

Enertopia Corp.
Form 10-K
November 29, 2010

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

FORM 10-K

(Mark One)

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

For the fiscal year ended August 31, 2010

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

For the transition period from [] to []

Commission file number 000-51866

ENERTOPIA CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

20-1970188

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

#950-1130 WEST PENDER STREET, VANCOUVER, BRITISH
COLUMBIA, CANADA

(Address of principal executive offices)

V6E 4A4

(Zip Code)

Registrant's telephone number, including area code:

604-602-1633

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

Title of Each Class

N/A

Name of Each Exchange On Which Registered

N/A

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

N/A

(Title of class)

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

Yes [] No [X]

Edgar Filing: Enertopia Corp. - Form 10-K

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

Yes [] No [X]

1

Edgar Filing: Enertopia Corp. - Form 10-K

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

Yes No

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

Yes No

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

Yes No

The aggregate market value of Common Stock held by non-affiliates of the Registrant on February 28, 2010 was \$2,663,810 based on a \$0.25 closing price for the Common Stock on February 28, 2010. For purposes of this computation, all executive officers and directors have been deemed to be affiliates. Such determination should not be deemed to be an admission that such executive officers and directors are, in fact, affiliates of the Registrant.

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

15,872,740 common shares as of November 25, 2010

DOCUMENTS INCORPORATED BY REFERENCE

None.

TABLE OF CONTENTS

<u>Item 1.</u>	<u>Business</u>
<u>Item 1A.</u>	<u>Risk Factors</u>
<u>Item 1B.</u>	<u>Unresolved Staff Comments</u>
<u>Item 2.</u>	<u>Properties</u>
<u>Item 3.</u>	<u>Legal Proceedings</u>
<u>Item 4.</u>	<u>(Removed and Reserved).</u>
<u>Item 5.</u>	<u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>
<u>Item 6.</u>	<u>Selected Financial Data</u>
<u>Item 7.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
<u>Item 7A.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 8.</u>	<u>Financial Statements and Supplementary Data</u>
<u>Item 9.</u>	<u>Changes in and Disagreements With Accountants on Accounting and Financial Disclosure</u>
<u>Item 9A.</u>	<u>Controls and Procedures</u>
<u>Item 9B.</u>	<u>Other Information</u>
<u>Item 10.</u>	<u>Directors, Executive Officers and Corporate Governance</u>
<u>Item 11.</u>	<u>Executive Compensation</u>
<u>Item 12.</u>	<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>
<u>Item 13.</u>	<u>Certain Relationships and Related Transactions, and Director Independence</u>
<u>Item 14.</u>	<u>Principal Accounting Fees and Services</u>
<u>Item 15.</u>	<u>Exhibits, Financial Statement Schedules</u>

PART I

Item 1. Business

This annual report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as *may*, *should*, *expects*, *plans*, *anticipates*, *believes*, *estimates*, *predicts*, *potential* or *continue* or the negative or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled *Risk Factors* that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

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

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

General Overview

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

From inception until April 2008, 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, Solar powered Filtered Drinking Water. The Company currently has oil and gas resources properties and the Company intends to dispose of those assets in the near future.

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**.

Edgar Filing: Enertopia Corp. - Form 10-K

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 a 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 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.

Edgar Filing: Enertopia Corp. - Form 10-K

On August 12, 2010, the Company got 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.

Overview of Business over the Last Five Years

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

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

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

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

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

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

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

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

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

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

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

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

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

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, Solar powered Filtered Drinking Water. The Company currently has oil and gas resources properties and the Company intends to dispose of those assets in the near future.

Subsequent to the year-end, we have disposed the following interests:

The Coteau Lake light oil exploration project, South Eastern Saskatchewan, Canada

Coteau Lake is an exploration property and we have no producing oil or gas wells on this property at this time. Coteau Lake covers 1,280 acres of land. Enertopia's gross and net interest in this project is 50%. There has been historic oil production on the Coteau Lake project lands. Our internal geological and geophysical work to date indicates our lands could be prospective for oil & gas accumulations to have taken place.

Subsequent to the year-end, the Company disposed the Coteau Lake interests for a 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 the property up to \$150,000. The Company has written down the property to its recoverable amount of \$100,000 without taking into consideration of the future potential payout as it cannot be reasonably determinable as at August 31, 2010.

We currently hold the following interests:

The Glen Park light oil exploration prospect, Central Alberta, Canada

Glen Park prospect covers 160 acres that is believed to be prospective for reef development and the potential accumulation of oil deposits. Productive wells in the area have production rates in excess of 200 bop/d and in some cases with little associated water. We currently have a 50% interest in the Glen Park prospect. The Company's current focus on this project is to monetize it on the best financial terms possible.

As at August 31, 2010, the Company has written off the Glen Park property as the Company has shifted its focus to the renewal energy sector with no intention to further develop this property and the future recoverable amount from this property is not determinable.

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. Roger 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.

Pro Eco has mainly focused its activities throughout British Columbia, Alberta and Saskatchewan. Pro Eco s prior projects included a number of large and small companies, including hotels and apartment buildings, and residential installations. Some of Pro Eco s recent projects include:

1. North Vancouver Library
2. Listel Hotel
3. Singer Specialized Trucking
4. Gateway Bonavista
5. Burrowing Owl Winery
6. Renaissance Retirement Residences

7. Strata Corporation
8. Best Western Inn
9. Comfort Inn & Suites
10. Inn at Big White

At the request of the Company, Pro Eco is currently designing an energy recovery and retrofit system at an existing facility in Alberta. The anticipated project includes recovery and reuse of waste heat and replacement of certain equipment. The Company has signed a non-binding letter of intent (LOI) with the potential client and is working towards fulfilling the terms of this LOI. If this non-binding LOI turns into an actual contract to perform the work anticipated, it could have a material impact upon the Company. There is no assurance that the Company will be able to meet the terms of the LOI, that a contract will be entered into or complete the anticipated project.

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. (GSWPS), a private company beneficially owned by Mark Snyder, our company's Chief Technical Officer. GSWPS 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 GSWPS 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 GSWPS 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 GSWPS. As at August 31, 2010, we have paid \$61,500 in US dollars and issued 500,000 restricted shares of our common stock, following which we have acquired a 6.46% equity interest in GSWPS.

Also on January 31, 2010, the Company entered into an Independent Sales and Marketing Representative Agreement with GSWPS. Pursuant to the terms of the agreement, GSWPS agreed to appoint the 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 GSWPS and/or the 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 the Company under the agreement, the Company 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. The Company and GSWPS 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 GSWPS's business lines is the business of developing and manufacturing a portable solar powered trailer mounted water purification units (the System) 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, Chief Technology Officer of the Company, and Mark Snyder is the President of GSWPS. Over 300 locations in war-torn Iraq are now benefiting from clean drinking water as a result of the deployment of these systems, which were delivered to Iraq during 2009, prior to the Company's involvement.

Clean Tech Alliance with Snyder Electric.

On June 5, 2008, Mr. 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.

Belmont Lake Field, Wilkinson County, Mississippi

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

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

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.

Competition

There is strong competition relating to all aspects of the alternative energy sector. The Company will actively compete for capital, skilled personnel, energy retrofit and new alternative energy projects, and in all other aspects of its operations with a substantial number of other organizations, many of which have greater technical and financial resources than the Company. Some of those organizations not only design and install alternative energy systems but also manufacture alternative energy products on a world-wide basis and as such have greater and more diverse resources on which to draw. The Company will actively compete for alternative energy projects and opportunities in the fields of Solar PV; Solar Thermal; Wind; Biomass; Energy Optimization and related sectors, and will constantly be facing competition by both smaller and larger companies in all geographical and industrial segments of the market.

Compliance with Government Regulation

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

Employees

We primarily used the services of sub-contractors and consultants for our intended business operations. Our technical employees are Mr. McAllister, our president and a director, and Mr. Synder, our chief technical officer.

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 on the Board as a Director.

We entered into a consulting agreement with Mr. Robert McAllister on December 1, 2007. During the term of this agreement, Mr. McAllister was to provide corporate administration and consulting services, such duties and responsibilities were 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 was 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 will provide 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 his 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 is 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.

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 paid per month.

On August 23, 2010, the Company entered into a consulting agreement with the Senior Vice-President of Business Development for \$3125 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 successfully initiate any material new clean energy contracts we may retain additional employees.

Research and Development

We have incurred \$Nil in research and development expenditures over the last fiscal year.

Item **Risk Factors**
1A.

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

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 Our Common Stock

Trading on the OTCBB 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 OTCBB service of the Financial Industry Regulatory Authority. Trading in stock quoted on the OTCBB 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 OTCBB is not a stock exchange, and trading of securities on the OTCBB is often more sporadic than the trading of securities listed on a quotation system like Nasdaq or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of the shares.

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

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and

offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

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

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

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

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

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

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

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

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

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 1B. Unresolved Staff Comments

None.

Item 2. Properties

Executive 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.

Resource Properties

Coteau Lake, Saskatchewan

In connection with the acquisition of Target, we acquired certain working interest in Coteau Lake, Saskatchewan.

Coteau Lake is an exploration property and we have no producing oil or gas wells on this land at this time. The Coteau Lake exploration project covers 1,280 acres of land. Our gross and net interest in this project is 50%. There has been historic oil production on the Coteau Lake project lands.

On November 7, 2007, our subsidiary Target entered into a Letter of Intent (the LOI) with Primrose Drilling Ventures Ltd. (Primrose), a body corporate, having an office in the city of Calgary, in the Province of Alberta. Pursuant to the LOI, our subsidiary Target is the interest title holder of Saskatchewan Crown Land parcels 124, 125 and 126.

Primrose elected to proceed with a 50/50 joint venture with Target by reimbursing Target for 50% of its land cost on parcels 124, 125 and 126 for CAD\$26,590 which was paid within 15 days of signing the LOI. Primrose would become operator of the project upon its acceptance of such appointment and agreement to assume the duties, obligations and rights of the operator. A formal Participation Agreement (Agreement) which included the provisions of LOI has been entered between Target and Primrose. Included in the Participation Agreement would be the Area of Mutual Interest (AMI) which would govern future land acquisitions and timeline set out in the LOI. On December 31, 2008, an additional CAD\$22,270 was spent on land acquisitions with Primrose Drilling Ventures. As at August 31, 2010, the Company was in the process of searching for a buyer for this property.

Subsequent to the year-end, on October 25, 2010, the Company disposed the Coteau Lake interests for a 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. The Company has written down the property to its recoverable amount of \$100,000 without taking into consideration of the future potential payout as it cannot reasonably determinable as at August 31, 2010.

Glen Park, Alberta

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

On June 11, 2008, we were successful in acquiring two land parcels of 160 acres each in the Glen Park area of central Alberta, Canada. These 320 acres are believed to be prospective for reef development and the potential accumulation of oil deposits. We own the Petroleum and Natural Gas rights below the base of the Mannville GRP to basement 100%. We currently have a 100% interest in these two prospects. As at August 31, 2010, the Company was in the process of searching for a buyer for this property.

As at August 31, 2010, the Company has written off the Glen Park property as the Company has shifted its focus to the renewal energy sector with no intention to further develop this property and the future recoverable amount from this property is not determinable.

Belmont Lake

Effective September 1, 2009, the Company entered into an assignment agreement with Cheetah Oil & Gas Ltd. The assignment agreement dated August 28, 2009, provides for the purchase by the Company of a revenue interest of 40.432% of an 8% share of Cheetah's net revenue after field operating expenses from the Belmont Lake PP F-12-4

horizontal well, located in Belmont Lake Field, Wilkinson County, Mississippi. As consideration, the Company agreed to pay to Cheetah 57.76% of Cheetah's costs currently budgeted at \$77,905.36, subject to revision and 57.76% of Cheetah's 8% share of PP F-12-4 well costs from time to time for infrastructure, pipes, tanks, compressors, trucking, etc. On May 31, 2010, this assigned interest was converted into common shares and warrants of Cheetah Oil & Gas Ltd, leaving the Company with no direct interest in this well. As a result, the Company has 375,000 restricted shares in the capital of Cheetah and 375,000 share purchase warrants which entitle the Company to acquire 375,000 restricted shares in the capital of Cheetah at a purchase price of US\$0.20 per share for a period of two years.

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

Item 3. Legal Proceedings

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

Item 4. (Removed and Reserved).

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common shares are quoted on the Over-the-Counter Bulletin Board under the symbol ENRT. The following quotations, obtained from Yahoo Finance, reflect the high and low bids for our common shares based on inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

The high and low bid prices of our common stock for the periods indicated below are as follows:

Quarter Ended⁽¹⁾		High		Low
August 2010	\$	0.25	\$	0.11
May 2010	\$	0.21	\$	0.20
February 2010	\$	0.25	\$	0.25
November 2009	\$	0.06	\$	0.06
August 2009	\$	0.20	\$	0.12
May 2009	\$	0.18	\$	0.18
February 2009	\$	0.10	\$	0.10
November 2008	\$	0.10	\$	0.10
August 2008	\$	0.20	\$	0.20
May 2008	\$	0.25	\$	0.25
February 2008	\$	0.20	\$	0.20
November 2007	\$	0.40	\$	0.40

August 2007	\$	0.35	\$	0.20
May 2007	\$	1.25	\$	0.55
February 2007	\$	0.55	\$	0.55
November 2006	\$	1.01	\$	0.25
August 2006	\$	0.25	\$	0.20
May 2006		N/A		N/A
February 2006		N/A		N/A
November 2005		N/A		N/A
August 2005		N/A		N/A

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

On November 25, 2010, the last closing price for one share of our common stock as reported by the OTC Bulletin Board was \$0.15. This closing price reflects an inter-dealer price, without retail mark-up, mark-down or commission, and may not represent an actual transaction.

As of June 2, 2010, there were 152 holders of record of our common stock. As of November 25, 2010 15,872,740 common shares were issued and outstanding.

Our common shares are issued in registered form. Nevada Agency and Trust Company, 50 West Liberty Street, Suite 880, Reno, Nevada 89501 (Telephone: 775.322.0626; Facsimile: 775.322.5623) is the registrar and transfer agent for our common shares.

Dividend Policy

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

Recent Sales of Unregistered Securities

On 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. The Company issued the units to one (1) US persons pursuant to the exemption from registration provided for under Rule 506 of Regulation D, promulgated under the United States Securities Act 1933, as amended. Each of the subscribers represented that they were an accredited investor as such term is defined in Regulation D. The Company issued the units to sixty-four (64) non-US persons in an off-shore transaction pursuant to the exemption from registration provided for under Regulation S, promulgated under the United States Securities Act of 1933, as amended. Each of the subscribers represented that they were not a US person as such term is defined in Regulation S.

Equity Compensation Plan Information

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

2007 Equity Compensation Plan

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

The number of Common Shares subject to each share purchase option (each, an Option), the exercise price of each Option, the expiration date of each Option, the extent to which each Option is exercisable and/or vested from time to time during the term of the Option and any other terms and conditions relating to the Options are to be determined by the board of directors.

The maximum number of Options available under the Plan, are for the issuance of up to 1,000,000 Common Shares of the Company.

The Plan also authorizes, if at any time determined by the Board, the Participant to have the right (the "Right"), when entitled to exercise an Option, to terminate such Option in whole or in part (the "Terminated Option") by notice in writing to the Company and, in lieu of receiving the Shares (the "Optioned Shares") to which the Terminated Option relates, to receive the number of Shares, disregarding fractions, which is equal to the quotient obtained by:

- (a) subtracting the Option exercise price per Share from the Fair Market Value per Share on the day immediately prior to the exercise of the Right and multiplying the remainder by the number of Optioned Shares; and
- (b) dividing the product obtained under subsection 2.6(a) by the Fair Market Value per Share on the day immediately prior to the exercise of the Right.

If a Right is granted in connection with an Option, it is exercisable only to the extent and on the same conditions that the related Option is exercisable.

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

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

On October 22, 2009, we granted an additional 500,000 stock options to our directors and consultants. The exercise price of the stock options is \$0.10 per share, which are vested immediately and expire October 22, 2014.

2010 Equity Compensation Plan

On February 5, 2010, the Company's shareholders approved and adopted the Company's 2010 equity incentive plan (the 2010 Plan). The purpose of the 2010 Plan is to enhance the long-term stockholder value of the Company by offering opportunities to our directors, officers, employees and eligible consultants (Participants) to acquire and maintain stock ownership in the Company in order to give these persons the opportunity to participate in our growth and success, and to encourage them to remain in our service.

The 2010 Plan is required to be administered by our Board of Directors or a committee appointed by, and consisting of two or more members of our Board of Directors (the Plan Administrator). The Plan Administrator has the exclusive authority, in its discretion, to determine all matters relating to any option granted (Awards) under the 2010 Plan including: (i) the selection of individuals to be granted Awards; (ii) the type of Awards; (iii) the number of shares of Common Stock subject to an Award; (iv) all terms, conditions, restrictions and limitations, if any, of an Award; and (v) the terms of any instrument that evidences the Award.

The Plan Administrator also has exclusive authority to interpret the 2010 Plan and the terms of any instrument evidencing the Award and may from time to time adopt and change rules and regulations of general application for the 2010 Plan's administration. The Plan Administrator's interpretation of the 2010 Plan and its rules and regulations is conclusive and binding on all parties involved or affected.

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

The Plan Administrator has the authority in its sole discretion to grant Awards to participants as incentive stock options or as non-qualified stock options, as appropriate. Unless an earlier termination date is set by the Plan Administrator, Awards under the 2010 Plan will terminate at the earliest of the following:

- (a) Ten (10) years after the Award is granted;
- (b) The date the stock option expires in accordance with its terms;
- (c) Ninety (90) days after the Participant's employment terminates (or ceases to provide services to the Company if the grantee is a non-employee director or a consultant) (the Employment Termination Date), if the Participant's Employment Termination Date occurs by reason of retirement, resignation or for any other reasons other than for cause, disability or death;
- (d) Twelve (12) months after the Employment Termination Date, if the termination or cessation of services is a result of death or disability; and
- (e) Five (5) years after the Incentive Stock Option is granted for holders of 10% or more of the Company's common stock.

To the extent that the right to purchase shares under an Award has vested, in order to exercise the Award the participant must execute and deliver to the Company a written stock option exercise agreement or notice in a form and in accordance with procedures established by the Plan Administrator. In addition, the full exercise price of the Option Award must be delivered to the Company and must be paid in a form acceptable to the Plan Administrator.

The exact terms of the option granted are contained in an option agreement between us and the person to whom such option is granted. Eligible employees are not required to pay anything to receive options. The exercise price for incentive stock options must be no less than: 100% of the fair market value of the common stock on the date of grant for Participants that hold less than 10% of the Company's outstanding common stock; and 110% of the fair market value of the common stock on the date of grant for Participants that hold 10% or more of the Company's outstanding common stock. The exercise price for nonqualified stock options is determined by the Plan Administrator in its sole and complete discretion. An option holder may exercise options from time to time, subject to vesting. Options will vest immediately upon death or disability of a participant and upon certain change of control events.

Options will become exercisable by the participants in such amounts and at such times as shall be determined by the Plan Administrator in each individual grant. Options are not transferable except by will or by the laws of descent and distribution. Options granted under the 2010 Plan will become exercisable in the manner at the times and in the amounts determined by the Plan Administrator. Participants may exercise options by delivery to the Company of a written stock option exercise agreement or notice, in a form and in accordance with procedures established by the Plan Administrator, setting forth the number of shares purchased under such exercise agreement, accompanied by payment in full in the form of a check or bank draft or other method of payment or some combination thereof as may be acceptable to the Plan Administrator. All incentive stock options granted under the 2010 Plan must comply with Section 422 of the Code.

As at the date of the annual report, there was nil stock options exercised.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	Nil	Nil	Nil
2007 Equity compensation plans not approved by security holders	890,000	\$ 0.14 ⁽¹⁾	110,000
2010 Equity compensation plans not approved by security holders	900,000	\$ 0.13	1,100,000
Total	1,790,000	0.14	1,210,000

⁽¹⁾ On October 22, 2009, the exercise price of 390,000 stock options were re-priced to \$0.20 per share.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We did not purchase any of our shares of common stock or other securities during our fiscal year ended August 31, 2010.

Item 6. Selected Financial Data

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

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

The following discussion should be read in conjunction with our audited consolidated financial statements and the related notes that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to; those discussed below and elsewhere in this annual report, particularly in the section entitled "Risk Factors" beginning on page 10 of this annual report.

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

Results of Operations for our Years Ended August 31, 2010 and 2009

Our net loss and comprehensive loss for our year ended August 31, 2010, for our year ended August 31, 2009 and the changes between those periods for the respective items are summarized as follows:

	Year Ended August 31, 2010	Year Ended August 31, 2009	Change Between Year Ended August 31, 2010 and Year Ended August 31, 2009
	\$	\$	\$
Revenue	\$ 11,861	\$ 97,417	\$ (85,556)
Other (income) expenses	3,227,901	(425,900)	3,653,801
General and administrative	468,837	275,950	192,887
Interest expense	8,206	10,486	(2,280)
Write down in carrying value of oil and gas properties	Nil	31,786	(31,786)
Consulting fees	274,817	177,328	97,489
Oil and gas operating expenses	Nil	131,348	(131,348)
Professional Fees	86,633	38,132	48,501
Net Income (loss)	(2,955,141)	84,233	(3,039,374)

Revenue

The decrease in our oil and gas revenues for our year ended August 31, 2010 was largely due to no revenue from oil and gas and small revenue from clean energy.

Other Income

The large decrease in other income for our year ended August 31, 2010, is largely due to a write down of oil and gas properties offset by income recovery of deferred taxes. In the year ended August 31, 2009, there was the sale of the Queensdale properties and Wordsworth for US\$421,545.

General and Administrative

The increase in our general and administrative expenses for our year ended August 31, 2010 was due to increased consulting and professional fees.

Professional Fees

There was an increase in accounting, audit and legal fees for our year ended August 31, 2010. This was due to adaption of a new stock option plan and the listing on the Canadian National Stock Exchange.

Interest Expense

The decrease in interest expense for our year ended August 31, 2010 was due to lesser loan balance was outstanding during the current year compared to prior year as a loan made to the Company by a related party was partially paid back in prior year.

Oil and Gas Operating Expenses

The decrease in oil and gas operating expenses for our year ended August 31, 2010 was due to no oil and gas sales.

Liquidity and Financial Condition**Working Capital**

	At August 31, 2010	At August 31, 2009
Current assets	\$ 498,674	\$ 295,333
Current liabilities	149,944	129,520
Working capital	\$ 348,730	\$ 165,813

Cash Flows

	Year Ended August 31, 2010	August 31 2009
Cash flows (used in) operating activities	\$ (273,335)	(162,778)
Cash flows (used in) investing activities	(108,731)	321,332
Cash flows provided by financing activities	133,625	-
Net increase (decrease) in cash during year	\$ (248,441)	158,554

Operating Activities

Net cash used in operating activities was \$273,335 for our year ended August 31, 2010 compared with cash used in operating activities of \$162,778 in the same period in 2009. The increase in net cash used in operating activities is due to the Company from the write down of oil and gas properties offset by income recovery of deferred taxes.

Investing Activities

Net cash used in investing activities was \$108,731 for our year ended August 31, 2010 compared to net cash provided in investing activities of \$321,332 in the same period in 2009. The increase in funds used was for the investment in GSWPS and in Cheetah and Lexaria. In 2009 the cash provided was mainly attributable to the sale of the Queensdale properties and the Wordsworth property.

Financing Activities

Net cash from financing activities was \$133,625 for our year ended August 31, 2010 compared to \$Nil in the same period in 2009. This was from a \$50,000 loan payable to a related party and proceeds from a private placement.

Contractual Obligations

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

Going Concern

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has a net loss of \$2,955,141 for the year ended August 31, 2010 [2009 net income of \$84,233] and at August 31, 2010 had a deficit accumulated during the exploration stage of \$4,218,614 [2009 \$1,263,473]. The Company generated revenue of \$11,861 for the year ended August 31, 2010 [2009 - \$97,417]. The Company has working capital of \$348,730 as at August 31, 2010 [2009 - \$165,813]. The Company requires additional funds to maintain its existing operations and to acquire new business assets. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are to raise equity and debt financing as required, but there is no certainty that such financing will be available or that it will be available at acceptable terms. The outcome of these matters cannot be predicted at this time.

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

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

Off-Balance Sheet Arrangements

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

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with the accounting principles generally accepted in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates

and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financial statements.

Recent Accounting Pronouncements

In April 2009, the FASB issued an update to ASC 820, *Fair Value Measurements and Disclosures*, relating to providing guidance on when the volume and level of activity for the asset or liabilities have significantly decreased and identifying transactions that are not orderly. The update clarifies the methodology to be used to determine fair value when there is no active market or where the price inputs being used represent distressed sales. The update also affirms the objective of fair value measurement, as stated in ASC 820, which is to reflect how much an asset would be sold in an orderly transaction, and the need to use judgment to determine if a formerly active market has become inactive, as well as to determine fair values when markets have become inactive. The Company adopted this Statement in the current fiscal year without significant financial impact.

In April 2009, the FASB issued an update to ASC 825, *Financial Instruments*, to require interim disclosures about the fair value of financial instruments. This update enhances consistency in financial reporting by increasing the frequency of fair value disclosures of those assets and liabilities falling within the scope of ASC 825. The Company adopted this update in the current fiscal year without significant impact to the financial statements.

In April 2009, ASC 320, *Investments Debt and Equity*, amends current other-than-temporary guidance for debt securities through increased consistency in the timing of impairment recognition and enhanced disclosures related to credit and noncredit components impaired debt securities that are not expected to be sold. Also, the Statement increases disclosures for both debt and equity securities regarding expected cash flows, securities with unrealized losses and credit losses. The Company adopted this Statement in the current fiscal year without significant impact to the financial statements.

In April 2009, the FASB issued an update to ASC 805, *Business Combinations*, that clarifies and amends ASC 805, as it applies to all assets acquired and liabilities assumed in a business combination that arise from contingencies. This update addresses initial recognition and measurement issues, subsequent measurement and accounting, and disclosures regarding these assets and liabilities arising from contingencies in a business combination. The Company adopted this Statement in the current fiscal year without significant impact to the financial statements.

In May 2009, the FASB issued ASC 855, *Subsequent Events*. This Statement addresses accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. ASC 855 requires disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, the date issued or date available to be issued. The Company adopted this Statement in the current fiscal year.

In June 2009, the FASB issued ASC 860, *Transfers and Servicing*. This Standard eliminates the concept of a qualifying special purpose entity ("QSPE") and modifies the derecognition provisions in Statement of Financial Accounting Standards No. 140. This statement is effective for financial asset transfers occurring after the beginning of an entity's first fiscal year that begins after November 15, 2009. Early application is prohibited. The Company does not anticipate any significant financial impact from adoption of ASC 860.

On July 1, 2009, the FASB officially launched the FASB ASC 105, *Generally Accepted Accounting Principles*, which established the FASB Accounting Standards Codification (the Codification), as the single official source of authoritative, nongovernmental, US GAAP, in addition to guidance issued by the Securities and Exchange Commission. The Codification is designed to simplify US GAAP into a single, topically ordered structure. All guidance contained in the Codification carries an equal level of authority. The Codification is effective for interim and annual periods ending after September 15, 2009. Accordingly, the Company refers to the Codification in respect of the appropriate accounting standards throughout this document as ASC. Implementation of the Codification did not have any impact on the Company's consolidated financial statements.

In August 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-05, *Fair Value Measurements and Disclosures (Topic 820 - Measuring Liabilities at Fair Value)* . This ASU clarifies the fair market value measurement of liabilities. In circumstances where a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: a technique that uses quoted price of the identical or a similar liability or liabilities when traded as an asset or assets, or another valuation technique that is consistent with the principles of Topic 820 such as an income or market approach. ASU No. 2009-05 was effective upon issuance and it did not result in any significant financial impact on the Company upon adoption.

In September 2009, the FASB issued ASU No. 2009-12, *Fair Value Measurements and Disclosures (Topic 820) - Investments in Certain Entities That Calculate Net Asset Value Per Share (or its equivalent)* . This ASU permits use of a practical expedient, with appropriate disclosures, when measuring the fair value of an alternative investment that does not have a readily determinable fair value. ASU No. 2009-12 is effective for interim and annual periods ending after December 15, 2009, with early application permitted. Since the Company does not currently have any such investments, it does not anticipate any impact on its financial statements upon adoption.

In January 2010, the FASB issued an update to the Fair Value topic. This update requires new disclosures for (1) transfers in and out of levels 1 and 2, and (2) activity in level 3, by requiring the reconciliation to present separate information about purchases, sales, issuance, and settlements. Also, this update clarifies the disclosures related to the fair value of each class of assets and liabilities and the input and valuation techniques for both recurring and nonrecurring fair value measurements in levels 2 and 3. the effective date for the disclosures and clarifications is for the interim and annual reporting periods beginning after December 15, 2009 except for the disclosures about purchases, sales, issuances and settlements, which is effective for fiscal years beginning after December 15, 2010. This update is not expected to have a material impact on the Company's financial statements.

In January 2010, the FASB issued Accounting Standards Update 2010-01, *Equity (Topic 505): Accounting for Distributions to Shareholders with Components of Stock and Cash* (A Consensus of the FASB Emerging Issues Task Force). This amendment to Topic 505 clarifies the stock portion of a distribution to shareholders that allows them to elect to receive cash or stock with a limit on the amount of cash that will be distributed is not a stock dividend for purposes of applying Topics 505 and 260. Effective for interim and annual periods ending on or after December 15, 2009, and would be applied on a retrospective basis. The Company does not expect the provisions of ASU 2010-01 to have a material effect on the financial position, results of operations or cash flows of the Company.

In January 2010, the FASB issued Accounting Standards Update 2010-02, *Consolidation (Topic 810): Accounting and Reporting for Decreases in Ownership of a Subsidiary*. This amendment to Topic 810 clarifies, but does not change, the scope of current US GAAP. It clarifies the decrease in ownership provisions of Subtopic 810-10 and removes the potential conflict between guidance in that Subtopic and asset derecognition and gain or loss recognition guidance that may exist in other US GAAP. An entity will be required to follow the amended guidance beginning in the period that it first adopts FAS 160 (now included in Subtopic 810-10). For those entities that have already adopted FAS 160, the amendments are effective at the beginning of the first interim or annual reporting period ending on or after December 15, 2009. The amendments should be applied retrospectively to the first period that an entity adopted FAS 160. The Company does not expect the provisions of ASU 2010-02 to have a material effect on the financial position, results of operations or cash flows of the Company.

In February 2010, the FASB issued ASC No. 2010-09, *Amendments to Certain Recognition and Disclosure Requirements* , which eliminates the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events. ASC No. 2010-09 is effective for its fiscal quarter beginning after 15 December 2010. The adoption of ASC No. 2010-09 is not expected to have a material impact on the Company's financial statements. ASU No. 2010-13 was issued in April 2010, and clarified the classification of an employee share based payment award with an exercise price denominated in the currency of a market in which the underlying security trades. This ASU will be effective for the first fiscal quarter beginning after December 15, 2010, with early adoption permitted. The adoption of ASU No. 2010-13 is not expected to have a material impact on the Company's financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

Item 8. Financial Statements and Supplementary Data

28

Chang Lee LLP

Chartered Accountants

606 815 Hornby Street
Vancouver, B.C, V6Z 2E6

Tel: 604-687-3776

Fax: 604-688-3373

E-mail: info@changlellp.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

ENERTOPIA CORP.

(A development stage company)

We have audited the consolidated balance sheets of Golden Aria Corp. (the Company) (a development stage company) as at August 31, 2010 and 2009 and the related consolidated statements of stockholders' equity, operations and cash flows for the years then ended and for the period cumulative from inception November 24, 2004 (inception) to August 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at August 31, 2009 and 2008 and the results of their operations and their cash flows for the years then ended and for the period cumulative from inception November 24, 2004 (inception) to August 31, 2010 in conformity with generally accepted accounting principles in the United States of America.

The accompanying consolidated financial statements refer to above have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has incurred losses from inception and further losses are anticipated. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Vancouver, Canada
November 25, 2010

Chartered Accountants

ENERTOPIA CORP. (formerly Golden Aria Corp.)
(A Development Stage Company)
AUDITED CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)

	August 31, 2010	August 31, 2009
ASSETS		
Current		
Cash and cash equivalents	\$ 34,507	\$ 282,948
Owned securities (Note 4)	343,074	-
Accounts receivable	16,903	9,608
Prepaid expenses and deposit	4,191	2,777
Assets held for sale (Note 6)	100,000	-
Total current assets	498,675	295,333
Non-Current		
Long term investment - Pro Eco & GSWPS (Note 5)	220,986	35,821
Unproven - oil and gas properties (Note 6)	-	3,621,617
Total Assets	\$ 719,661	\$ 3,952,771
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable	\$ 27,035	\$ -
Promissory notes - related party (Note 7)	50,000	-
Due to related parties (Note 8)	72,909	129,520
Total Current Liabilities	149,944	129,520
Promissory notes - related party (Note 7)	139,844	-
Deferred tax liability	-	762,704
	289,788	892,225
STOCKHOLDERS' EQUITY		
Share capital		
Authorized:		
200,000,000 common shares with a par value of \$0.001 per share		
Issued and outstanding:		
15,710,240 common shares at August 31, 2010 and August	15,710	14,653
31,2009:14,652,740		
Additional paid-in capital	4,632,777	4,309,367
Deficit accumulated during the development stage	(4,218,614)	(1,263,473)
Total Stockholders' Equity	429,873	3,060,547
Total Liabilities and Stockholders' Equity	\$ 719,661	\$ 3,952,771

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

ENERTOPIA CORP. (formerly Golden Aria Corp.)
(A Development Stage Company)
AUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)

	YEAR ENDED		CUMULATIVE PERIOD FROM INCEPTION NOVEMBER 24, 2004 TO
	August 31, 2010	August 31, 2009	August 31, 2010
Revenue			
Non-renewal energy - natural gas and oil revenue	\$ 254	\$ 97,417	\$ 374,342
Renewal energy - service revenue	11,607	-	11,607
	11,861	97,417	385,949
Cost of revenue			
Non-renewal energy:			
Natural gas and oil operating costs and royalties	-	50,547	141,197
Depletion	-	80,801	298,489
Write-down in carrying value of oil and gas property	-	31,786	293,436
Renewal energy	32,969	-	32,969
	32,969	163,134	766,091
Gross Profit	(21,108)	(65,717)	(380,142)
Expenses			
Accounting and audit	44,621	32,451	238,466
Sales & Marketing	-	-	-
Advertising & Promotions	8,020	1,996	22,378
Bank charges and interest expense	8,206	10,486	30,605
Consulting	274,817	177,328	782,653
Exploration costs and option payment	-	-	318,292
Fees and dues	36,773	12,712	62,336
Insurance	8,323	5,397	23,527
Investor relations	12,840	1,360	26,005
Legal and professional	42,012	5,681	153,726
Office and miscellaneous	(813)	9,530	39,445
Rent	9,100	5,401	52,133
Telephone	3,427	3,151	8,337
Training & Conferences	5,674	685	10,248
Travel	15,837	9,772	36,279
Total expenses	468,837	275,950	1,804,430
(Loss) for the period before other items	(489,945)	(341,667)	(2,184,572)
Other income (expense)			
Interest income	-	103	9,432
Others	(791)	26,524	25,732
Equity interest pick up	(1,336)	(5,106)	(10,515)
Gain on disposition of oil and gas interests	119,490	404,379	523,869
Gain on owned securities	118,597	-	118,597
Write down of oil and gas properties	(3,463,861)	-	(3,463,861)
Income (loss) before income taxes	(3,717,846)	84,233	(4,981,318)
Income tax recovery - deferred	762,704		762,704

Net Income (loss) for the period	\$ (2,955,141)	\$ 84,233	\$ (4,218,614)
Basic and diluted income (loss) per share	\$ (0.20)	\$ 0.01	
Weighted average number of common shares outstanding - basic and diluted	15,086,412	14,652,740	

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

ENERTOPIA CORP. (formerly Golden Aria Corp.)
(A Development Stage Company)
AUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
NOVEMBER 24, 2004 (inception) TO August 31, 2010
(Expressed in U.S. Dollars)

	COMMON STOCK		ADDITIONAL	STOCK	DEFICIT
	SHARES	AMOUNT	PAID-IN	TO BE	ACCUMULATED
			CAPITAL	ISSUED	DURING PERIOD
					EXPLORATION
					STAGE
Balance November 24, 2004 (Inception)	-	\$ -	\$ -	\$ -	\$ -
Issuance of common stock for cash at \$0.02 per share on March 22, 2005	5,467,500	5,468	103,882	-	-
Issuance of common stock for cash at \$0.30 per share on April 6, 2005	1,112,500	1,112	332,638	-	-
Stock to be issued	125,000	-	37,375	125	-
Comprehensive income (loss):					
(Loss) for the period	-	-	-	-	(-)
Balance, August 31, 2005	6,705,000	6,580	473,895	125	(-)
Stock issued on September 29, 2005	-	125	-	(125)	-
Comprehensive income (loss):					
(Loss) for the year	-	-	-	-	(-)
Balance, August 31, 2006	6,705,000	6,705	473,895	-	(-)
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	-	-
Stock issued for property on April 18, 2007	250,000	250	274,750	-	-
Units issued for cash at \$0.50 per unit on April 19, 2007	100,000	100	49,900	-	-
Units issued for cash at \$0.50 per unit on August 31, 2007	600,000	600	299,400	-	-
Imputed interest from non-interest bearing loan	-	-	3,405	-	-
Comprehensive income (loss):					
(Loss) for the year	-	-	-	-	(-)
Balance, August 31, 2007	7,747,740	\$ 7,748	\$ 1,264,586	\$ -	(-)
Units issued for acquisition at \$0.42 per unit on November 30, 2007	6,905,000	6,905	2,893,195	-	-
Imputed interest from non-interest bearing loan	-	-	7,139	-	-
Stock-based compensation on 1,785,000 options granted	-	-	104,257	-	-
Comprehensive income (loss):					
(Loss) for the year	-	-	-	-	(-)
Balance, August 31, 2008	14,652,740	\$ 14,653	\$ 4,269,177	\$ -	(1,)
Imputed interest for non-interest bearing loan	-	-	4,410	-	-
Stock-based compensation	-	-	35,780	-	-
Comprehensive income (loss):					
(Loss) for the year	-	-	-	-	(-)
Balance, August 31, 2009	14,652,740	\$ 14,653	\$ 4,309,367	\$ -	(1,)
Imputed interest for non-interest bearing loan	-	-	2,442	-	-
Stock-based compensation	-	-	78,858	-	-
Stock issued for acquisition at \$0.20 per share on February 28, 2010	500,000	500	124,500	-	-

Edgar Filing: Enertopia Corp. - Form 10-K

Units issued for cash at \$0.15 per unit on May 31, 2010	557,500	557	83,068		
Gain on settlement of the amount due to related parties			34,542		
Comprehensive income (loss):					
(Loss) for the year	-	-	-	-	(2,
Balance, August 31, 2010	15,710,240	15,710	4,632,777	-	(4,

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

ENERTOPIA CORP. (formerly Golden Aria Corp.)
(A Development Stage Company)
AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)

	YEAR ENDED		CUMULATIVE PERIOD FROM INCEPTION November 24, 2004 TO
	August 31, 2010	August 31, 2009	August 31, 2010
Cash flows used in operating activities			
Net Income (loss)	\$ (2,955,141)	\$ 84,233	\$ (4,218,614)
Changes to reconcile net loss to net cash used in operating activities			
Consulting - Stock based compensation	78,858	35,780	335,854
Depletion	-	80,801	298,489
Write down in carrying value of oil and gas properties	-	31,786	293,437
Stock issued for mineral resource and oil and gas property	-	-	37,500
Write down of oil and gas properties	3,463,861		3,463,861
Gain on disposition of oil and gas properties	(119,490)	(404,379)	(523,869)
Gain on owned securities	(118,597)	-	(118,597)
Equity pick-up	1,336	5,106	10,515
Imputed interest	2,442	4,410	17,396
Income tax recovery	(762,704)	-	(762,704)
Others	-	-	-
Change in non-cash working capital items:			
Accounts receivable	(7,295)	11,770	(6,195)
Prepaid expenses and deposit	(1,414)	(2,777)	20,093
Accounts payable and accrued liabilities	27,035	(7,775)	(885)
Due to related parties	117,774	(1,733)	44,238
Net cash (used in) operating activities	(273,335)	(162,778)	(1,109,481)
Cash flows from (used in) investing activities			
Oil and gas properties acquisition and divestment	(47,231)	(100,213)	(345,180)
Proceeds from sale of oil and gas interests	-	421,545	421,545
Mineral resource properties acquisition	-	-	(1)
Investment in GSWPS	(61,500)	-	(61,500)
Investment in Pro Eco	-	-	(45,000)
Cash provided in connection with business acquisition	-	-	201,028
Net cash from (used in) investing activities	(108,731)	321,332	170,892
Cash flows from financing activities			
Promissory notes - related party	50,000	-	50,000
Proceeds from issuance of common stock	83,625	-	923,095
Net cash from financing activities	133,625	-	973,095
Increase (Decrease) in cash and cash equivalents	(248,441)	158,554	34,505
Cash and cash equivalents, beginning of period	282,948	124,394	-
Cash and cash equivalents, end of period	\$ 34,507	\$ 282,948	\$ 34,505
Supplemental information of cash flows			
Interest paid in cash	\$ -	\$ -	-
Income taxes paid in cash	\$ -	\$ -	-

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

ENERTOPIA CORP.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2010
(Expressed in U.S. Dollars)

1. ORGANIZATION

The Company was formed on November 24, 2004 under the laws of the State of Nevada and commenced operations on November 24, 2004. The Company was an independent natural gas and oil company engaged in the exploration, development and acquisition of natural gas and oil properties in the United States and Canada. During the fiscal year 2010, the Company shifted its strategic plan from its non-renewal energy operations to its planned renewal energy operations and considered as a development stage company. The Company has offices in Vancouver and Kelowna, B.C., Canada.

Effective September 25, 2009, we effected a two (2) for one (1) 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 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 \$2,955,142 for the year ended August 31, 2010 [earned \$84,233 for the year ended August 31, 2009] and as at August 31, 2010 has incurred cumulative losses of \$4,218,615 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 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 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) Revenue Recognition

The Company uses the sales method of accounting for natural gas and oil revenues. Under this method, revenues are recognized upon the passage of title, net of royalties. Revenues from natural gas production are recorded using the sales method. When sales volumes exceed the Company's entitled share, an overproduced imbalance occurs. To the extent the overproduced imbalance exceeds the Company's share of the remaining estimated proved natural gas reserves for a given property, the Company records a liability. At August 31, 2010, the Company had no overproduced imbalances.

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

c) Cash and Cash Equivalents

Cash equivalents comprise certain highly liquid instruments with a maturity of three months or less when purchased. As of August 31, 2010 and 2009, cash and cash equivalents consist of cash only.

d) Investments in Companies Accounted for Using the Equity Method

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

e) Oil and Gas Properties

The Company utilizes the full cost method to account for its investment in oil and gas properties. Accordingly, all costs associated with acquisition, exploration and development of oil and gas reserves, including such costs as leasehold acquisition costs, capitalized interest costs relating to unproved properties, geological expenditures, tangible and intangible development costs including direct internal costs are capitalized to the full cost pool. When the Company obtains proven oil and gas reserves, capitalized costs, including estimated future costs to develop the reserves and estimated abandonment costs, net of salvage, will be depleted on the units-of-production method using estimates of proved reserves.

Investments in unproved properties are not depleted pending determination of the existence of proved reserves. Unproved properties are assessed periodically to ascertain whether impairment has occurred. Unproved properties whose costs are individually significant are assessed individually by considering the primary lease terms of the properties, the holding period of the properties, and geographic and geologic data obtained relating to the properties. Where it is not practicable to assess individually the amount of impairment of properties for which costs are not individually significant, such properties are grouped for purposes of assessing impairment. The amount of impairment assessed is added to the costs to be amortized, or is reported as a period expense, as appropriate.

Pursuant to full cost accounting rules, the Company must perform a ceiling test periodically on its proved oil and gas assets. The ceiling test provides that capitalized costs less related accumulated depletion and deferred income taxes for each cost center may not exceed the sum of (1) the present value of future net revenue from estimated production of proved oil and gas reserves using current prices, excluding the future cash outflows associated with settling asset retirement obligations that have been accrued on the balance sheet, at a discount factor of 10%; plus (2) the cost of properties not being amortized, if any; plus (3) the lower of cost or estimated fair value of unproved properties included in the costs being amortized, if any; less (4) income tax effects related to differences in the book and tax basis of oil and gas properties. Should the net capitalized costs for a cost center exceed the sum of the components noted above, an impairment charge would be recognized to the extent of the excess capitalized costs.

Sales of proved and unproved properties are accounted for as adjustments of capitalized costs with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss is recognized in the statement of operations.

Exploration activities conducted jointly with others are reflected at the Company's proportionate interest in such activities.

Cost related to site restoration programs are accrued over the life of the project.

f) Stock-Based Compensation

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

g) Accounting Estimates

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

h) Loss Per Share

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

i) Foreign Currency Translations

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

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

j) Financial Instruments

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

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

Level 2 - Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and Level 3 - Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The Company's financial instruments consist primarily of cash and cash equivalents, owned securities, accounts receivable, accounts payable, promissory notes due to related parties and due to related parties. With the exception of owned securities and non-current portion of promissory notes, the carrying amounts of these financial instruments approximate their fair values due to their short maturities. The fair values of the non-current portion of promissory notes are estimated using quoted market prices or are based on the discounted value of future cash flows. The fair value of owned securities are measured based on quoted prices in active markets.

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

k) Income Taxes

The Company has adopted ASC 740, *Income Taxes*, which requires the Company to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns using the liability method. Under this method, deferred tax liabilities and assets are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the year in which the differences are expected to reverse.

l) Long-Lived Assets Impairment

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

net realizable value.

m) Asset Retirement Obligations

The Company accounts for asset retirement obligations in accordance with the provisions of ASC 410, *Asset Retirement and Environmental Obligations*. ASC 410 requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The management of the Company had estimated the asset retirement obligation to be immaterial and therefore was not reflected on the financial statements as of August 31, 2010.

n) Comprehensive Income

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

o) Concentration of credit risk

The Company places its cash and cash equivalent with high credit quality financial institution. As of August 31, 2010, the Company had approximately \$0 in a bank beyond insured limit (August 31, 2009: \$181,295).

p) New Accounting Pronouncements

In April 2009, the FASB issued an update to ASC 820, *Fair Value Measurements and Disclosures*, relating to providing guidance on when the volume and level of activity for the asset or liabilities have significantly decreased and identifying transactions that are not orderly. The update clarifies the methodology to be used to determine fair value when there is no active market or where the price inputs being used represent distressed sales. The update also affirms the objective of fair value measurement, as stated in ASC 820, which is to reflect how much an asset would be sold in an orderly transaction, and the need to use judgment to determine if a formerly active market has become inactive, as well as to determine fair values when markets have become inactive. The Company adopted this Statement in the current fiscal year without significant financial impact.

In April 2009, the FASB issued an update to ASC 825, *Financial Instruments*, to require interim disclosures about the fair value of financial instruments. This update enhances consistency in financial reporting by increasing the frequency of fair value disclosures of those assets and liabilities falling within the scope of ASC 825. The Company adopted this update in the current fiscal year without significant impact to the financial statements.

In April 2009, ASC 320, *Investments - Debt and Equity*, amends current other-than-temporary guidance for debt securities through increased consistency in the timing of impairment recognition and enhanced disclosures related to credit and noncredit components impaired debt securities that are not expected to be sold. Also, the Statement increases disclosures for both debt and equity securities regarding expected cash flows, securities with unrealized losses and credit losses. The Company adopted this Statement in the current fiscal year without significant impact to the financial statements.

In April 2009, the FASB issued an update to ASC 805, *Business Combinations*, that clarifies and amends ASC 805, as it applies to all assets acquired and liabilities assumed in a business combination that arise from contingencies. This update addresses initial recognition and measurement issues, subsequent measurement and accounting, and disclosures regarding these assets and liabilities arising from contingencies in a business combination. The Company adopted this Statement in the current fiscal year without significant impact to the financial statements.

In May 2009, the FASB issued ASC 855, *Subsequent Events*. This Statement addresses accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. ASC 855 requires disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, the date issued or date available to be issued. The Company adopted this Statement in the current fiscal year.

In June 2009, the FASB issued ASC 860, *Transfers and Servicing*. This Standard eliminates the concept of a qualifying special purpose entity ("QSPE") and modifies the derecognition provisions in Statement of Financial Accounting Standards No. 140. This statement is effective for financial asset transfers occurring after the beginning of an entity's first fiscal year that begins after November 15, 2009. Early application is prohibited. The Company does not anticipate any significant financial impact from adoption of ASC 860.

On July 1, 2009, the FASB officially launched the FASB ASC 105, *Generally Accepted Accounting Principles*, which established the FASB Accounting Standards Codification (the Codification), as the single official source of authoritative, nongovernmental, US GAAP, in addition to guidance issued by the Securities and Exchange Commission. The Codification is designed to simplify US GAAP into a single, topically ordered structure. All guidance contained in the Codification carries an equal level of authority. The Codification is effective for interim and annual periods ending after September 15, 2009. Accordingly, the Company refers to the Codification in respect of the appropriate accounting standards throughout this document as ASC. Implementation of the Codification did not have any impact on the Company's consolidated financial statements.

In August 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-05, *Fair Value Measurements and Disclosures (Topic 820 - Measuring Liabilities at Fair Value)*. This ASU clarifies the fair market value measurement of liabilities. In circumstances where a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: a technique that uses quoted price of the identical or a similar liability or liabilities when traded as an asset or assets, or another valuation technique that is consistent with the principles of Topic 820 such as an income or market approach. ASU No. 2009-05 was effective upon issuance and it did not result in any significant financial impact on the Company upon adoption.

In September 2009, the FASB issued ASU No. 2009-12, *Fair Value Measurements and Disclosures (Topic 820) Investments in Certain Entities That Calculate Net Asset Value Per Share (or its equivalent)*. This ASU permits use of a practical expedient, with appropriate disclosures, when measuring the fair value of an alternative investment that does not have a readily determinable fair value. ASU No. 2009-12 is effective for interim and annual periods ending after December 15, 2009, with early application permitted. Since the Company does not currently have any such investments, it does not anticipate any impact on its financial statements upon adoption.

In January 2010, the FASB issued an update to the Fair Value topic. This update requires new disclosures for (1) transfers in and out of levels 1 and 2, and (2) activity in level 3, by requiring the reconciliation to present separate information about purchases, sales, issuance, and settlements. Also, this update clarifies the disclosures related to the fair value of each class of assets and liabilities and the input and valuation techniques for both recurring and nonrecurring fair value measurements in levels 2 and 3. The effective date for the disclosures and clarifications is for the interim and annual reporting periods beginning after December 15, 2009 except for the disclosures about purchases, sales, issuances and settlements, which is effective for fiscal years beginning after December 15, 2010. This update is not expected to have a material impact on the Company's financial statements.

In January 2010, the FASB issued Accounting Standards Update 2010-01, *Equity (Topic 505): Accounting for Distributions to Shareholders with Components of Stock and Cash* (A Consensus of the FASB Emerging Issues Task Force). This amendment to Topic 505 clarifies the stock portion of a distribution to shareholders that allows them to elect to receive cash or stock with a limit on the amount of cash that will be distributed is not a stock dividend for purposes of applying Topics 505 and 260. Effective for interim and annual periods ending on or after December 15, 2009, and would be applied on a retrospective basis. The Company does not expect the provisions of ASU 2010-01 to have a material effect on the financial position, results of operations or cash flows of the Company.

In January 2010, the FASB issued Accounting Standards Update 2010-02, *Consolidation* (Topic 810):

Accounting and Reporting for Decreases in Ownership of a Subsidiary. This amendment to Topic 810 clarifies, but does not change, the scope of current US GAAP. It clarifies the decrease in ownership provisions of Subtopic 810-10 and removes the potential conflict between guidance in that Subtopic and asset derecognition and gain or loss recognition guidance that may exist in other US GAAP. An entity will be required to follow the amended guidance beginning in the period that it first adopts FAS 160 (now included in Subtopic 810-10). For those entities that have already adopted FAS 160, the amendments are effective at the beginning of the first interim or annual reporting period ending on or after December 15, 2009. The amendments should be applied retrospectively to the first period that an entity adopted FAS 160. The Company does not expect the provisions of ASU 2010-02 to have a material effect on the financial position, results of operations or cash flows of the Company.

In February 2010, the FASB issued ASC No. 2010-09, *Amendments to Certain Recognition and Disclosure Requirements*, which eliminates the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events. ASC No. 2010-09 is effective for its fiscal quarter beginning after 15 December 2010. The adoption of ASC No. 2010-09 is not expected to have a material impact on the Company's financial statements. ASU No. 2010-13 was issued in April 2010, and clarified the classification of an employee share based payment award with an exercise price denominated in the currency of a market in which the underlying security trades. This ASU will be effective for the first fiscal quarter beginning after December 15, 2010, with early adoption permitted. The adoption of ASU No. 2010-13 is not expected to have a material impact on the Company's financial statements.

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

4. OWNED SECURITIES

Owned securities includes, 375,000 common shares and 375,000 warrants of Cheetah Oil & Gas Ltd. and 499,893 common shares and 499,893 warrants of Lexaria Corp, obtained through the disposal of the Company's oil and gas properties in Mississippi in 2010. The Company classified the securities owned as held-for-trade and recorded at fair value. The Chairman of the Company is a Director and Officer of Lexaria Corp; and the President of the Company is a Director and Officer of Cheetah Oil & Gas Ltd.

The fair values of the common shares of Cheetah Oil & Gas Ltd. and Lexaria Corp. as at August 31, 2010 were \$0.14 and \$0.25 per share, respectively. The fair values of warrants of Cheetah Oil & Gas Ltd. and Lexaria Corp. as at August 31, 2010 were \$0.14 and \$0.25 per share, respectively. The above fair values of warrants have been estimated as of August 31, 2010 by using the Black-Scholes option pricing model with the following assumptions:

	Cheetah Oil & Gas Ltd.	Lexaria Corp.
Expected volatility	395.02%	246.33%
Risk-free interest rate	1.21%	1.21%
Expected life	1.75 years	1.75 years
Dividend yield	0.00%	0.00%

5. LONG TERM INVESTMENT

Pro Eco Energy USA Ltd.

On April 21, 2008, the Company purchased 900,000 shares for \$45,000 in Pro Eco Energy USA Ltd. (Pro Eco Energy) which represented 8.25% ownership. The 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 year ended August 31, 2010, the Company recorded an equity gain of \$3,504 (2009 \$(5,106)), which resulted in a net investment of \$39,326 (2009 - \$35,821).

Global Solar Water Power Systems Inc.

On August 31, 2010, the Company has purchased 6.46% investment in Global Solar Water Power Systems Inc. (GSWPS). This was made by a cash contribution of \$61,500 and an issuance of 500,000 shares of Enertopia Corp. at \$0.25 for a combined value of \$186,500. GSWPS is owned by an executive officer of the Company.

During the year ended August 31, 2010, the Company recorded an equity loss of \$4,840 (2009 - \$nil), which resulted in a net investment of \$181,660 (2009 - \$nil).

6. ASSETS HELD FOR SALE / UNPROVEN OIL AND GAS PROPERTIES

During the year ended August 31, 2010, the Company's oil and gas properties became available for sale as the result of the Company shifted its focus from its non-renewal energy operations to renewal energy plan. Pursuant to ASC 360 Accounting for the Impairment or Disposal of long-Lived Assets, the Company has reclassified the remaining oil and gas properties to be sold as assets held for sale and recorded at their recoverable amount.

Followings are the descriptions and movement of the Company's remaining oil and gas properties as at August 31, 2010:

Property	August 31, 2009	Additions	Disposal / write down	August 31, 2010
Canada	\$ 3,561,630	\$ 2,231	\$ (3,463,861)	\$ 100,000
U. S.	59,987	45,000	(104,987)	-
	\$ 3,621,617	\$ 47,231	\$ (3,568,848)	\$ 100,000

Coteau Lake, Saskatchewan

Through the Company's subsidiary, Target Energy Inc. (Target), the Company owns certain working interest in Coteau Lake, Saskatchewan.

Coteau Lake is an exploration property and the Company has no producing oil or gas wells on this land at this time. The Coteau Lake exploration project covers 1,280 acres of land. The Company's gross and net interest in this project is 50%. There has been historic oil production on the Coteau Lake project lands.

On November 7, 2007, Target entered into a Letter of Intent (the LOI) with Primrose Drilling Ventures Ltd. (Primrose), a body corporate, having an office in the city of Calgary, in the Province of Alberta. Pursuant to the LOI, Target is the interest title holder of Saskatchewan Crown Land parcels 124, 125 and 126.

Primrose elected to proceed with a 50/50 joint venture with Target by reimbursing Target for 50% of its land cost on parcels 124, 125 and 126 for CAD\$26,590 which is payable on signing within 15 days of the LOI. Primrose would become operator of the project upon its acceptance of such appointment and agreement to assume the duties, obligations and rights of the operator. A formal Participation Agreement (Agreement) which included the provisions of LOI has been entered between Target and Primrose. Included in the Participation Agreement would be the Area of Mutual Interest (AMI) which would govern future land acquisitions and timeline set out in the LOI. On December 31, 2008, an additional \$22,270 was spent on land acquisitions with Primrose Drilling Ventures.

Subsequent to the year-end, on October 25, 2010, the Company disposed the Coteau Lake interests for a 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. The Company has written down the property to its recoverable amount of \$100,000 without taking into consideration of the future potential payout as it cannot reasonably be determinable as at August 31, 2010.

Glen Park, Alberta

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

On June 11, 2008 the Company was successful in acquiring two land parcels of 160 acres each in the Glen Park area of central Alberta, Canada. These 320 acres are believed to be prospective for reef development and the potential accumulation of oil deposits. Productive wells in the area have had production rates in excess of 200 bop/d and in some cases with little associated water. We currently have a 100% interest in these two prospects.

As at August 31, 2010, the Company has written off the Glen Park property as the Company has shifted its focus to the renewable energy sector with no intention to further develop this property and the future recoverable amount from this property is not determinable.

Belmont Lake, Mississippi

Effective September 1, 2009, the Company entered into an assignment agreement with Cheetah Oil & Gas Ltd. (Cheetah). The assignment agreement dated August 28, 2009, provides for the purchase by the Company of a revenue interest of 40.432% of an 8% share of Cheetah's net revenue after field operating expenses from the Belmont Lake PP F-12-4 horizontal well, located in Belmont Lake Field, Wilkinson County, Mississippi. As consideration, the Company agreed to pay to Cheetah 57.76% of Cheetah's costs currently budgeted at \$77,905.36, subject to revision and 57.76% of Cheetah's 8% share of PP F-12-4 well costs from time to time for infrastructure, pipes, tanks, compressors, trucking, etc.

In connection with the management's decision to shift its non-renewal energy operations to its renewal energy plan, the Company disposed its related working interest for a consideration of 375,000 units in the capital of Cheetah at \$0.12 per unit which included 375,000 restricted shares and 375,000 share purchase warrants which entitle the Company to acquire 375,000 restricted shares in the capital of Cheetah at a purchase price of US\$0.20 per share for a period of two years.

On August 28, 2009, the Company entered into an assignment agreement with Lexaria Corp. The assignment agreement dated August 28, 2009, provides for the purchase by the Company of a revenue interest of 13.475% of a 32% share of Lexaria's net revenue after field operating expenses from the Belmont Lake PP F-12-4 horizontal well, located in Belmont Lake Field, Wilkinson County, Mississippi. As consideration, the Company agreed to pay to Lexaria 19.25% of Lexaria's costs currently budgeted at \$311,621.44, subject to revision and 19.25% of Lexaria's 32% share of PP F-12-4 well costs from time to time for infrastructure, pipes, tanks, compressors, trucking, etc.

In connection with the management's shift its non-renewal energy operations to its renewal energy plan, the Company disposed its related working interest for a consideration of 499,893 units in the capital of Lexaria at \$0.12 per unit which included 499,983 restricted shares and 499,983 share purchase warrants which entitle the Company to acquire 499,983 restricted shares in the capital of Lexaria at a purchase price of US\$0.20 per share for a period of two years.

On May 31, 2010, the disposition date of Belmont Lake, the fair values of Cheetah and Lexaria shares, based on market value, and warrants, using Black-Scholes pricing model, were \$110,545 and \$113,932 respectively, resulting in a total gain of \$119,490 which was recorded as a gain on disposition of oil and gas properties.

7. PROMISSORY NOTES

On May 31, 2010, 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 with a present value of \$66,006 (CAD\$69,480) and \$73,838 at an imputed interest rate of 12% per annum upon the settlement. In connection with the settlement of the amount due to related parties, the Company recorded \$34,542 in additional paid in capital for the gain on settlement of debt. During the fiscal year 2010, the two promissory note balances are \$66,006 and \$73,838, respectively.

On August 23, 2010, the Company entered into an unsecured, one year promissory note of US\$50,000 with a 12% interest rate with the Chairman of the Company. The promissory note is due August 23, 2011.

	August 31, 2010	August 31, 2009
Promissory note of \$50,000, interest rate of 12% per annum, uncollateralized and due on August 23, 2011	50,000	-
Promissory note of \$80,320, non-interest bearing, uncollateralized and due on May 31, 2012	66,006	-
Promissory note of \$90,000, non-interest bearing, uncollateralized and due on May 31, 2012	73,838	-
	189,844	-

Edgar Filing: Enertopia Corp. - Form 10-K

Less: current maturities	50,000	-
	139,844	-
Maturities are as follows:		
Fiscal year ended August 31,		
2011	50,000	
2012	139,844	
	189,844	

43

8. RELATED PARTIES TRANSACTION

For the year ended August 31, 2010, the Company was party to the following related party transactions:

- Paid / accrued \$62,900 (August 31, 2009: \$52,200) to the President of the Company in consulting fees.
- Paid / accrued \$66,717 (August 31, 2009: \$82,207) and \$3,911 (August 31, 2009: \$5,401); of consulting fees and office rent, respectively, to a company controlled by a Director/CEO of the Company.
- Paid \$43,916 (August 31, 2009: \$Nil) in consulting fees to a company controlled by the CFO of the Company.
- Paid \$11,000 (May 31, 2009: \$Nil) in consulting fee to an Officer of the Company.
- Paid / accrued \$8,815 in cost of renewal energy service to an executive officer of the Company and a company controlled by the executive officer.
- See Notes 5, 7 and 11.

10. STOCK OPTIONS

On October 22, 2009, the Company re-priced the stock options to directors, officers and consultants with the exercise price of \$0.20.

The vesting dates of options are as below:

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

On October 22, 2009, the Company granted 500,000 stock options to directors and officers of the Company with the exercise price of \$0.10 per share, expiring over 5 years. These options were vested immediately.

On December 30, 2009 the Company adopted the 2010 Equity Incentive Plan that was ultimately approved at the Annual General Meeting that occurred on February 5, 2010.

On December 30, 2009, the Company granted 650,000 stock options to directors and officers of the Company with the exercise price of \$0.10 per share, expiring over 5 years. These options were vested immediately.

On March 5, 2010, the Company granted 100,000 stock options to a consultant of the Company with the exercise price of \$0.20, which are vested 50% on March 5, 2010 and 50% on August 31, 2010 and expires on March 5, 2015.

On May 14, 2010 the Company dismissed certain directors and consultants which 125,000 unvested stock options were cancelled on May 14, 2010 and 377,500 vested stock options expire on August 14, 2010.

On August 23, 2010, the Company granted 150,000 stock options to an executive of the Company with the exercise price of \$0.20, which are vested 50% on August 23, 2010 and 50% on August 23, 2011 and expires on August 23, 2015.

For the year ended August 31, 2010, the Company recorded \$78,858 (August 31, 2009 \$35,780) for stock based compensation expenses which has been included in consulting fees.

A summary of the changes in stock options for the years ended August 31, 2010 and 2009 is presented below:

	Number of Shares	Options Outstanding Weighted Average Exercise Price
Balance, August 31, 2008 and 2009	892,500	\$ 0.20
Granted	1,400,000	\$ 0.11
Cancelled	(502,500)	\$ 0.20
Balance, August 31, 2010	1,790,000	\$ 0.14

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 August 31, 2010
Expected volatility	141.90%
Risk-free interest rate	2.68%
Expected life	5.00 years
Dividend yield	0.00%

A summary of weighted average fair value of stock options granted during the period ended August 31, 2010 is as follows:

	Weighted Average Exercise Price	Weighted Average Fair Value
Exercise price is more than the market price at grant date:	\$ 0.10	\$ 0.04
Exercise price is less than the market price at grant date:	\$ 0.20	\$ 0.25

The Company has the following options outstanding and exercisable.

August 31, 2010	Exercise prices	Number of shares	Options outstanding		Options exercisable	
			Weighted average remaining contractual life	Weighted Average Exercise Price	Number of shares	Weighted Average Exercise Price
	\$0.10	500,000	4.14 years	\$ 0.10	500,000	\$ 0.10
	\$0.10	650,000	4.33 years	\$ 0.10	650,000	\$ 0.10
	\$0.20	390,000	2.28 years	\$ 0.20	292,500	\$ 0.20
	\$0.20	100,000	4.50 years	\$ 0.20	100,000	\$ 0.20
	\$0.20	150,000	4.98 years	\$ 0.20	75,000	\$ 0.20
		1,790,000	3.89 years	\$ 0.14	1,617,500	\$ 0.13

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 GST/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 GST/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 GST/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 GST/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 August 31, 2010, the Company has acquired 6.46% (see Note 5) with the remaining 13.54% ownership payable by issuance of 500,000 common shares of the Company and cash of \$338,500 payable on a minimum monthly basis of \$3,500.
- (g) On March 12, the Company entered into a Media Relations Agreement (the Agreement) with Mercury Media. The term of the Agreement is for an initial period of 12 (twelve) months with a consideration of 25,000 common restricted shares of stock paid each quarter, effective beginning the date of signing and paid in advance of each quarter. Thus it would be expected that additional payments of 25,000 shares of restricted common stock will be payable on each of June 12, 2010, September 12, 2010, and December 12, 2010 if this Agreement is not terminated prior to its natural term. As at August 31, 2010, the Company has not yet issued the 50,000 common shares and accrued \$8,680 consulting fees for the related fair value of the common shares to be issued.
- (h) On August 23, 2010, the Company entered into a consulting agreement with the Senior Vice-President, Business Development for \$3,125 per month.

12. DEFERRED INCOME TAX

The Company's provision for income taxes is comprised of the following:

		2010		2009
Current Tax Provision	\$	Nil	\$	Nil
Deferred Tax Recovery	\$	(762,704)	\$	Nil
Income tax (recovery)	\$	(762,704)	\$	Nil

Rate Reconciliation

Income taxes vary from the amount that would be computed by applying the statutory federal income tax rate of 34% for the following reasons:

		2010		2009
Income tax (recovery) expense at U.S. Federal Statutory Rate	\$	(1,264,068)	\$	28,600
Non-deductible items		27,266		19,500
Unrealized gain on owned securities		(80,950)		
Utilization of loss carry forward		-		(71,900)
Changes in Valuation Allowance		555,048		23,800
Income tax expense (recovery)	\$	(762,704)	\$	-

The tax effects of temporary differences that give rise to the Company's deferred tax asset (liability) are as follows:

	2010	2009
Net Operating Loss Carryforward	\$ 648,830	\$ 353,000
Tax Basis Less Than Accounting Basis For Oil and Gas	-	(762,704)
Properties		
Long term Investment	3,575	3,100
Owned Securities	(80,950)	-
Valuation Allowance	(571,455)	(356,100)
Deferred Tax Assets (Liabilities)	\$ -	\$ (762,704)

For tax purpose, as of August 31, 2010 the Company has operating loss carry forwards of approximately \$1,902,680 which expire in 2025 through 2030 as follows:

	Amount	Expiration Date
2009	\$ 869,680	2030
2009	\$ 70,000	2029
2008	459,000	2028
2007	329,000	2027
2006	114,000	2026
2005	61,000	2025
Total loss carry forward	\$ 1,902,680	

13. SEGMENTED INFORMATION

The Company's business is considered as operating in one segment (Canada) based upon the Company's organizational structure, the way in which the operation is managed and evaluated, the availability of separate financial results and materiality considerations.

14. COMPARATIVE FIGURES

Certain 2009 comparative figures have been reclassified to conform with the financial statements presentation adopted for 2010.

15. SUBSEQUENT EVENTS

- a. On September 2, 2010, the Company entered into a non-exclusive initial three-month capital raising agreement with Vancouver Green Capital Ventures. The Company is intending to raise capital, in which Vancouver Green Capital Ventures will be providing the following services in the period August to October 2010, and be billed on the basis of a combination of retainer and completion fees. The 3-month retainer is \$3,000/month plus completion fee of 250 basis points (2.5%) for the first \$3,000,000 round completed by approximately September 30; and an option of extending it for another 6 months at the Company's discretion for \$6,000/month.
- b. On September 8, 2010, the Company entered into a non-exclusive six month consulting agreement with Creston Capital (Consultant). The Company is intending to raise capital, in which Consultant will be assisting and earning a consultant fee of up to 10% (ten percent) of the gross proceeds raised in a Financing consummated by the Company with any Financier introduced to the Company by Consultant, provided that such introduction was made during the Term and in the event that there are no other fees or commissions payable by the Company to the source(s) of capital who may arrange and/or participate in such financing, but who were introduced by the Consultant.
- c. On November 9, 2010, the Company granted 100,000 stock options to an advisor of the Company exercisable at \$0.20 per share.
- d. On November 19, 2010, the Company issued 100,000 common stocks to Mercury Media pursuant to the Media Relation Agreement (See Note 11 (g)).
- e. On November 22, 2010, the Company issued 62,500 common stocks in connection with the settlement of debt of \$9,375.
- f. See Note 6.

We have evaluated events subsequent to August 31, 2010, through the date the financial statements were issued, and determined that no events have occurred that require adjustment of or disclosure in the consolidated financial statements, other than as disclosed above.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There were no disagreements related to accounting principles or practices, financial statement disclosure, internal controls or auditing scope or procedure during the two fiscal years and interim periods, including the interim period up through the date the relationship ended.

Item 9A. Controls and Procedures

Management's Report on Disclosure 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 and chief executive officer (also our principal executive officer) and our chief financial officer (also our principal financial and accounting officer) to allow for timely decisions regarding required disclosure.

As of August 31, 2010, the end of our fiscal year covered by this report, we carried out an evaluation, under the supervision and with the participation of our president and chief executive officer (also our principal executive officer) and our 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 and chief executive officer (also our principal executive officer) and our chief financial officer (also our principal financial and accounting officer) concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control include providing management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States. Our management assessed the effectiveness of our internal control over financial reporting as of August 31, 2010. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Our management has concluded that, as of August 31, 2010, our internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US generally accepted accounting principles. Our management reviewed the results of their assessment with our Board of Directors.

This annual report does not include an attestation report of our Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit our Company to provide only management's report in this annual 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 year ended August 31, 2010 that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information

None.

PART III**Item 10. Directors, Executive Officers and Corporate Governance**

All directors of our Company hold office until the next annual meeting of the security holders or until their successors have been elected and qualified. The officers of our Company are appointed by our board of directors and hold office until their death, resignation or removal from office. Our directors and executive officers, their ages, positions held, and duration as such, are as follows:

Name	Position Held with our Company	Age	Date First Elected Or Appointed
Robert McAllister	President and Director	50	November 2007 April 14, 2008
Gerald Carlson	Director	62	March 2005
Chris Bunka	Chairman, Director and Chief Executive Officer	49	November 2004
Bal Bhullar	Chief Financial Officer	41	October 9, 2009
Mark Snyder	Chief Technical Officer	57	October 9, 2009

Business Experience

The following is a brief account of the education and business experience of each director and executive officer during at least the past five years, indicating each person's principal occupation during the period, and the name and principal business of the organization by which he was employed.

Mr. Robert McAllister, President, Director

Mr. McAllister was appointed as president in November 2007 and director in April 2008.

Mr. McAllister has devoted approximately 50% of his professional time to the business and intends to continue to devote this amount of time in the future, or more as required.

Mr. McAllister has been a corporate consultant since 2004. He has also provided and written business and investment articles from 1996 to 2006 in various North American publications. Mr. McAllister is a resource investment entrepreneur with over 20 years experience in resource sector evaluations and commodity cycle analysis.

Dr. Gerald Carlson, Director

Dr. Gerald Carlson has served as one of our directors since March 2005. Dr. Carlson had devoted some of his professional time to the business of our company and will continue on a as needed basis will provide some of time in the future by corporate events.

From March 1999 to present, Dr. Carlson has been the president and co founder of Copper Ridge Explorations Inc., a publicly listed company located in Vancouver, British Columbia and a junior explorer with exploration projects in Alaska, Yukon, British Columbia and Mexico. Copper Ridge is currently focusing on iron oxide copper-gold targets in Yukon.

From February 1999 to December 2007, Dr. Carlson had been the chairman of IMA Exploration Inc., a publicly listed junior exploration company headquartered in Vancouver, British Columbia. IMA has active exploration projects in Argentina and Peru.

From February 2000 to October 2004, Dr. Carlson was the president of Nevada Star Resource Corp., a publicly listed company located in Vancouver, British Columbia, exploring for nickel-copper-PGEs (platinum group metals) in Alaska.

Dr. Carlson received his Ph.D. through Dartmouth College in 1978, a M.Sc. from Michigan Technological University in 1974 and a B.Sc. from the University of Toronto in 1969, majoring in Geological Engineering.

Mr. Chris Bunka, Chief Executive Officer, Chairman and Director

Mr. Chris Bunka has served as one of our directors since November 2004. Mr. Bunka has devoted approximately 25% of his professional time to the business and intends to continue to devote this amount of time in the future, or more as required.

Since 1988, Mr. Bunka has been the CEO of CAB Financial Services Ltd., a private holding company located in Kelowna, Canada. He is a venture capitalist, corporate consultant, and former business and investment commentator.

From 1999 to 2002, Mr. Bunka was the President and CEO of Secure Enterprise Solutions (symbol SETP-OTC) (formerly Newsgurus.com, symbol NGUR-OTC). The company subsequently changed its name to Edgetech Services and traded on the OTC with the symbol EDGH. Newsgurus.com was a web-based media company. Secure Enterprise Solutions moved into Internet-based computer security products and services and was subsequently purchased by Edgetech Services. Mr Bunka is also Chairman and CEO of Lexaria Corp, (symbol LXRP-OTC and LXX-CNSX) an oil & gas exploration and production company. Mr. Bunka is a director of Defiance Capital Corp. (symbol DEF-TSXV), a Canadian resource company.

Ms. Bal Bhullar, Chief Financial Officer

Ms. Bhullar brings over 18 years of diversified financial and risk management experience in both private and public companies, in the industries of high-tech, film, mining, marine, oil & gas, energy, transport, and spa industries. Among some of the areas of experience, Ms. Bhullar brings expertise in financial & strategic planning, operational & risk management, regulatory compliance reporting, business expansion, startup operations, financial modeling, program development, corporate financing, and corporate governance/internal controls. Previously, Ms. Bhullar has held various positions as President of BC Risk Management Association of BC, and served as Director and CFO of

private and public companies. Currently, Ms. Bhullar serves as a Director and CFO for Bare Elegance Medspa, a CFO for ISEE3D Inc., and is CFO and a Director of Lexaria Corp.

Ms. Bhullar is a Certified General Accountant and as well holds a CRM designation from Simon Fraser University and a diploma in Financial Management from British Columbia Institute of Technology.

Mr. Mark Snyder, Chief Technical Officer

In 1985 Mark Snyder developed one of California's first large scale bio energy conversion projects where a significant client was enabled to produce electric power from agricultural waste and heat 20 acres of greenhouses for agriculture. Mark was selected by the Clinton Administration to serve on a White House Council addressing the needs of our National Electrical Infrastructure in anticipation of the Y2K Conversion.

Co-founded *Clean Air USA* and has partnered with Willie Nelson Biodiesel to bring clean alternative fuels to California. Mark helped champion Solar Rights in California. Using the appeal of the Green Ribbon Home and California's Solar Rights Law, Mark has had success in changing the electric metering in parks to net metering, which has opened up the solar power market to millions of Californians that currently reside in master metered dwellings.

Family Relationships

There are no family relationships between any of our directors, executive officers and proposed directors or executive officers.

Involvement in Certain Legal Proceedings

None of our directors, executive officers, promoters or control persons has been involved in any of the following events during the past five years:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding, excluding traffic violations and other minor offences;
3. being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
4. being found by a court of competent jurisdiction in a civil action, the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who own more than 10% of our common stock to file with the Securities and Exchange Commission initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% shareholders are required by the SEC regulations to furnish us with copies of all Section 16(a) reports that they file.

Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that during fiscal year ended August 31, 2009, all filing requirements applicable to our officers, directors and greater than 10% percent beneficial owners were complied with, with the exception of the following:

Name	Number of Transactions Not		
	Number of Late Reported on a Timely	Basis	Failure to File
	Reports		Requested Forms
Gerald Carlson	1	1	Nil
Chris Bunka	1	1	Nil
Robert McAllister	1	1	Nil

Code of Ethics

We adopted a Code of Ethics applicable to our senior financial officers and certain other finance executives, which is a "code of ethics" as defined by applicable rules of the SEC. Our Code of Ethics is attached as an exhibit to our Annual Report on Form 10-KSB filed on November 29, 2007. If we make any amendments to our Code of Ethics other than technical, administrative, or other non-substantive amendments, or grant any waivers, including implicit waivers, from a provision of our Code of Ethics to our chief executive officer, chief financial officer, or certain other finance executives, we will disclose the nature of the amendment or waiver, its effective date and to whom it applies in a Current Report on Form 8-K filed with the SEC.

Board and Committee Meetings

Our board of directors held no formal meetings during the year ended August 31, 2010. All proceedings of the board of directors were conducted by resolutions consented to in writing by all the directors and filed with the minutes of the proceedings of the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the Nevada General Corporate Law and our Bylaws, as valid and effective as if they had been passed at a meeting of the directors duly called and held.

Nomination Process

As of August 31, 2010, we did not effect any material changes to the procedures by which our shareholders may recommend nominees to our board of directors. Our board of directors does not have a policy with regards to the consideration of any director candidates recommended by our shareholders. Our board of directors has determined that it is in the best position to evaluate our Company's requirements as well as the qualifications of each candidate when the board considers a nominee for a position on our board of directors. If shareholders wish to recommend candidates directly to our board, they may do so by sending communications to the president of our Company at the address on the cover of this annual report.

Audit Committee and Audit Committee Financial Expert

Currently our audit committee consists of our entire board of directors. We currently do not have nominating, compensation committees or committees performing similar functions. There has not been any defined policy or procedure requirements for shareholders to submit recommendations or nomination for directors.

Our board of directors has determined that it does not have a member of its board of directors (audit committee) that qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K, and is "independent" as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended.

We believe that the members of our board of directors are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. We believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated any material revenues to date. In addition, we currently do not have nominating, compensation or audit committees or committees performing similar functions nor do we have a written nominating, compensation or audit committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes the functions of such committees can be adequately performed by our board of directors.

Item 11. Executive Compensation

The particulars of the compensation paid to the following persons:

- (a) our principal executive officer;
- (b) each of our two most highly compensated executive officers who were serving as executive officers at the end of the years ended August 31, 2010 and 2009; and
- (c) up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as our executive officer at the end of the years ended August 31, 2010 and 2009, who we will collectively refer to as the named executive officers of our Company, are set out in the following summary compensation table, except that no disclosure is provided for any named executive officer, other than our principal executive officers, whose total compensation did not exceed \$100,000 for the respective fiscal year:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (#)	Non-Equity			Total (\$)
						Incentive Plan Compensa- tion (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensa- tion (\$)	
Robert McAllister ⁽¹⁾ <i>President and Director</i>	2010	\$ 62,900	Nil	Nil	300,000	Nil	Nil	Nil	\$ 62,900
	2009	\$ 52,200	Nil	Nil	Nil	Nil	Nil	Nil	\$ 52,200
	2008	\$ 18,000	Nil	Nil	150,000	Nil	Nil	Nil	\$ 18,000
Gerald Carlson (2) <i>Director and Former President</i>	2010								
	2009	Nil	Nil	Nil	150,000	Nil	Nil	Nil	Nil
	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		\$ 6,000	Nil	Nil	50,000	Nil	Nil	\$ 1,590	\$ 7,590
Chris Bunka									

Edgar Filing: Enertopia Corp. - Form 10-K

<i>Chief Executive Officer, Director and Former Chief Financial Officer</i>	2010	\$ 60,000 ⁽³⁾	Nil	Nil	300,000	Nil	Nil	\$ 10,628	\$ 70,628
	2009	\$ 45,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	\$ 42,608	\$ 87,607
	2008	Nil	Nil	Nil	150,000	Nil	Nil	\$ 25,130	\$ 25,130
Bal Bhullar	2010	\$ 43,916	Nil	Nil	200,000	Nil	Nil	Nil	\$ 43,916
<i>Chief Financial Officer</i>	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mark Snyder	2010	11,000	Nil	Nil	200,000	Nil	Nil	\$ 8,815	\$ 19,815
<i>Chief Technical Officer</i>	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) On November 30, 2007, Mr. McAllister was appointed as our President and on April 14, 2008 he was appointed as a director.
- (2) On November 30, 2007, Mr. Carlson resigned as our President but remained a director of our company.
- (3) Salary compensation for Chris Bunka is accrued fees.

Employment/Consulting Agreements

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 on the Board as a Director.

We entered into a consulting agreement with Mr. Robert McAllister on December 1, 2007. During the term of this agreement, Mr. McAllister is to provide corporate administration and oil & gas exploration and production 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 will provide 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. CABFinancial Services Ltd. may terminate the agreement at any time by giving 30 days written notice of his intention to do so.

Edgar Filing: Enertopia Corp. - Form 10-K

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 is 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.

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

On August 23, 2010, the Company entered into a consulting agreement with the Senior Vice-President, Business Development for \$3,125 per month.

Other than as set out in this annual report on Form 10-K we have not entered into any employment or consulting agreements with any of our current officers, directors or employees.

Grants of Plan-Based Awards Table

On October 22, 2009, the Company granted 500,000 stock options to directors and officers of the Company with the exercise price of \$0.10 per share, expiring over 5 years. These options were vested immediately.

On December 30, 2009, the Company granted 650,000 stock options to directors and officers of the Company with the exercise price of \$0.10 per share, expiring over 5 years. These options were vested immediately.

On March 5, 2010, the Company granted 100,000 stock options to a consultant of the Company with the exercise price of \$0.20, which are vested 50% on March 5, 2010 and 50% on August 31, 2010 and expires on March 5, 2015.

On August 23, 2010, the Company granted 150,000 stock options to an executive of the Company with the exercise price of \$0.20, which are vested 50% on August 23, 2010 and 50% on August 23, 2011 and expires on August 23, 2015.

Outstanding Equity Awards at Fiscal Year End

The particulars of unexercised options, stock that has not vested and equity incentive plan awards for our named executive officers are set out in the following table:

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name (a)	OPTION AWARDS				STOCK AWARDS			
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)

Robert McAllister	112,500	37,500	\$	0.20 ⁽¹⁾	2012/12/14
	100,000		\$	0.10	2014/10/22
	200,000		\$	0.10	2014/12/30
Gerald Carlson	37,500	12,500	\$	0.20 ⁽¹⁾	2012/12/14
	100,000		\$	0.10	2014/10/22
	50,000		\$	0.10	2014/12/30
Chris Bunka	112,500	37,500	\$	0.20 ⁽¹⁾	2012/12/14
	100,000		\$	0.10	2014/10/22
	200,000		\$	0.10	2014/12/30
Bal Bhullar	100,000		\$	0.10	2014/10/22
	100,000		\$	0.10	2014/12/30
Mark Snyder	100,000		\$	0.10	2014/10/22
	100,000		\$	0.10	2014/12/30

⁽¹⁾ On October 22, 2009, the exercise price was changed from \$0.70 to \$0.20.

Option Exercises

During our fiscal year ended August 31, 2010 there were no options exercised by our named officers.

Compensation of Directors

We do not have any agreements for compensating our directors for their services in their capacity as directors, although such directors are expected in the future to receive stock options to purchase shares of our common stock as awarded by our board of directors.

Pension, Retirement or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. We have no material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the board of directors or a committee thereof.

Indebtedness of Directors, Senior Officers, Executive Officers and Other Management

None of our directors or executive officers or any associate or affiliate of our Company during the last two fiscal years is or has been indebted to our Company by way of guarantee, support agreement, letter of credit or other similar agreement or understanding currently outstanding.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth, as of November 25, 2010, certain information with respect to the beneficial ownership of our common shares by each shareholder known by us to be the beneficial owner of more than 5% of our common shares, as well as by each of our current directors and executive officers as a group. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Gerald Carlson Vancouver, British Columbia, Canada	530,240 ⁽¹⁾	2.89%
Chris Bunka Kelowna, British Columbia, Canada	3,594,166 ⁽²⁾	19.62%
Robert McAllister Kelowna, British Columbia, Canada	2,527,500 ⁽³⁾	13.80%
Bal Bhullar Vancouver, British Columbia, Canada	202,000 ⁽⁴⁾	1.10%
Mark Snyder California, USA	700,000 ⁽⁵⁾	3.82%
Gladys Jenks Gabriola, Island British Columbia	1,268,750	6.93%
Morgan Bunka Kelowna, British Columbia	1,050,000	5.73%
Britcliffe Financial Group Inc Panama City, Panama	1,000,000	5.46%
Directors and Executive Officers as a Group (5 people) ⁽⁶⁾		

(1) Includes 37,500 and 150,000 options which are exercisable at \$0.20 and \$0.10.

(2) Includes 1,898,333 shares held and 333,333 warrants exercisable at \$0.30 in the name of C.A.B. Financial Services and 200,000 shares held in 0743608 BC Ltd for which Chris Bunka is the sole beneficiary. Includes 112,500 and 300,000 options which are exercisable at \$0.20 and \$0.10.

(3) Includes 112,500 and 300,000 options which are exercisable at \$0.20 and \$0.10.

(4) Includes 1,000 warrants exercisable at \$0.30 and 200,000 options which are exercisable at \$0.10.

(5) Includes 200,000 options which are exercisable at \$0.10 and 500,000 shares in the name of GSWPS for which Mark Snyder is the majority shareholder.

(6) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on November 25, 2010. As of November 25, 2010, there were 15,872,740 shares of our Company's common stock issued and outstanding.

Changes in Control

We are unaware of any contract or other arrangement the operation of which may at a subsequent date result in a change in control of our Company.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Except as disclosed herein, no director, executive officer, shareholder holding at least 5% of shares of our common stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction since the year ended August 31, 2010, in which the amount involved in the transaction exceeded or exceeds the lesser of \$120,000 or one percent of the average of our total assets at the year end for the last two completed fiscal years.

For the year ended August 31, 2010, the Company was party to the following related party transactions:

- Paid / accrued \$62,900 (August 31, 2009: \$52,200) to the President of the Company in consulting fees.
- Paid / accrued \$66,717 (August 31, 2009: \$82,207) and \$3,911 (August 31, 2009: \$5,401); of consulting fees and office rent, respectively, to a company controlled by a Director/CEO of the Company.
- Paid \$43,916 (August 31, 2009: \$Nil) in consulting fees to a company controlled by the CFO of the Company.
- Paid \$11,000 (May 31, 2009: \$Nil) in consulting fee to an Officer of the Company.
- Paid / accrued \$8,815 in cost of renewal energy service to an executive officer of the Company and a company controlled by the executive officer.

Director Independence

We currently act with three (3) directors, consisting of Christopher Bunka, Robert McAllister and Gerald Carlson. We have determined that none of our directors is an independent director as defined in NASDAQ Marketplace Rule 4200(a)(15).

Currently our audit committee consists of our entire board of directors. We currently do not have nominating, compensation committees or committees performing similar functions. There has not been any defined policy or procedure requirements for shareholders to submit recommendations or nomination for directors.

Our board of directors has determined that it does not have a member of its audit committee who qualifies as an audit committee financial expert as defined in as defined in Item 407(d)(5)(ii) of Regulation S-K.

From inception to present date, we believe that the members of our audit committee and the board of directors have been and are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting.

We do not have a standing compensation or nominating committee, but our entire board of directors act in such capacity. We believe that our directors are capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. Our directors do not believe that it is necessary to have an audit committee because we believe that the functions of an audit committee can be adequately performed by the board of directors. In addition, we believe that retaining additional independent directors who would qualify as an audit committee financial expert would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development.

Item 14.

Principal Accounting Fees and Services

The aggregate fees billed for the most recently completed fiscal year ended August 31, 2010 and for fiscal year ended August 31, 2009 for professional services rendered by the principal accountant for the audit of our annual financial statements and review of the financial statements included in our quarterly reports on Form 10-Q and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

	Year Ended	
	August 31, 2010	August 31, 2009
Audit Fees	19,000	17,350
Audit Related Fees	19,481	12,650
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	38,481	30,000

Audit Fees. Audit fees consist of fees billed for professional services rendered for the audits of our financial statements, reviews of our interim financial statements included in quarterly reports, services performed in connection with filings with the Securities and Exchange Commission and related comfort letters and other services that are normally provided by Chang Lee LLP for the fiscal years ended August 31, 2010 and August 31, 2009 in connection with statutory and regulatory filings or engagements.

Audit related Fees. There were \$19,000 audit related fees paid to Chang Lee LLP for the fiscal year ended August 31, 2010 and \$17,350 for the fiscal year ended August 31, 2009.

Tax Fees. Tax fees consist of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and local tax compliance and consultation in connection with various transactions and acquisitions. For the fiscal years ended August 31, 2010 and August 31, 2009, we did not use Chang Lee LLP for non-audit professional services or preparation of corporate tax returns.

We do not use Chang Lee LLP, for financial information system design and implementation. These services, which include designing or implementing a system that aggregates source data underlying the financial statements or generates information that is significant to our financial statements, are provided internally or by other service providers. We do not engage Chang Lee LLP to provide compliance outsourcing services.

Effective May 6, 2003, the Securities and Exchange Commission adopted rules that require that before our independent auditors are engaged by us to render any auditing or permitted non-audit related service, the engagement be:

- approved by our audit committee (which consists of our entire board of directors); or
- entered into pursuant to pre-approval policies and procedures established by the board of directors, provided the policies and procedures are detailed as to the particular service, the board of directors is informed of each service, and such policies and procedures do not include delegation of the board of directors' responsibilities to management.

Our board of directors pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by the board of directors either before or after the respective services were rendered.

Our board of directors has considered the nature and amount of fees billed by our independent auditors and believes that the provision of services for activities unrelated to the audit is compatible with maintaining our independent auditors' independence.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Financial Statements

- (1) Financial statements for our Company are listed in the index under Item 8 of this document
- (2) All financial statement schedules are omitted because they are not applicable, not material or the required information is shown in the financial statements or notes thereto.

<u>Exhibit</u>	<u>Description</u>
<u>No.</u>	

3.1	Articles of Incorporation dated November 24, 2004 (incorporated by reference on our Registration Statement on Form SB-2 filed January 9, 2006)
3.2	Bylaws (incorporated by reference on our Registration Statement on Form SB-2/A filed March 6, 2006)
10.1	Mining Lease between Nevada North Resources (U.S.A.), Inc. and Miranda U.S.A. Inc. (incorporated by reference on our Registration Statement on Form SB-2 filed January 9, 2006)
10.2	Exploration Agreement with Options for Joint Venture between our company and Miranda U.S.A. Inc. (incorporated by reference on our Registration Statement on Form SB-2 filed January 9, 2006)
10.3	Amended Exploration Agreement between our company and Miranda U.S.A. Inc. (incorporated by reference on our Registration Statement on Form SB-2 filed January 9, 2006)
10.4	Consulting Agreement between our company and KGE Management Ltd. (incorporated by reference on our Registration Statement on Form SB-2 filed January 9, 2006)
10.5	Assignment Agreement with 0743608 B.C. Ltd. (incorporated by reference on our Current Report on Form 8-K filed March 19, 2007)
10.6	Consulting Agreement with Mr. Robert McAllister
14.1	Code of Ethics (incorporated by reference by from our annual report on Form 10-KSB filed on November 29, 2007).

- 31.1* Certification pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended (Chief Executive Officer).
- 31.2* Certification pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended (Chief Financial Officer).
- 32.1* Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
- 32.2* Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).

* Filed herewith.

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 and Director
Principal Executive Officer
Date: November 27, 2010.

By: /s/ Bal Bhullar
Bal Bhullar
Chief Financial Officer
Principal Financial Officer and Principal Accounting Officer
Date: November 27, 2010.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Robert McAllister
Robert McAllister
President and Director
Principal Executive Officer
Date: November 27, 2010.

By: /s/ Bal Bhullar
Bal Bhullar
Chief Financial Officer
Principal Financial Officer and Principal Accounting Officer
Date: November 27, 2010.

By: /s/ Chris Bunka
Chris Bunka
Chairman, Director and Chief Executive Officer
Date: November 27, 2010.