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

Oil and natural gas revenues are recorded using the sales method whereby our Company recognizes oil and natural gas revenue based on the amount of oil and gas sold to purchasers when title passes, the amount is determinable and collection is reasonably assured. Actual sales of gas are based on sales, net of the associated volume charges for processing fees and for costs associated with delivery, transportation, marketing, and royalties in accordance with industry standards. Operating costs and taxes are recognized in the same period of which 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

In May 2011, the FASB issued new authoritative guidance to provide a consistent definition of fair value and ensure that fair value measurements and disclosure requirements are similar between GAAP and International Financial Reporting Standards. This guidance changes certain fair value measurement principles and enhances the disclosure requirements for fair value measurements. This guidance is effective for interim and annual periods beginning after December 15, 2011 and is applied prospectively. The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income, which is effective for annual reporting periods beginning after December 15, 2011. This guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. In addition, items of other comprehensive income that are reclassified to profit or loss are required to be presented separately on the face of the financial statements. This guidance is intended to increase the prominence of other comprehensive income in financial statements by requiring that such amounts be presented either in a single continuous statement of income and comprehensive income or separately in consecutive statements of income and comprehensive income. The adoption of ASU 2011-05 is not expected to have a material impact on the Company's financial position or results of operations.

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, 2012 and 2011

The following summary of our results of operations should be read in conjunction with our financial statements for the quarter ended November 30, 2012, which are included herein.

Our operating results for the three months ended November 30, 2012, for the three months ended November 30, 2011 and the changes between those periods for the respective items are summarized as follows:

		Three Months Ended November 30, 2012		Three Months Ended November 30, 2011		Change Between Three Month Period Ended November 30, 2012 and November 30 , 2011
Revenue (cost recovery)	\$	Nil	\$	Nil	\$	Nil
Other (income) expenses		6,039		(41,505)		47,544
General and administrative		122,905		301,154		(178,249)
Interest expense		2,532		568		1,964
Consulting fees		52,252		69,666		(17,414)
Exploration expenses		10,070		140,108		(130,038)
Professional Fees		32,205		31,014		1,191
Net (loss)		(116,866)		(342,969)		226,103

Our accumulated losses increased to \$5,510,620 as of November 30, 2012. Our financial statements report a net loss of \$116,866 for the three-month period ended November 30, 2012, compared to a net loss of \$342,969 for the three-month period ended November 30, 2011. Our losses have decreased over the three month period primarily due to the expiration of the Lexaria and Cheetah warrants value that has been written off now, reduced loss on owned securities, decreased costs in exploration, investor relations, foreign exchange, and travel.

As at November 30, 2012, we had \$424,450 in current liabilities. Our net cash used in operating activities for the three months ended November 30, 2012 was \$42,113 compared to \$113,163 used in the three months ended November 30, 2011. Our total liabilities as of November 30, 2012 were \$424,450 as compared to total liabilities of \$374,412 as of August 31, 2012. The increase in liabilities is mainly due to there is an increase in the amounts due to related parties by \$18,000 for the three months ended November 30, 2012 compared to August 31, 2012.

Liquidity and Financial Condition*Working Capital*

	At November 30, 2012	At August 31, 2012
Current assets	\$ 82,218	\$ 88,647
Current liabilities	424,450	364,623
Working capital	\$ (342,232)	\$ (275,976)

Cash Flows

	Three Months Ended	
	November 30, 2012	November 30, 2011
Cash flows (used in) operating activities	\$ (42,113)	\$ (113,163)
Cash flows (used in) investing activities	(40,000)	(84,539)
Cash flows (used in) financing activities	100,399	Nil
Net increase (decrease) in cash during period	\$ 18,286	\$ (197,702)

Operating Activities

Net cash used in operating activities was \$42,113 in the three months ended November 30, 2012 compared with net cash used in operating activities of \$113,163 in the same period in 2011. The decrease in cash used is mostly from increased liabilities.

Investing Activities

Net cash used in investing activities was \$40,000 in the three months ended November 30, 2012, compared to net cash used in investing activities of \$84,539 in the same period in 2011. The change in cash from investing activities is mainly attributable to the mineral resource property acquisitions in 2012.

Financing Activities

Net cash provided by financing activities was \$100,399 in the three months ended November 30, 2012 compared to \$Nil in the same period in 2011. Cash provided in 2012 was from private placement financings.

Revenue comparisons for the Quarter ended November 30, 2012 compared to the quarter ended November, 2011

For the three-month period ended November 30, 2012, the Company had \$Nil in revenues compared to \$Nil in revenues for the same three-month period in the prior year. The Company has generated \$406,461 in revenues from inception on November 24, 2004 to November 30, 2012.

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, 2012, 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, 2012, 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

No Assurance of Profitability

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

Changing Consumer Preferences

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

General Economic Factors

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.

Factors Affecting 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.

Competition

There are virtually no barriers to entry in the solar PV, solar thermal and energy recovery business sectors. As it is largely unregulated, we may face growing competition from any number of persons or firms who are, or who hold themselves out to be, competitors in this field.

Quality of Service/Industry Practices

Demand for our services may be adversely affected if consumers lose confidence in the quality of our services or the industry's practices. Adverse publicity may discourage businesses from buying our services and could have a material adverse effect on our financial condition and results of operations.

Unethical Business Practices

We may suffer negative publicity if we, any third party contractors we may engage, or any of our customers for whom we have implemented changes, are found to engage in any environmentally insensitive practices or other business practices that are viewed as unethical.

No Significant Customers

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

Fixed Price Contracts

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

Effectiveness and Efficiency of Advertising and Promotional Expenditures

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

Human Resources

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 renewable energy 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.

We will require additional financing to develop our business plan.

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.

Our operations may require licenses and permits from various governmental authorities to build and install alternative energy systems or to conduct energy retrofits. We believe that we will be able to obtain all necessary licenses and permits under applicable laws and regulations for our operations and believe we will be able to comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that we will be able to obtain or maintain all necessary licenses and permits.

Changes in environmental regulations.

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

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

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

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

Risks Associated with the Shares of Our Company

Trading on the Pink OTC 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 Pink OTC service of the Financial Industry Regulatory Authority. Trading in stock quoted on the Pink OTC 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 Pink OTC is not a stock exchange, and trading of securities on the Pink OTC 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.

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. 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 have 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

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

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

broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 Number	Description
-----------------------	--------------------

(i)	Articles of Incorporation; and (ii) Bylaws
3.1*	Articles of Incorporation
3.2*	Bylaws
4.1*	Specimen ordinary share certificate
<u>31.1</u>	<u>Rule 13(a) - 14 (a)/15(d) - 14(a) Certification</u>
<u>31.2</u>	<u>Rule 13(a) - 14 (a)/15(d) - 14(a) Certification</u>
<u>32.1</u>	<u>Section 1350 Certification</u>
<u>32.2</u>	<u>Section 1350 Certification</u>

*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)
11/01/2013

By: */s/ "Bal Bhullar"*
Bal Bhullar,
Chief Financial Officer
11/01/2013
