

---

**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, 2022

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.)

#18 1873 SPALL RD., KELOWNA, BRITISH  
COLUMBIA, CANADA

(Address of principal executive offices)

V1Y 4R2

(Zip Code)

Registrant's telephone number, including area code: 250-870-2219

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

Title of Each Class

N/A

Name of Each Exchange On Which Registered

N/A

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

N/A

(Title of class)

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

Yes  No

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

Yes  No

---

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

Yes  No

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

Yes  No

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

Yes  No

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

The aggregate market value of Common Stock held by non-affiliates of the Registrant on February 28, 2022 [147,561,088] was \$6,271,346 based on a \$0.0425 closing price for the Common Stock on February 28, 2022. 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.

**155,116,088 common shares as of November 28, 2022**

DOCUMENTS INCORPORATED BY REFERENCE

None.

---

## TABLE OF CONTENTS

<a href="#"><u>Item 1. Business</u></a>	<a href="#"><u>4</u></a>
<a href="#"><u>Item 1A. Risk Factors</u></a>	<a href="#"><u>11</u></a>
<a href="#"><u>Item 1B. Unresolved Staff Comments</u></a>	<a href="#"><u>16</u></a>
<a href="#"><u>Item 2. Properties</u></a>	<a href="#"><u>17</u></a>
<a href="#"><u>Item 3. Legal Proceedings</u></a>	<a href="#"><u>17</u></a>
<a href="#"><u>Item 4. (Removed and Reserved).</u></a>	<a href="#"><u>17</u></a>
<a href="#"><u>Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u></a>	<a href="#"><u>18</u></a>
<a href="#"><u>Item 6. Selected Financial Data</u></a>	<a href="#"><u>21</u></a>
<a href="#"><u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a>	<a href="#"><u>21</u></a>
<a href="#"><u>Item 7A. Quantitative and Qualitative Disclosures About Market Risk</u></a>	<a href="#"><u>25</u></a>
<a href="#"><u>Item 8. Financial Statements and Supplementary Data</u></a>	<a href="#"><u>25</u></a>
<a href="#"><u>Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>Item 9A. Controls and Procedures</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>Item 9B. Other Information</u></a>	<a href="#"><u>44</u></a>
<a href="#"><u>Item 10. Directors, Executive Officers and Corporate Governance</u></a>	<a href="#"><u>44</u></a>
<a href="#"><u>Item 11. Executive Compensation</u></a>	<a href="#"><u>47</u></a>
<a href="#"><u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u></a>	<a href="#"><u>51</u></a>
<a href="#"><u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u></a>	<a href="#"><u>52</u></a>
<a href="#"><u>Item 14. Principal Accounting Fees and Services</u></a>	<a href="#"><u>53</u></a>
<a href="#"><u>Item 15. Exhibits, Financial Statement Schedules</u></a>	<a href="#"><u>54</u></a>

---

## 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 of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors" that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

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

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

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

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

#### **General Overview**

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

Enertopia is focused on building shareholder value through a combination of our Nevada Lithium claims and intellectual property & patents in the green technology space.

The Company announced the acquisition of the Clayton Valley Lithium project in August 2017. On April 29, 2022, at the Company's Special General Meeting ("SGM") shareholders voted in favor to sell the 160 acre Clayton Valley property. On May 4, 2022, the Company closed the Clayton valley property sale and received the remainder of \$1,050,000 in cash and 3,000,000 shares of Cypress Development Corp (Note 4) on closing. The Company has been focused on using modern technology on extracting lithium and verifying or sourcing other intellectual property in the EV & green technology sectors in developing environmental solutions. In May and August 2021, it announced three provisional patents applicable to the above sectors.

The address of our principal executive office is #18 1873 Spall Rd., Kelowna, British Columbia V1Y 4R2. Our telephone number is (250) 870-2219. Our current location provides adequate office space for our purposes at this stage of our development.

#### **Summary of Recent Business**

On October 29, 2020 the Company signed a 1% royalty agreement with respect to any future commercial lithium production from the Company's Clayton Valley, Nevada claims in exchange for \$250,000. The Company has a right of first refusal to repurchase the royalty upon any proposed sale by the royalty holder to a third party.

On November 12, 2020 the Company signed Flathead Business Solutions to a 12 month contract for \$12,000 and the issuance of 500,000 stock options valid for 5 years at \$0.05 cents each.

On December 14, 2020 the Company signed Definitive Agreement to acquire 100% interest in United States Patent and Trademark Office ("USPTO") patent #6,024,086 - Solar energy collector having oval absorption tubes by issuing 1,000,000 common shares of the Company. The Company issued 1,000,000 additional common shares in escrow to be released upon the successful approval of patent pending work derived from patent #6,024,086.

On December 14, 2020 the Company signed Rodney Blake to a 12 month contract for the issuance of 100,000 stock options valid for 5 years at \$0.05 cents each.

On December 14, 2020 the Company signed Albert Clark Rich to a 12 month contract for the issuance of 500,000 stock options valid for 5 years at \$0.05 cents each.

On January 28, 2021 the Company signed Mark Snyder to a 12 month contract for \$30,000 and the issuance of 2,000,000 stock options valid for 5 years at \$0.14 cents each.

On February 4, 2021 the Company signed Barry Brooks to a 12 month contract for the issuance of 100,000 stock options valid for 5 years each at \$0.18 cents each.

On February 5, 2021 the Company signed Paul Sandler to a 12 month contract for the issuance of 100,000 stock options valid for 5 years each at \$0.18 cents each.

On February 5, 2021 the Company signed Bruce Shellinger to a 12 month contract for the issuance of 100,000 stock options valid for 5 years each at \$0.18 cents each.

On February 5, 2021 the Company signed Richard Smith to a 12 month contract for the issuance of 100,000 stock options valid for 5 years each at \$0.18 cents each.

On April 27, 2021 the Company signed Michael Cornelius to a 12 month contract for the issuance of 100,000 stock options valid for 5 years at \$0.12 cents each.

On May 25, 2021 the Company announced the filing of provisional patent #1, known as the Enertopia Solar Booster TM

On May 26, 2021 the Company announced the filing of provisional patent #2, known as Enertopia Heat Extractor<sup>TM</sup>

On May 28, 2021, the Company issued 50,000 stock options to one of the consultants of the Company with an exercise price of \$0.12 vested immediately, expiring May 28, 2026.

On July 29, 2021 the Company announced it had engaged Fundamental Research Corp. Fundamental Research Corp. is an issuer-paid independent research house.

On August 17, 2021 the Company announced the filing of provisional patent #3, known as Enertopia Rainmaker<sup>TM</sup>

On September 1, 2021 the Company granted 500,000 options to a consultant of the Company for 5yrs at \$0.08 per common share.

On December 6, 2021, the Company issued 500,000 stock options to one of the consultants of the Company with an exercise price of \$0.07 vested immediately, expiring December 6, 2026.

On December 6, 2021, the Company issued 250,000 stock options to one of the consultants of the Company with an exercise price of \$0.07 vested immediately, expiring December 6, 2026.

On December 6, 2021, the Company issued 250,000 stock options to the president of the Company with an exercise price of \$0.07 vested immediately, expiring December 6, 2026.

On February 23, 2022, the Company accepted an offer subject to shareholder approval to sell the 160 Acre mineral property in Clayton Valley Nevada to Cypress Development (Nevada) Inc. for \$1,100,000 cash with a deposit of \$50,000 being paid on signing and the issuance of 3,000,000 common shares of Cypress Development Corp.

On February 25, 2022, the Company issued 1,000,000 shares at \$0.04 to one consultant of the Company and \$2,500 cash.

On February 25, 2022, the Company received confirmation of staking 1,760 Acres of 88 unpatented lode claims in Esmeralda county, Nevada.

On April 29, 2022, at the Company's SGM shareholders voted 99.12% 45,021,336 in favor, 0.46% 209,236 against and 0.42% 189,752 abstained, for the resolution to sell the 160 acre clayton valley property.

On May 4, 2022, the Company closed the sale of the 160 acre clayton valley property and received the remaining \$1,050,000 in cash and the issuance of 3,000,000 shares of Cypress Development Corp on closing, as per the agreement.

On May 23, 2022 the Company announced the filing of Non provisional patent #1, known as the Enertopia Solar Booster™

On May 23, 2022 the Company announced the filing of Non provisional patent #2, known as Enertopia Heat Extractor™

On August 15, 2022 the Company announced the filing of Non provisional patent #3, known as Enertopia Rain Maker™

On August 18, 2022 the Company issued 1,000,000 stock options to two Directors of the Company with an exercise price of \$0.06 vested immediately, expiring August 18, 2027.

On August 18, 2022 the Company issued 1,000,000 stock options to Chief Financial Officer of the Company with an exercise price of \$0.06 vested immediately, expiring August 18, 2027.

#### ***Chronological Overview of our Business over the Last Five Years***

On October 27, 2017 we entered into a one year Investor Relations Consulting agreement with FronTier Merchant Capital Group. Terms of the agreement, FronTier Capital Group has been retained for a 12-month period at \$87,000 (plus applicable sales tax) per annum plus direct expenses. The company will also grant 300,000 stock options to FronTier at an exercise price of 0.05 per share expiring 5 years from the date of grant.

On November 1, 2017, we closed the first tranche of a private placement of 2,600,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$130,000. Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06.

On November 1, 2017, we granted 500,000 stock options to a director of the company at an exercise price of 0.05 per share expiring 5 years from the date of grant.

On December 8, 2017, we closed the second tranche of a private placement of 3,954,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD \$197,700. Each unit consists of one common share of our Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finder's fee for CAD \$12,770 and 230,400 full broker warrants was paid to third parties. Each full broker warrant entitling the holder to purchase one additional common share of our Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06.

On December 8, 2017 we issued 240,000 common shares of our Company on the exercise of 240,000 stock options that were exercised by a director of the Company at \$0.05 for \$12,000 for net proceeds to the company.

On December 15, 2017 we paid Genesis Water Technologies (GWT) \$96,465 for the second and final payment for the Second phase of the second bench test and \$8,998 for the bill of materials for the bench test.

On January 12, 2018, we closed the final tranche of a private placement of 1,611,000 units at a price of CAD\$0.05 per unit for gross proceeds of CAD\$80,550. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.06. A cash finder's fee of CAD\$3,880 and 77,600 broker warrants was paid to a third party. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On February 2, 2018 we issued 50,000 common shares of our Company on the exercise of 50,000 warrants that were exercised at \$0.07 for \$3,500 for net proceeds to the company.

On May 11, 2018, we issued 200,000 shares for gross proceeds of \$12,000 from the exercise of stock options at \$0.06.

On May 11, 2018, we closed the first tranche of a private placement of 1,746,900 units at a price of CAD\$0.06 per unit for gross proceeds of CAD\$104,814. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.075. A cash finders' fee of CAD\$9,281 and 144,690 full broker warrants that expire May 11, 2020 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On May 22, 2018, we entered into an Investor Relations Consulting agreement with FronTier Flex Marketing. Terms of the agreement, FronTier Flex Marketing has been retained for a 9-month period at \$66,000 (plus applicable sales taxes) plus direct expenses. The Company will also grant 300,000 stock options at an exercise price of \$0.07 per share expiring 5 years from the date of grant.

On May 25, 2018, we closed the final tranche of a private placement of 2,470,000 units at a price of CAD\$0.06 per unit for gross proceeds of CAD\$148,200. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 24 months from the date of issuance, at a purchase price of \$0.075. A cash finders' fee of CAD\$5,820 and 70,000 full broker warrants that expire May 25, 2020 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On July 4, 2018, the Company, after receiving 3rd party lab results that reported impurities above allowable limits for battery-grade Li<sub>2</sub>CO<sub>3</sub>, provided formal notice of termination to GWT of the commercialization agreement dated December 6, 2016 and as amended on October 9, 2017.

On August 31, 2018, we closed the first tranche of a private placement of 4,400,000 units at a price of CAD\$0.03 per unit for gross proceeds of CAD\$132,000. Each unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the holder to purchase one additional common share of the Company for a period of 36 months from the date of issuance, at a purchase price of \$0.05. A cash finders' fee of CAD\$12,000 and 400,000 full broker warrants that expire August 31, 2021 was paid to third parties. The broker warrants have the same terms as the warrants issued as part of the unit offering.

On August 31, 2018, we issued 170,000 shares for gross proceeds of \$9,000 from the exercise of 50,000 stock options at \$0.06 and 120,000 stock options at \$0.05 respectively.

On October 28, 2019, the Company signed an LOI with Eagle Plains Resources Ltd. ("Eagle Plains"). to earn up to 75% interest in the Pine Channel gold project in Saskatchewan, Canada (the "Pine Channel SK Property"). The terms of the LOI included periodic payments cash payments, exploration expenditures, as well as issuance of common shares of the Company. Upon signing the LOI, the Company issued 1,000,000 of its common shares to Eagle Plains, valued at \$11,489.

On December 13<sup>th</sup> 2019 the Company dropped the LOI with Eagle Plains Resources Ltd.

On December 31<sup>st</sup> 2019 the Company dropped its Canadian Securities Listing (CSE).

On December 31<sup>st</sup> 2019 the Company accepted the resignation of directors Kristian Ross and Kevin Brown.

On February 11<sup>th</sup> 2020 the Company signed a 1% Royalty agreement with respect to any future commercial lithium production from the Company's Clayton Valley, Nevada claims in exchange for \$200,000. The Company has a right of first refusal to repurchase the royalty upon any proposed sale by the royalty holder to a third party.

On February 25<sup>th</sup> 2020 the Company signed Mark Snyder to a one year Technology Advisory Board. Monthly contract rate of \$1,000 per month and the issuance of 2,000,000 stock options valid for two years at a strike price of \$0.02 per share.

On April 2, 2020 the Company announced its maiden 43-101 Lithium resource report. The project this report referenced was sold on May 5, 2022.

On October 30<sup>th</sup>, 2020 the Company signed a 1% Royalty agreement with respect to any future commercial lithium production from the Company's Clayton Valley, Nevada claims in exchange for \$250,000. The Company has a right of first refusal to repurchase the royalty upon any proposed sale by the royalty holder to a third party.

### **Our Current Business**

Enertopia is engaged in the business of Lithium exploration at their Nevada claims, along with holding intellectual property & non provisional pending patents in the green technology space.

### **Mineral Property**

#### **West Tonopah Lithium**

On February 25, 2022, the Company had 88 unpatented mineral lode claims in Esmeralda County, NV staked covering 1,760 acres of land administrated by the BLM. The property is in good standing until August 31,2023. Estimated respective yearly holding fees to the BLM \$14,520 and \$1,068 to Esmeralda County NV.

Enertopia Claim name	State or Federal Agency	Claim number from	Claim number to
MS 1-88	BLM	NV 105296951	NV 105297038
MS 1-88	Esmeralda County, NV	230856	230943

Company completed its maiden drill program in June 2022 and further information can be found at [www.enertopia.com](http://www.enertopia.com).

### **Disposed Property**

**Clayton Valley Lithium project** On April 29, 2022, at the Company's Special General Meeting ("SGM") shareholders voted in favor to sell the 160 acre Clayton Valley property.

On May 4, 2022, the Company closed the Clayton valley property sale and received the remainder of \$1,050,000 in cash and was issued 3,000,000 shares of Cypress Development Corp (Note 4) on closing. The Company also has no further potential liability from the two one percent royalties that were issued by the Company as these were transferred to Cypress Development on the sale of the asset.



## **CLEAN TECHNOLOGY**

The company continues to test off-the-shelf technology under the potential for lower capex scenarios in lithium extraction.

## **NON PROVISIONAL PATENTS**

On May 23, 2022 the Company announced the filing of Non provisional patent #1, known as the Enertopia Solar Booster™. The Enertopia Solar Booster captures heat from the solar panels, increasing PV output enhancing production and increasing the lifetime of the PV panels.

On May 23, 2022 the Company announced the filing of Non provisional patent #2, known as Enertopia Heat Extractor™ Heat Extractor Technology can be used behind the PV panels or in a glazed format on their own to create liquid temperatures to 200 degrees F.

On August 15, 2022 the Company announced the filing of Non provisional patent #3, known as Enertopia Rainmaker™ By cooling the backside of the PV panels below the dew point the atmospheric moisture condenses on the back side of the panel and drips as rain into the tray collecting the water.

## **PROVISIONAL PATENTS**

December 17, 2021 the Company filed an 8k on the technology acquisition that included the 100% interest in Provisional Patent filed on November 4, 2021 known as Energy Management System.

### **Summary**

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

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

### ***Employees***

We primarily used the services of sub-contractors and consultants for our intended business operations. Our technical consultant is Mr. McAllister, our president, CEO and a director.

On November 30, 2007, Mr. McAllister was appointed as our President and on April 14, 2008 he was appointed as a director. On July 31, 2017, Mr. McAllister was appointed interim CFO. Mr. McAllister voluntarily suspended and terminated accrual of these consulting fees commencing on December 1, 2019 and continuing until such time as the Company's financial condition permits a resumption of such cost. On May 1, 2022, the Company entered into a consulting agreement with President of the Company for \$9,500 per month plus goods and services tax ("GST") on a continuing basis. On August 16<sup>th</sup> Mr. McAllister resigned from the interim CFO position.

The Company has a consulting agreement with the CFO of the Company Mr. Allan Spissinger for corporate administration and consulting services for \$5,000 per quarter plus goods and services tax ("GST") on a continuing basis.

We do not expect any material changes in the number of employees over the next 12-month period. We do and will continue to outsource contract employment as needed.

*Research and Development*

We have incurred \$821,366 in research and development expenditures over the last two fiscal years.

## Item 1A. Risk Factors

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

### Risks Associated with Our Business

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

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

*Uncertain demand for mineral resources sector may cause our business plan to be unprofitable.*

Demand for mineral resources is based on the world economy and new technologies. Current lithium demand exceeds available supply due to the rapid increase in lithium batteries in portable electronics and the growing electric vehicle markets. There can be no assurance that current supply and demand factors will remain the same or that projected supply and demand factors will actually come to pass from 3<sup>rd</sup> party projections that are currently believed to be true and accurate. There can be no assurance that new disruptive technologies will replace lithium as a significant component in battery storage over time.

*Conflicts of interest between our company and our directors and officers may result in a loss of business opportunity.*

Our directors and officers are not obligated to commit their full time and attention to our business and, accordingly, they may encounter a conflict of interest in allocating their time between our future operations and those of other businesses. In the course of their other business activities, they may become aware of investment and business opportunities which may be appropriate for presentation to us as well as other entities to which they owe a fiduciary duty. As a result, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. They may also in the future become affiliated with entities, engaged in business activities similar to those we intend to conduct.

In general, officers and directors of a corporation are required to present business opportunities to a corporation if:

- the corporation could financially undertake the opportunity;
- the opportunity is within the corporation's line of business; and
- it would be unfair to the corporation and its stockholders not to bring the opportunity to the attention of the corporation.

We plan to adopt a code of ethics that obligates our directors, officers and employees to disclose potential conflicts of interest and prohibits those persons from engaging in such transactions without our consent. Despite our intentions, conflicts of interest may nevertheless arise which may deprive our company of a business opportunity, which may impede the successful development of our business and negatively impact the value of an investment in our company.

*The speculative nature of our business plan may result in the loss of your investment.*

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

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

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

*General economic factors may negatively impact the market for our planned products.*

The willingness of businesses to spend time and money on energy efficiency may be dependent upon general economic conditions; and any material downturn may reduce the likelihood of businesses incurring costs toward what some businesses may consider a discretionary expense item.

*A wide range of economic and logistical factors may negatively impact our operating results.*

Our operating results will be affected by a wide variety of factors that could materially affect revenues and profitability, including the timing and cancellation of customer orders and projects, competitive pressures on pricing, availability of personnel, and market acceptance of our services. As a result, we may experience material fluctuations in future operating results on a quarterly and annual basis which could materially affect our business, financial condition and operating results.

*Changes in environmental regulations may have an impact on our operations*

We believe that we currently comply with existing environmental laws and regulations affecting our proposed operations. While there are no currently known proposed changes in these laws or regulations, significant changes have affected the industry in the past and additional changes may occur in the future. The company is subject to the Bureau of Land Management ("BLM"), State and potentially other government agencies with respect to its lithium brine business.

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

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

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

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

We depend on our ability to attract, retain and motivate our management team, consultants and advisors. There is strong competition for qualified technical and management personnel in the business sector, and it is expected that such competition will increase. Our planned growth will place increased demands on our existing resources and will likely require the addition of technical personnel and the development of additional expertise by existing personnel. There can be no assurance that our compensation packages will be sufficient to ensure the continued availability of qualified personnel who are necessary for the development of our business.

*We have a limited operating history with losses, and we expect the losses to continue, which raises concerns about our ability to continue as a going concern.*

We have generated minimal revenues since our inception and will, in all likelihood, continue to incur operating expenses with minimal revenues until we are able to successfully develop our business. Our business plan will require us to incur further expenses. We may not be able to ever become profitable. These circumstances raise concerns about our ability to continue as a going concern. We have a limited operating history and must be considered in the start-up stage.

There is an explanatory paragraph to their audit opinion issued in connection with the financial statements for the year ended August 31, 2022 with respect to their doubt about our ability to continue as a going concern. As discussed in Note 2 to our financial statements for the year ended August 31, 2022, we have incurred cumulative losses of \$12,694,988 that raises substantial doubt about its ability to continue as a going concern. Our management has been able, thus far, to finance the operations through equity financing and cash on hand. There is no assurance that our company will be able to continue to finance our company on this basis.

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

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

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

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

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

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

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

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

### **Risks Associated with the Shares of Our Company**

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

We have not declared or paid any dividends on our shares since inception, and do not anticipate paying any such dividends for the foreseeable future. We presently do not anticipate that we will pay dividends on any of our common stock in the foreseeable future. If payment of dividends does occur at some point in the future, it would be contingent upon our revenues and earnings, if any, capital requirements, and general financial condition. The payment of any common stock dividends will be within the discretion of our Board of Directors. We presently intend to retain all earnings to implement our business plan; accordingly, we do not anticipate the declaration of any dividends for common stock in the foreseeable future.

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

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

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

### **Other Risks**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Trends, risks and uncertainties.*

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

#### **Item 1B. Unresolved Staff Comments**

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



**Item 2. Properties**

*Executive Offices*

The address of our executive office is #18 1873 Spall Rd., Kelowna, British Columbia V1Y 4R2. Our main telephone number is (250) 870-2219. Our current location provides adequate office space for our purposes at this stage of our development.

**Item 3. Legal Proceedings**

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

**Item 4. (Removed and Reserved).**

**PART II**

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

Our common shares are quoted on the Over-the-Counter Bulletin Board and the OTCQB quotation service under the symbol "ENRT." Our CUSIP number is 29277Q 107.

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

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

<b>Quarter Ended<sup>(1)</sup></b>	<b>High</b>	<b>Low</b>
August 2022	\$0.062	\$0.031
May 2022	\$0.05	\$0.034
February 2022	\$0.05	\$0.033
November 2021	\$0.085	\$0.051

<b>Quarter Ended<sup>(1)</sup></b>	<b>High</b>	<b>Low</b>
August 2021	\$0.12	\$0.053
May 2021	\$0.185	\$0.037
February 2021	\$0.285	\$0.03
November 2020	\$0.067	\$0.008

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

On November 18, 2022, the last closing price for one share of our common stock as reported by the OTC Bulletin Board was \$0.041. 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 September 6, 2022, there were 4,395 holders of record of our common stock. As of November 28, 2022, 155,116,088 common shares were issued and outstanding.

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

*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 December 6, 2021 the Company issued 1,000,000 common shares and an additional 1,000,000 common shares in escrow in connection with the purchase of Hydrogen Technology (Note 6).

On December 17, 2021 the Company issued 5,000,000 common shares and an additional 5,000,000 common shares in escrow in connection with the Investment in JV (Note 7).

On February 23, 2022 the Company issued 113,388 common shares as a result of the exercise of 276,766 cashless stock options exercised at \$0.02 per common share.

On February 28, 2022, the Company issued 1,000,000 shares to one consultant of the Company.

### Equity Compensation Plan Information

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

#### 2014 Stock Option Plan

On July 15, 2014, the shareholders approved and adopted at the Annual General Meeting the Company's 2014 Stock Option Plan. The purpose of these Plan is to advance the interests of the Corporation, through the grant of Options, by providing an incentive mechanism to foster the interest of eligible persons in the success of the Corporation and its affiliates; encouraging eligible persons to remain with the Corporation or its affiliates; and attracting new Directors, Officers, Employees and Consultants.

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

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

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

As at the date of the annual report, there were no stock options exercised except for those disclosed in the regulatory filings and in the notes to the financial statements.

<b>Equity Compensation Plan Information</b>			
<b>Plan category Equity compensation plans approved by Security holders</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
2014 Stock Option Plan approved by security holders	9,900,000	\$0.08	3,801,612

*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, 2022.

**Item 6. Selected Financial Data**

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

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

The following discussion should be read in conjunction with our audited financial statements and the related notes that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to; those discussed below and elsewhere in this annual report, particularly in the section Item 1A entitled Risk Factors of this annual report.

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

**Plan of Operation**

During the next twelve month period (beginning September 1, 2022), we intend to:

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

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

<b>Estimated Funding Required During the 12 Months beginning September 1, 2022</b>	
<b>Expense</b>	<b>Amount (\$)</b>
Mineral Costs	16,000
Bench Tests for Lithium Technology	60,000
Resource Acquisitions and or Drilling	300,000
Management Consulting Fees	180,000
Technology Acquisition and Development	160,000
Professional fees	75,000
Rent	12,000
Other general administrative expenses	125,000
<b>Total</b>	<b>\$928,000</b>

As at the date of this annual report, we do not have sufficient cash on hand to finance our entire potential and estimated \$928,000 cash obligation to the proposed spending for the 12 months beginning September 1, 2022. Based on our current cash position of \$615,207 we anticipate that we will require approximately \$312,793 in additional cash to execute our business plan. In the event that we are unable raise sufficient cash we intend to reduce our planned expenditures to accommodate our means with a view toward prioritizing revenue generating activity and fulfilling our public reporting obligations. As at the date of this registration statement we have no financing arrangements in place.

**Results of Operations for our Years Ended August 31, 2022 and 2021**

Our net income (loss) and comprehensive income (loss) for our year ended August 31, 2022, for our year ended August 31, 2021 and the changes between those periods for the respective items are summarized as follows:

		<b>Year Ended August 31, 2022 \$</b>		<b>Year Ended August 31, 2021 \$</b>		<b>Change Between Year Ended August 31, 2022 and Year Ended August 31, 2021 \$</b>
Revenue	\$	-	\$	-	\$	-
Non-operating (Income) Expenses		(3,540,642)		(225,414)		(3,315,228)
Exploration Costs		212,348		7,888		204,460
Consulting Fees		262,880		367,579		(104,699)
Professional Fees		111,027		127,962		(16,935)
Fees and dues		57,332		35,828		21,504
Investor relations		47,917		49,718		(1,801)
Research and Development		808,800		12,566		796,234
Other administrative costs		65,931		13,241		52,690
Net (income) loss		(1,974,407)		389,368		(2,363,775)

Our financial statements report no revenue for the years ended August 31, 2022, and August 31, 2021. Our financial statements report a net income of \$1,974,407 for the year ended August 31, 2022, compared to a net loss of \$389,368 for the year ended August 31, 2021. Our net income has increased by \$2,363,775 for the year ended August 31, 2022, primarily due to the increase in non-operating income as a result of the sale of our Clayton Valley unpatented mining claims. Our operating costs were higher by \$951,453 for August 31, 2022, compared to August 31, 2021, primarily due to research and development costs for the Hydrogen Technology project - \$293,416 (August 31, 2021 - \$0), Rainmaker and Soler Booster projects - \$25,717 (August 31, 2021 - \$0) and Battery Management Technology - \$480,000 (August 31, 2021 - \$0). The increase of exploration costs by \$204,460 is due to increase in the exploration activities of the Company after a slowdown period due to COVID -19, the exploration costs are primarily attributable to the West Tonopah property. Overall, the operating expenses have increased due to increase in the exploration activity and addition of new research and development projects during the year ended August 31, 2022.

## Liquidity and Financial Condition

### Working Capital

	At August 31 2022	At August 31 2021
Current assets	\$ 3,203,141	\$ 415,095
Current liabilities	357,855	420,936
Working capital (deficit)	<u>\$ 2,845,286</u>	<u>\$ (5,841)</u>

### Cash Flows

	Year Ended August 31 2022	August 31, 2021
Cash flows used in operating activities	\$ (970,033)	(408,202)
Cash flows from investing activities	1,099,564	307,168
Cash flows from financing activities	131,390	409,792
Net increase in cash during year	<u>\$ 260,921</u>	<u>\$ 308,758</u>

### Operating Activities

Net cash used in operating activities was \$970,033 for the year ended August 31, 2022 compared with cash used in operating activities of \$408,202 in 2021. The increase in net cash used in operating activities is due to the overall increase in cost as described above.

### Investing Activities

Net cash provided in investing activities was \$1,099,564 for the year ended August 31, 2022 compared to \$307,168 in the same period in 2021. The net cash inflow was primarily the result of the sale of Clayton Valley, Nevada claims.

### Financing Activities

Net cash provided in financing activities was \$131,390 for the year ended August 31, 2022, compared to \$409,792 in the same period in 2021.

### Contractual Obligations

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

### Going Concern

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company had a working capital of \$2,845,286 as at August 31, 2022 (2021 - deficit of \$5,841). As at August 31, 2022, the Company has incurred cumulative losses of \$ 12,694,988. We require additional funds to maintain our existing operations and to acquire new business assets. These conditions raise substantial doubt about our Company's ability to continue as a going concern. Management's plans in this regard are to raise equity and debt financing as required, but there is no certainty that such financing will be available or that it will be available at acceptable terms. The outcome of these matters cannot be predicted at this time and the financing environment is exceptionally difficult.

The Company's 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.

#### **Mineral Properties**

Acquisition costs of mineral rights are initially capitalized as incurred while exploration and pre-extraction expenditures are expensed as incurred until such time proven or probable reserves are established for that project. Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of mineral properties.

Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project's capitalized expenditures are depleted over proven and probable reserves using the units-of-production method upon commencement of production. Where proven and probable reserves have not been established, the project's capitalized expenditures are depleted over the estimated extraction life using the straight-line method upon commencement of extraction. The Company has not established proven or probable reserves for any of its projects.

The carrying values of the mineral rights are assessed for impairment by management on a quarterly basis and as required whenever indicators of impairment exist. An impairment loss is recognized if it is determined that the carrying value is not recoverable and exceeds fair value.

#### **Long-Lived Assets Impairment**

In accordance with ASC 360, "Accounting for Impairment or Disposal of Long Lived Assets", the carrying value of long lived assets are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

#### **Revenue Recognition**

The Company recognizes revenue from product sales when persuasive evidence of an arrangement exists, title to product and associated risk of loss has passed to the customer, the price is fixed or determinable, collection from the customer is reasonably assured, the Company has no further performance obligation, and returns can be reasonably estimated.



**Going Concern**

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

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

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

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

**Item 8. Financial Statements and Supplementary Data**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and Directors of  
Enertopia Corp.

***Opinion on the Financial Statements***

We have audited the accompanying balance sheets of Enertopia Corp. (the “Company”) as of August 31, 2022 and 2021, and the related statements of stockholder’s equity (deficiency), operations and comprehensive income (loss), and cash flows for the years ended August 31, 2022 and 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2022 and 2021, and the results of its operations and its cash flows for the years ended August 31, 2022 and 2021, in conformity with accounting principles generally accepted in the United States of America.

***Going Concern***

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the entity has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

***Basis for Opinion***

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 are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.



1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6  
Telephone (604) 687-0947 Davidson-co.com

***Critical Audit Matters***

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

We have served as the Company's auditor since 2017.

**/s/ DAVIDSON & COMPANY LLP**

Vancouver, Canada

Chartered Professional Accountants

November 28, 2022

731

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

	<u>August 31 2022</u>	<u>August 31 2021</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 615,207	\$ 354,286
Marketable securities (Note 4)	2,443,750	14,994
Accounts receivable	4,877	4,552
Prepaid expenses and deposit	139,307	41,263
Total current assets	<u>3,203,141</u>	<u>415,095</u>
<b>Non-Current</b>		
Mineral property (Note 5)	10,500	-
<b>Total Assets</b>	<u>\$ 3,213,641</u>	<u>\$ 415,095</u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)</b>		
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable	\$ 293,446	\$ 309,277
Due to related parties (Note 8)	64,409	111,659
<b>Total Liabilities</b>	<u>357,855</u>	<u>420,936</u>
 <b>STOCKHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital		
Authorized:		
200,000,000 common shares with a par value of \$0.001 per share		
Issued and outstanding:		
155,116,088 common shares at August 31, 2022 and		
August 31, 2021: 139,211,700		
Additional paid-in capital (Note 9)	155,117	139,213
Deficit	15,395,657	14,524,341
Total Stockholders' Equity (Deficiency)	<u>(12,694,988)</u>	<u>(14,669,395)</u>
<b>Total Liabilities and Stockholders' Equity (Deficiency)</b>	<u>\$ 3,213,641</u>	<u>\$ 415,095</u>
 <b>Commitments (Note 11)</b>		
<b>Subsequent Event (Note 14)</b>		

The accompanying notes are an integral part of these financial statements

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

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	DEFICIT	TOTAL STOCKHOLDERS' EQUITY (DEFICIENCY)
	SHARES	AMOUNT			
<b>Balance, August 31, 2020</b>	<b>128,471,700</b>	<b>\$ 128,473</b>	<b>\$ 13,758,598</b>	<b>\$ (14,280,027)</b>	<b>\$ (392,956)</b>
Shares issued for patent	2,000,000	2,000	67,000	-	69,000
Private placement	3,000,000	3,000	177,000	-	180,000
Stock options granted	-	-	297,691	-	297,691
Stock options exercised	3,020,000	3,020	92,972	-	95,992
Warrants exercised	2,720,000	2,720	131,080	-	133,800
Comprehensive loss	-	-	-	(389,368)	(389,368)
<b>Balance, August 31, 2021</b>	<b>139,211,700</b>	<b>\$ 139,213</b>	<b>\$ 14,524,341</b>	<b>\$ (14,669,395)</b>	<b>\$ (5,841)</b>
Warrants exercised	2,791,000	2,791	128,599	-	131,390
Stock options granted	-	-	163,130	-	163,130
Shares issued for hydrogen technology	2,000,000	2,000	98,400	-	100,400
Shares issued for investment in battery management technology	10,000,000	10,000	440,000	-	450,000
Shares issued for services	1,000,000	1,000	41,300	-	42,300
Stock options exercised	113,388	113	(113)	-	-
Comprehensive income	-	-	-	1,974,407	1,974,407
<b>Balance, August 31, 2022</b>	<b>155,116,088</b>	<b>\$ 155,117</b>	<b>\$ 15,395,657</b>	<b>\$ (12,694,988)</b>	<b>\$ 2,855,786</b>

The accompanying notes are an integral part of these financial statements

**ENERTOPIA CORP.**  
**STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**  
(Expressed in U.S. Dollars)

	<b>Year Ended</b>	
	<b>August 31 2022</b>	<b>August 31 2021</b>
<b>Expenses</b>		
Accounting and audit	\$ 43,770	\$ 44,655
Bank charges and interest expense	6,251	1,416
Consulting (Notes 8 and 9)	262,880	367,579
Mineral exploration costs	212,348	7,888
Fees and dues	57,332	35,828
Investor relations	47,917	49,718
Legal and professional	67,257	83,307
Office and miscellaneous	22,525	4,708
Research and development (Note 6 and 7)	808,800	12,566
Rent	10,404	7,042
Telephone	19	75
Travel	26,732	-
<b>Total expenses</b>	<b>1,566,235</b>	<b>614,782</b>
<b>Loss for the year before other items</b>	<b>(1,566,235)</b>	<b>(614,782)</b>
<b>Other income (expense)</b>		
Foreign exchange gain (loss)	1,822	(3,394)
Gain (loss) on marketable securities	(7,641)	53,488
Unrealized loss on marketable securities	(923,533)	(5,680)
Unrealized foreign exchange loss on marketable securities	(62,388)	-
Write down of assets (Note 6)	-	(69,000)
Income from royalty granted (Note 5)	-	250,000
Gain from mineral property sale (Note 5)	4,532,382	-
<b>Income (loss) and comprehensive income (loss) for the year</b>	<b>\$ 1,974,407</b>	<b>\$ (389,368)</b>
<b>Income (loss) per share</b>		
-Basic	\$ 0.01	\$ (0.00)
-Diluted	<b>0.01</b>	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>		
-Basic	150,994,325	134,809,673
-Diluted	<b>151,955,536</b>	<b>134,809,673</b>

The accompanying notes are an integral part of these financial statements

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

	Year Ended	
	August 31 2022	August 31 2021
<b>Cash flows used in operating activities</b>		
<b>Net Income/(Loss)</b>	\$ 1,974,407	\$ (389,368)
<b>Changes to reconcile net loss to net cash used in operating activities</b>		
Shares issued for consulting	42,300	-
Shares issued for battery management system	450,000	-
Shares issued for hydrogen technology	100,400	-
Stock-based compensation	163,130	297,691
Unrealized loss on marketable securities	985,921	5,680
Loss (gain) on disposal of marketable securities	7,641	(53,488)
Write down of assets	-	69,000
Gain on mineral property sale	(4,532,382)	-
Income from royalty grant	-	(250,000)
<b>Change in non-cash working capital items:</b>		
Accounts receivable	(325)	(3,044)
Prepaid expenses and deposit	(98,044)	(26,439)
Accounts payable and accrued liabilities	(15,831)	18,941
Due to related parties	(47,250)	(77,175)
<b>Net cash used in operating activities</b>	<u>(970,033)</u>	<u>(408,202)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of marketable securities	10,064	74,873
Proceeds from mineral property sale	1,100,000	-
Purchase of mineral property	(10,500)	-
Purchase of marketable securities	-	(17,075)
Proceeds from sale of royalty grant	-	250,000
<b>Net cash from investing activities</b>	<u>1,099,564</u>	<u>307,168</u>
<b>Cash flows from financing activities</b>		
Net proceeds from options exercised	-	95,992
Net proceeds from warrants exercised	131,390	133,800
Net proceeds from subscriptions received	-	180,000
<b>Net cash from financing activities</b>	<u>131,390</u>	<u>409,792</u>
<b>Increase in cash</b>	260,921	308,758
<b>Cash, beginning of year</b>	354,286	45,528
<b>Cash, end of year</b>	<u>\$ 615,207</u>	<u>\$ 354,286</u>
<b>Supplemental cash flow information</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

**ENERTOPIA CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**August 31, 2022**  
**(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 is an independent natural resource company engaged in the exploration, development, and acquisition of natural resources in the United States. The Company is exploring the West Tonopah Lithium Project ("West Tonopah") in the Big Smokey Valley, Nevada. The Company is also developing various renewable energy technologies. The Company's office is located in Kelowna, B.C., Canada.

**2. GOING CONCERN UNCERTAINTY**

The accompanying financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business for the foreseeable future. The Company had a working capital of \$2,845,286 as at August 31, 2022 (2021 - \$5,841 deficit). As at August 31, 2022 the Company has incurred cumulative losses of \$12,694,988 that raises substantial doubt about its ability to continue as a going concern. Management has been able, thus far, to finance the operations through equity financing and cash on hand. There is no assurance that the Company will be able to continue to finance the Company on this basis.

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

Since March 2020, several measures have been implemented in Canada, the United States, and the rest of the world in response to the impact from the novel coronavirus ("COVID-19"). While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impact on our business operations cannot be reasonably estimated at this time. We anticipate this could have an adverse impact on our exploration plans, results of operations, financial position and cash flows.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Presentation**

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



## **b. Mineral Properties**

Acquisition costs of mineral rights are initially capitalized as incurred while exploration and pre-extraction expenditures are expensed as incurred until such time proven or probable reserves are established for that project. Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of mineral properties.

Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project's capitalized expenditures are depleted over proven and probable reserves using the units-of production method upon commencement of production. Where proven and probable reserves have not been established, the project's capitalized expenditures are depleted over the estimated extraction life using the straight-line method upon commencement of extraction. The Company has not established proven or probable reserves for any of its projects.

The carrying values of the mineral rights are assessed for impairment by management on a quarterly basis and as required whenever indicators of impairment exist. An impairment loss is recognized if it is determined that the carrying value is not recoverable and exceeds fair value.

## **c. Stock-Based Compensation**

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

## **d. Accounting Estimates**

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

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

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

### **a) The Valuation of Deferred Tax Assets**

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

b) Value of Stock Options

The Company provides compensation benefits to its employees, directors, officers, and consultants, through a stock option plan. The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model. Expected volatility assumption used in the model is based on the historical volatility of the Company's share price. The Company uses historical data to estimate the period of option exercises for use in the valuation model. The risk-free interest rate for the expected term of the option is based on the yields of government bonds. Changes in these assumptions, especially the share price volatility and the expected life determination could have a material impact on the Company's profit and loss for the periods presented. All estimates used in the model are based on historical data which may not be representative of future results.

c) Fair value of shares issued in non cash transactions

The Company at times grants common shares in lieu of cash to certain vendors for their services to the Company. The Company recognizes the associated cost in the same period and manner as if the Company paid cash for the services provided by calculating the fair value of the share offering at the cost of the service provided.

**e. Earnings 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". Basic earnings per share ("EPS") is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted EPS is computed based on the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options and stock awards.

**f. Foreign Currency Translations**

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

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

**g. 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, marketable securities, accounts receivable, accounts payable and due to related parties. The carrying amounts of these financial instruments approximate their fair values due to their short maturities. Cash and marketable securities are in Level 1 within the fair value hierarchy.

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

#### **h. Income Taxes**

The Company has adopted ASC 740, "Income Taxes", which requires the Company to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns using the liability method. Under this method, deferred tax liabilities and assets are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

#### **i. Long-Lived Assets Impairment**

In accordance with ASC 360, "Accounting for Impairment or Disposal of Long Lived Assets", the carrying value of long lived assets are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

#### **j. Asset Retirement Obligations**

The Company accounts for asset retirement obligations in accordance with the provisions of ASC 410, "Asset Retirement and Environmental Obligations". ASC 410 requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company does not believe it has any asset retirement obligation as of August 31, 2022 and 2021.

#### **k. 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' Deficiency. Comprehensive income comprises equity except those transactions resulting from investments by owners and distributions to owners.

#### **l. Concentration of credit risk**

The Company places its cash with high credit quality financial institutions.

#### **m. Commitments and Contingencies**

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

#### **n. Research and Development**

Research and development costs are expensed as incurred.

#### 4. MARKETABLE SECURITIES

On May 4, 2022 ("Closing Date"), the Company announced the sale of its Clayton Valley unpatented mining claims to Cypress Development Corporation ("Cypress") and as a result of this transaction received 3,000,000 shares of Cypress along with \$1,100,000 in cash. The 3,000,000 shares have been restricted for trade: the Company may trade 1,000,000 of these shares six months and one day after the Closing Date and thereafter may trade 1,000,000 shares in each three-month period following the Closing Date. Given the lock up conditions, the Company believes that there is a Lack of Marketability ("LOM") related to these shares and thus recorded the shares using a discounting factor. The discounting factor was also used in fair valuing the shares as at the year end date of August 31, 2022. Marketable securities as at August 31, 2022 consist of the Company's investment in 3,000,000 shares of Cypress.

As at August 31, 2022, the movement in the Company's marketable securities is as follows:

Balance, August 31, 2020	\$	24,354
Additions		17,705
Proceeds from disposals		(21,385)
Unrealized loss		(5,680)
<b>Balance, August 31, 2021</b>	<b>\$</b>	<b>14,994</b>
Additions <sup>1</sup>		3,432,382
Unrealized loss		(923,533)
Unrealized foreign exchange loss		(62,388)
Proceeds from disposal		(10,064)
Loss on disposal		(7,641)
<b>Balance, August 31, 2022</b>	<b>\$</b>	<b>2,443,750</b>

<sup>1</sup> Company recorded the 3,000,000 shares received from Cypress on May 4, 2022 as an investment and valued the investment using the closing rate of CAD1.63 per share and a discount rate of 10% due to LOM. The shares were subsequently revalued as at the year end date of August 31, 2022 using the closing rate of CAD1.20 per share and a discount rate of 11%, with the resulting changes in fair value being recorded as part of other profit or loss.

#### 5. MINERAL PROPERTY

##### Clayton Valley

During the year ended August 31, 2017 the Company staked lode and placer claims on Bureau of Land Management lands in Esmerelda county Nevada covering approximately 160 Acres subject to adjustment. The Company has a 100% interest in the lands and is only responsible for the yearly maintenance fees to keep its 100% interest.

On February 11, 2020 the Company signed a 1% Royalty agreement with respect to any future commercial lithium production from the Company's Clayton Valley, Nevada claims in exchange for \$200,000. The Company has a right of first refusal to repurchase the royalty upon any proposed sale by the royalty holder to a third party.

On October 30, 2020 the Company signed a 1% Royalty agreement with respect to any future commercial lithium production from the Company's Clayton Valley, Nevada claims in exchange for \$250,000. The Company has a right of first refusal to repurchase the royalty upon any proposed sale by the royalty holder to a third party.

On May 4, 2022, the Company closed the Clayton Valley property sale and disposed of the unpatented mining claims for consideration consisting of \$1,100,000 in cash and 3,000,000 shares of Cypress Development Corp (Note 4). The royalty liabilities from the project were transferred to Cypress Development Corp.

##### West Tonopah

On February 25, 2022, the Company staked 1,760 acres of unpatented mineral claims in Esmeralda County, Nevada for cash consideration of \$10,500.

## 6. TECHNOLOGY DEVELOPMENT

On December 14, 2020 the Company signed Definitive Agreement to acquire 100% interest in United States Patent and Trademark Office ("USPTO") patent #6,024,086 - Solar energy collector having oval absorption tubes by issuing 1,000,000 common shares of the Company. The Company issued 1,000,000 additional common shares in escrow to be released upon the successful approval of patent pending work derived from patent #6,024,086. The shares were issued at a price of \$0.0345 resulting in a purchase price of \$69,000. The patent has since expired and was therefore written off.

On May 25, 2021 the Company announced the filing of its first provisional patent application, Solar Heat Absorber technology.

On May 26, 2021 the Company announced the filing of its second provisional patent application, Solar PV Heat Extraction Technology.

On August 17, 2021 the Company announced the filing of provisional patent #3, known as Enertopia Rainmaker™.

On December 6, 2021, The Company entered into a Definitive Purchase and Sale Agreement to acquire 100% ownership and rights to the hydrogen technology ("Hydrogen Technology"). By acquiring this Hydrogen Technology, the Company is currently researching the opportunity to create process gas that can be used in commercial, industrial and mining applications by splitting the hydrogen from water via electrolysis. The Company paid \$25,000 in cash and issued 1,000,000 shares in consideration for acquiring the Hydrogen Technology, with an additional 1,000,000 common shares issued and held in escrow pending successful patenting of the intellectual property. The Company has recorded the consideration for the purchase of the Hydrogen Technology as research and development expense in the statement of operations for the year ended August 31, 2022, as follows:

Consideration for Purchase of Hydrogen Technology	Amount \$
2,000,000 shares at FV 0.0502 (Adjusted closing price on the date of the issuance)	100,400
Cash Payment	25,000
Total	125,400

The technology is still in research and development phase and is not commercially feasible as at the year end date of August 31, 2022. The Company has incurred \$168,016 as research and development costs for the hydrogen technology, in addition to the \$125,400 acquisition related costs for the year ended August 31, 2022.

## 7. BATTERY MANAGEMENT TECHNOLOGY ("BMT")

On December 17, 2021, The Company entered into a Definitive Purchase and Sale Agreement to acquire 100% ownership and rights to their Provisional Patent Pending BMT. The Company created a Joint Venture ("JV") with 51% controlling interest in CapNTrack to run the commercial and industrial operations related to the BMT and has paid \$30,000 in cash and issued 10,000,000 shares (5,000,000 shares of which are in escrow) valued at \$450,000 for purchase of the BMT. As at the year ended date of August 31, 2022, there have been no operations in the JV and it is a dormant entity. The BMT is still in research and development phase and has not obtained commercial or operational feasibility as at the year end date of August 31, 2022. The Company has recorded the entire consideration of \$480,000 for the ownership of the BMT as research and development expense in the statement of operations for the year ended August 31, 2022.

## 8. RELATED PARTY TRANSACTIONS

For the year ended August 31, 2022, the Company was party to the following related party transactions with key management personnel, which consists of the President and Chief Financial Officer of the Company and its Directors:

- Incurred \$38,000 (2021 - \$0) to the President of the Company in consulting fees. As at August 31, 2022, the accounts payable to the President of the Company was \$64,409 (2021: \$111,659). On December 6, 2021 the Company issued 250,000 stock options valued at \$12,205 to the President of the Company (Note 10).
- Incurred \$769 (2021 - \$0) to the Chief Financial Officer of the Company in consulting fees. As at August 31, 2022, the accounts payable to the Chief Financial Officer of the Company was \$0 (2021: \$0). On August 18, 2022, the Company issued 1,000,000 stock options valued at \$40,543 to the Chief Financial Officer of the Company (Note 10).
- On August 18, 2022 the Company issued a total of 1,000,000 stock options valued at \$40,543 to the Directors of the Company.
- On December 6, 2021, the Company issued a total of 250,000 stock options valued at \$12,205 to the president of the Company.

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

## 9. COMMON STOCK

On December 14, 2020 the Company issued 1,000,000 common shares and an additional 1,000,000 common shares in escrow in connection with the signed Definitive Agreement (Note 6).

On January 14, 2021 the Company closed the final tranche of a private placement of 3,000,000 units at a price of \$0.06 per unit for gross proceeds of \$180,000. Each unit consists of one common share of the Company and one half (0.5) of a non-transferable share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company for a period of 12 months from the date of issuance at a purchase price of \$0.09.

During the year ended August 31, 2021 the Company also issued 3,020,000 common shares as a result of the exercise of stock options and 2,720,000 common shares as a result of the exercise of warrants (Note 10).

During the year ended August 31, 2022 the Company issued 113,388 common shares as a result of the exercise of stock options and 2,791,000 common shares as a result of the exercise of warrants (Note 10).

On December 6, 2021 the Company issued 1,000,000 common shares and an additional 1,000,000 common shares in escrow in connection with the purchase of Hydrogen Technology (Note 6).

On December 17, 2021 the Company issued 5,000,000 common shares and an additional 5,000,000 common shares in escrow in connection with the purchase of JV (Note 7).

On February 25, 2022, the Company issued 1,000,000 shares to one consultant of the Company.

As at August 31, 2022 the Company had 155,116,088 shares issued and outstanding (2021 - 139,211,700).

As at August 31, 2022 the Company had 7,000,000 (2021 - 1,000,000) shares held in escrow.

## 10. STOCK OPTIONS AND WARRANTS

### Stock Options

On July 15, 2014, the shareholders approved and adopted at the Annual General Meeting the Company's 2014 Stock Option Plan. The purpose of these Plans is to advance the interests of the Corporation, through the grant of Options, by providing an incentive mechanism to foster the interest of eligible persons in the success of the Corporation and its affiliates; encouraging eligible persons to remain with the Corporation or its affiliates; and attracting new Directors, Officers, Employees and Consultants. The aggregate number of Common Shares that may be reserved, allotted and issued pursuant to Options shall not exceed 17,400,000 shares of common stock, less the aggregate number of shares of common stock then reserved for issuance pursuant to any other share compensation arrangement. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan. The options are deemed as vested and exercisable on issuance and the maximum life of the options granted under this Plan may not exceed 5 years.

On November 12, 2020, the Company issued 500,000 stock options to one of the consultants of the Company with an exercise price of \$0.05 vested immediately, expiring November 12, 2025.

On December 14, 2020, the Company issued 2,100,000 stock options to consultants and officers of the Company with an exercise price of \$0.05 vested immediately, expiring December 14, 2025.

On January 28, 2021, the Company issued 2,000,000 stock options to one of the consultants of the Company with an exercise price of \$0.14 vested immediately, expiring January 28, 2026.

On February 4, 2021, the Company issued 100,000 stock options to one of the consultants of the Company with an exercise price of \$0.18 vested immediately, expiring February 4, 2026.

On February 5, 2021, the Company issued 300,000 stock options to three of the consultants of the Company with an exercise price of \$0.18 vested immediately, expiring February 5, 2026.

On April 27, 2021, the Company issued 100,000 stock options to one of the consultants of the Company with an exercise price of \$0.12 vested immediately, expiring April 27, 2026.

On May 28, 2021, the Company issued 50,000 stock options to one of the consultants of the Company with an exercise price of \$0.12 vested immediately, expiring May 28, 2026.

On August 18, 2022, the Company issued 2,000,000 stock options with an exercise price of \$0.06 vesting immediately, expiring August 18, 2027. 1,000,000 to the Chief Financial Officer and 500,000 each to two Directors of the Company (Note 8).

On December 6, 2021, the Company issued 250,000 stock options to the president of the Company with an exercise price of \$0.07 vested immediately, expiring December 6, 2026.

On December 6, 2021, the Company issued 500,000 stock options to one of the consultants of the Company with an exercise price of \$0.07

vested immediately, expiring December 6, 2026.

On December 6, 2021, the Company issued 250,000 stock options to one of the consultants of the Company with an exercise price of \$0.07 vested immediately, expiring December 6, 2026.

On September 9, 2021, the Company issued 500,000 stock options to one of the consultants of the Company with an exercise price of \$0.08 vested immediately, expiring September 9, 2026.

The fair value of the options granted during the year ended August 31, 2022 and 2021 was estimated on the date of the grant using the Black-Scholes options pricing model, with the following weighted average assumptions:

	<b>2022</b>	<b>2021</b>
Expected dividend yield	0.00%	0.00%
Expected stock volatility	202%	98%
Risk-free interest rate	2.26%	0.41%
Expected life of options (years)	5.00	5.00
Expected forfeiture rate	0.00%	0.00%
Grant date fair value per option	\$ 0.05	\$ 0.06

During the year ended August 31, 2022, the Company recorded \$163,130 (August 31, 2021 \$297,691) as stock-based compensation expense. In addition, the Company issued 113,388 (August 31, 2021: 3,293,224) common shares of the Company as a result of exercise of 226,776 cashless stock options and a total of 3,450,000 stock options expired without being exercised (August 31, 2021: 1,100,000).

A summary of the changes in stock options is presented below:

	Options Outstanding	
	Number of Shares	Weighted Average Exercise Price
Balance, August 31, 2020	9,320,000	\$ 0.06
Issued	5,150,000	0.10
Expired	(1,100,000)	0.05
Exercised	(3,293,224)	0.04
Balance, August 31, 2021	10,076,776	\$ 0.08
Issued	3,500,000	0.07
Expired	(3,450,000)	0.07
Exercised	(226,776)	0.04
Balance, August 31, 2022	9,900,000	\$ 0.08

The Company has the following options outstanding and exercisable as at August 31, 2022:

Issue Date	Expiry Date	Exercise Price	Number of Options	Remaining Life
October 27, 2017	October 27, 2022	0.05	800,000	0.16 years
May 11, 2018	May 11, 2023	0.06	500,000	0.69 years
May 22, 2018	May 22, 2023	0.07	450,000	0.72 years
December 14, 2020	December 14, 2025	0.05	2,100,000	3.29 years
January 28, 2021	January 28, 2026	0.14	2,000,000	3.41 years
February 4, 2021	February 4, 2026	0.18	100,000	3.43 years
February 5, 2021	February 5, 2026	0.18	300,000	3.44 years
April 27, 2021	April 27, 2026	0.12	100,000	3.66 years
May 28, 2021	May 28, 2026	0.12	50,000	3.74 years
September 01, 2021	September 01, 2026	0.08	500,000	4.01 years
December 06, 2021	December 06, 2026	0.07	1,000,000	4.27 years
August 18, 2022	August 18, 2027	0.06	2,000,000	4.97 years
Balance outstanding and exercisable		0.08	9,900,000	3.30 years

\*As at August 31, 2022 the market price of the Company's common shares was \$0.048 per share. The intrinsic value of the stock options was \$0.



## Warrants

There were no warrants issued during the year ended August 31, 2022.

During the year ended August 31, 2021, the Company issued 1,500,000 warrants attached to units in private placements.

A summary of warrants as at August 31, 2022 and August 31, 2021 is as follows:

	Number of warrants	Weighted Average Exercise Price
Balance, August 31, 2020	13,236,869	\$ 0.05
Issued	1,500,000	0.09
Forfeited	(2,300,000)	0.05
Exercised	(2,720,000)	0.04
Balance, August 31, 2021	9,716,869	\$ 0.05
Forfeited	(1,952,500)	0.08
Exercised	(2,791,000)	0.05
Balance, August 31, 2022	4,973,369	\$ 0.04

The Company has the following warrants outstanding as at August 31, 2022:

Issue Date	Expiry Date	Exercise Price	Number of Warrants*
March 27, 2019	March 27, 2023	0.04	4,973,369
		0.04	4,973,369

\*Each warrant entitles a holder to purchase one common share.

## 11. COMMITMENTS

The Company has a consulting agreement with the President of the Company for corporate administration and consulting services for \$9,500 per month plus goods and services tax ("GST") on a continuing basis.

The Company has a consulting agreement with the CFO of the Company for corporate administration and consulting services for \$5,000 per quarter plus goods and services tax ("GST") on a continuing basis.

The Company has a rental agreement for a corporate office for CAD\$1,100 per month plus GST. The agreement expires December 31, 2022.

## 12. INCOME TAXES

The following table reconciles the income tax benefit at the U.S. Federal statutory income tax rates to income tax benefit at the Company's effective tax rates at August 31, 2022 and 2021:

	August 31, 2022	August 31, 2021
Income (loss) before taxes	\$ 1,974,407	\$ (389,368)
Statutory tax rate	21.0%	21.0%
Expected income tax expense (recovery)	414,625	(81,767)
Non-deductible items	34,257	62,515
Change in enacted rates and other	(26,649)	3,952
Change in valuation allowance	(422,234)	15,300
Income tax expense (recovery)	<u>\$ -</u>	<u>\$ -</u>

Deferred taxes reflect the tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes. Deferred tax assets (liabilities) at August 31, 2022 and 2021 are comprised of the following:

	August 31, 2022	August 31, 2021
Net operating loss carry forwards	\$ 2,154,456	\$ 2,795,131
Marketable securities	207,613	2,549
Mineral property	64,364	50,987
Capital loss carry forwards	4,526	4,526
	<u>2,430,960</u>	<u>2,853,193</u>
Valuation allowance	2,430,960	2,853,193
Deferred tax assets (liabilities)	<u>\$ -</u>	<u>\$ -</u>

The Company has net operating loss carry forwards of approximately \$10,259,316 (2021 - \$14,266,681) a portion of which may be carried forward up to 20 years to apply against future taxable income for US tax purposes, subject to the final determination by the taxation authority, expiring in the following years. Future tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The expiry of the Company's non-capital tax loss carryforwards are as follows:

<u>Expiry Year</u>	<u>Amount</u>
2030	\$ 1,057,783
2031	-
2032	611,284
2033	379,241
2034	4,641,005
2035	1,207,633
2036	525,587
2037	801,509
2038	650,398
2039	343
2040	-
2041	384,533
<b>Balance – August 31, 2022</b>	<b>\$ 10,259,316</b>

### 13. SEGMENTED INFORMATION

The Company's operations involve the development of natural resources and green technologies. The Company is centrally managed and its chief operating decision maker, being the CEO, uses the consolidated and other financial information to make operational decisions and to assess the performance of the Company. The Company has increased its reportable segments from one to three during the year ended August 31, 2022. The decision for this change was made keeping in mind the Company's strategic direction and the need to better report the results for each of the identified three reportable segments: Natural Resources, Technology and Corporate, none of which are revenue generating as at the year ended date of August 31, 2022.

<b>Long term Assets</b>	<b>Amount</b>
United States of America	\$ 10,500
<b>Balance – August 31, 2022</b>	<b>\$ 10,500</b>

August 31, 2022	<b>Natural Resources</b>	<b>Technology</b>	<b>Corporate</b>	<b>Total</b>
Operating expenses	\$ (212,348)	\$ (808,800)	\$ (545,087)	\$ 1,566,235
Other income (expenses) (Note 4, 5, 6)	4,532,382	-	(991,740)	3,540,642
Segment income (loss)	\$ 4,320,034	\$ (808,800)	\$ (1,536,827)	\$ 1,974,407
Total Assets (Note 4, 5)	\$ 10,500	\$ -	\$ 3,203,141	\$ 3,213,641

## 14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date these financial statements were issued. Based on our evaluation there are no material events that require disclosure.

### 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, 2022, 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 interim 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 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, 2022. 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, 2022, 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***

On August 16, 2022, Allan Spissinger replaced Robert McAllister as the chief financial officer of the Company. There have been no other changes in our internal controls over financial reporting that occurred during the year ended August 31, 2022 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:

<b>Name</b>	<b>Position Held with our Company</b>	<b>Age</b>	<b>Date First Elected Or Appointed</b>
Robert McAllister	President, Chief Executive Officer, Chief Financial Officer and Director	62	November 2007 April 14, 2008
Allan Spissinger	Chief Financial Officer and Director	53	August 16, 2022

Note Robert McAllister resigned from interim Chief Financial Officer on August 16, 2022

#### ***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.

#### ***Robert McAllister, President, Director***

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

Mr. McAllister has devoted approximately 90% 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 of experience in resource sector evaluations and commodity cycle analysis.

#### ***Allan Spissinger, Chief Financial Officer***

Mr. Spissinger was appointed as Chief Financial Officer in August 2022.

Mr. Spissinger worked within the Informational Technologies (IT) sector for over a decade; specializing in corporate IT infrastructure and software development projects. Mr. Spissinger joined the audit and assurance department at PricewaterhouseCoopers (PwC) where he obtained his Chartered Professional Accountant (CPA) designation focusing on financial reporting and Sarbanes-Oxley (SOX) compliance in the following sectors: resources, manufacturing and technologies. Mr. Spissinger's positive mentorship, excellent communication and extensive leadership skills have enabled him to successfully manage a variety of private and public businesses for over 20 years.

### **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. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;
2. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:
  - i. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity
  - ii. Engaging in any type of business practice; or
  - iii. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;
4. Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (f)(3)(i) of this section, or to be associated with persons engaged in any such activity;
5. Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;
6. Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;
7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

- i. Any Federal or State securities or commodities law or regulation; or
- ii. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or
- iii. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

8. Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

#### **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, 2022, all filing requirements applicable to our officers, directors and greater than 10% percent beneficial owners were complied with.

#### **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, 2022. 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, 2022, we did not affect 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, 2022 and 2021; 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, 2022 and 2021

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 Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Robert McAllister <sup>(1)</sup> <i>President and Director</i>	2022	\$38,000	-	-	250,000	-	-	-	\$38,000
	2021	-	-	-	500,000	-	-	-	-
Allan Spissinger, <sup>(2)</sup> <i>CFO</i>	2022	\$796	-	-	1,000,000	-	-	-	\$796



(1) On November 30, 2007, Mr. McAllister was appointed as our President and on April 14, 2008 he was appointed as a director. On July 31, 2017, Mr. McAllister was appointed interim CFO. Mr. McAllister voluntarily suspended and terminated accrual of these consulting fees commencing on December 1, 2019 and continuing until such time as the Company's financial condition permits a resumption of such cost. On May 1, 2022, the Company entered into a consulting agreement with President of the Company for \$9,500 per month plus goods and services tax ("GST") on a continuing basis. On August 16<sup>th</sup> Mr. McAllister resigned from the interim CFO position.

(2) On August 16, 2022, Mr. Spissinger was appointed as our CFO.

#### *Employment/Consulting Agreements*

July 1, 2017, a consulting contract was entered into with remuneration set at \$3,500 per month plus GST. 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. Mr. McAllister voluntarily suspended and terminated accrual of these consulting fees commencing on December 1, 2019. On May 1, 2022, the Company entered into a consulting agreement with President of the Company for \$9,500 per month plus goods and services tax ("GST") on a continuing basis.

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 23, 2015, the Company granted 1,850,000 stock options to directors, officers and consultant of the Company with an exercise price of \$0.05 vested immediately, expiring October 23, 2020. 50,000 stock options were cancelled.

On February 4, 2016, the Company granted 100,000 stock options to Advisor of the Board of the Company with an exercise price of \$0.05 vested immediately, expiring February 4, 2021.

On January 20, 2017, the Company granted 1,535,000 stock options to directors, officers and consultant of the Company with an exercise price of \$0.07 vested immediately, expiring January 20, 2022.

On November 1, 2017, the Company granted 800,000 stock options to a director and consultant of the Company with an exercise price of \$0.05, expiring November 2, 2022.

On May 11, 2018, the Company granted 535,000 stock options to a director and consultant of the Company with an exercise price of \$0.06, expiring May 11, 2023.

On November 12, 2020 the Company signed Flathead Business Solutions to a 12 month contract for \$12,000 and the issuance of 500,000 stock options valid for 5 years at \$0.05 cents each.

On December 14, 2020 the Company signed Rodney Blake to a 12 month contract for the issuance of 100,000 stock options valid for 5 years at \$0.05 cents each.

On December 14, 2020 the Company signed Albert Clark Rich to a 12 month contract for the issuance of 500,000 stock options valid for 5 years at \$0.05 cents each.

On December 14, 2020 the Company issued 500,000 stock options to the CEO of the Company valid for 5 years at \$0.05 cents each.

On December 14, 2020 the Company issued 1,000,000 stock options to a Consultant of the Company valid for 5 years at \$0.05 cents each.

On February 25, 2020, the Company granted 2,000,000 stock options to a consultant of the Company with an exercise price of \$0.02, expiring February 25, 2022.

On January 28, 2021 the Company signed Mark Snyder to a 12 month contract for \$30,000 and the issuance of 2,000,000 stock options valid for 5 years at \$0.14 cents each.

On February 4, 2021 the Company signed Barry Brooks to a 12 month contract for the issuance of 100,000 stock options valid for 5 years each at \$0.18 cents each.

On February 5, 2021 the Company signed Paul Sandler to a 12 month contract for the issuance of 100,000 stock options valid for 5 years each at \$0.18 cents each.

On February 5, 2021 the Company signed Bruce Shellinger to a 12 month contract for the issuance of 100,000 stock options valid for 5 years each at \$0.18 cents each.

On February 5, 2021 the Company signed Richard Smith to a 12 month contract for the issuance of 100,000 stock options valid for 5 years each at \$0.18 cents each.

On April 27, 2021 the Company signed Michael Cornelius to a 12 month contract for the issuance of 100,000 stock options valid for 5 years at \$0.12 cents each.

On May 28, 2021, the Company issued 50,000 stock options to one of the consultants of the Company with an exercise price of \$0.12 vested immediately, expiring May 28, 2026.

On June 8, 2021 the Company issued 100,000 common shares as a result of the exercise of 100,000 options exercised at \$0.07 per common share.

On September 9, 2021, the Company issued 500,000 stock options to one of the consultants of the Company with an exercise price of \$0.08 vested immediately, expiring September 9, 2026.

On December 6, 2021, the Company issued 250,000 stock options to one director of the Company with an exercise price of \$0.07 vested immediately, expiring December 6, 2026.

On December 6, 2021, the Company issued 500,000 stock options to one of the consultants of the Company with an exercise price of \$0.07 vested immediately, expiring December 6, 2026.

On December 6, 2021, the Company issued 250,000 stock options to one of the consultants of the Company with an exercise price of \$0.07 vested immediately, expiring December 6, 2026.

On August 18, 2022, the Company issued 2,000,000 stock options with an exercise price of \$0.06 vesting immediately, expiring August 18, 2027. 1,000,000 to the Chief Financial Officer and 500,000 each to two directors of the Company (Note 8).

### 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									
	OPTION AWARDS					STOCK AWARDS			
Name (a)	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 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 (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#) (j)
Robert McAllister	500,000 250,000			\$0.05 \$0.07	2025/12/14 2026/12/06				
Allan Spissinger	1,000,000			\$0.06	2027/08/18				
Kevin Brown	250,000 500,000			\$0.06 \$0.06	2023/05/11 2027/08/18				
John Nelson	500,000			\$0.06	2027/08/18				

### Option Exercises

During our fiscal year ended August 31, 2022, a total of 226,776 (August 31, 2021 - 2,720,000) stock options were exercised resulting in issuance of 113,388 common shares on a cashless basis, valued at \$0.02 per each stock option exercised.

### Compensation of Directors

Except as otherwise disclosed, 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 28, 2022, 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(1)
Robert McAllister Kelowna, British Columbia, Canada	7,755,000 <sup>(1)</sup>	4.99%
Allan Spissinger Langley, British Columbia, Canada	1,000,000 <sup>(2)</sup>	0.64%
Kevin Brown Kelowna, British Columbia, Canada	1,050,000 <sup>(3)</sup>	0.67%
John Nelson Calgary, Alberta, Canada	750,000 <sup>(4)</sup>	0.48%

- (1) 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 28, 2022. As of November 28, 2022, there were 155,116,088 shares of our company's common stock issued and outstanding.
- (1) Includes:
- 500,000 Options which are exercisable at \$0.05 into common shares;
  - 250,000 Options which are exercisable at \$0.07 into common shares; and
  - 7,005,000 common shares.
- (2) Includes:
- 1,000,000 Options which are exercisable at \$0.06 into common shares;
- (3) Includes:
- 500,000 Options which are exercisable at \$0.06 into common shares;
  - 250,000 Options which are exercisable at \$0.06 into common shares; and
  - 300,000 common shares.

- (4) Includes:
1. 500,000 Options which are exercisable at \$0.06 into common shares; and
  2. 250,000 common shares.

### ***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 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, 2022, the Company was party to the following related party transactions:

- Incurred \$38,000 (2021 - \$10,500) to the President of the Company in consulting fees. As at August 31, 2022, the accounts payable to the President of the Company was \$64,409 (2021: \$111,659). On December 6, 2021 the Company issued 250,000 stock options valued at \$12,205 to the President of the Company (Note 10).
- Incurred \$769 (2021 - \$0) to the Chief Financial Officer of the Company in consulting fees. As at August 31, 2022, the accounts payable to the Chief Financial Officer of the Company was \$0 (2021: \$0). On August 18, 2022, the Company issued 1,000,000 stock options valued at \$40,543 to the Chief Financial Officer of the Company (Note 10).
- On August 18, 2021, the Company issued a total of 1,000,000 stock options valued at \$40,543 to the directors of the Company.

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

### ***Director Independence***

We currently act with three directors, Kevin Brown, John Nelson who qualify as independent directors and Robert McAllister, who does not qualify as an "independent director" as defined in NASDAQ Marketplace Rule 4200(a)(15).

We currently have an audit committee, but, 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, 2022 and for fiscal year ended August 31, 2021 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, 2022	August 31, 2021
Audit Fees	31,354	36,048
Audit Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	31,354	36,048

*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 Davidson & Company LLP for fiscal year ended August 31, 2022.

*Audit related Fees.* There were no audit related fees paid to Davidson & Company LLP for the fiscal year ended August 31, 2022 or for the fiscal year ended August 31, 2021.

*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, 2022 and August 31, 2021, we did not use Davidson & Company LLP for non-audit professional services or preparation of corporate tax returns.

We do not use Davidson & Company 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 Davidson & Company 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.

(b) Exhibits

Exhibit No.	Description
<a href="#"><u>3.1</u></a>	<a href="#"><u>Articles of Incorporation of Enertopia Corp. dated November 22, 2004 (incorporated by reference to our Registration Statement on Form SB-2 filed January 10, 2006 as Exhibit 3.1).</u></a>
<a href="#"><u>3.2</u></a>	<a href="#"><u>Certificate of Amendment filed with the Nevada Secretary of State on February 22, 2010 (incorporated by reference to Exhibit 3.02 of our Current Report on Form 8-K filed March 4, 2010).</u></a>
<a href="#"><u>3.3</u></a>	<a href="#"><u>Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K filed December 18, 2009).</u></a>
<a href="#"><u>10.1</u></a>	<a href="#"><u>Agreement dated December 14, 2020 with AI Rich (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed December 15, 2020).</u></a>
<a href="#"><u>10.2*</u></a>	<a href="#"><u>Consulting Agreement dated December 6, 2021 with Terry Gaylon.</u></a>
<a href="#"><u>10.3*</u></a>	<a href="#"><u>Hydrogen Asset Purchase Agreement dated December 6, 2021</u></a>
<a href="#"><u>10.4*</u></a>	<a href="#"><u>Asset Purchase Agreement dated December 17, 2021 with Paul Sandler and Mark Snyder dated December 17, 2021.</u></a>
<a href="#"><u>10.5</u></a>	<a href="#"><u>Asset Sale Agreement with Cypress Development Corp dated February 23, 2022 (incorporated by reference to Exhibit 10.1 our Current Report on Form 8-K filed February 28, 2022).</u></a>
<a href="#"><u>10.6</u></a>	<a href="#"><u>Consulting Agreement with Mr. Robert McAllister dated May 1, 2022 (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed May 4, 2022).</u></a>
<a href="#"><u>10.7</u></a>	<a href="#"><u>Consulting Agreement with Mr. Allan Spissinger dated August 16, 2022 (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed August 19, 2022).</u></a>
<a href="#"><u>14.1</u></a>	<a href="#"><u>Code of Ethics (incorporated by reference by from our annual report on Form 10-KSB filed on November 29, 2007).</u></a>
<a href="#"><u>31.1*</u></a>	<a href="#"><u>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).</u></a>

- [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 \(Chief Financial Officer\).](#)
- 101.INS Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
- [101.SCH](#) [Inline XBRL Taxonomy Extension Schema Document](#)
- [101.CAL](#) [Inline XBRL Taxonomy Extension Calculation Linkbase Document](#)
- [101.DEF](#) [Inline XBRL Taxonomy Extension Definition Linkbase Document](#)
- [101.LAB](#) [Inline XBRL Taxonomy Extension Label Linkbase Document](#)
- [101.PRE](#) [Inline XBRL Taxonomy Extension Presentation Linkbase Document](#)
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

*\* 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 28, 2022.

By: /s/ Allan Spissinger  
Allan Spissinger CPA, CA  
Chief Financial Officer  
Principal Financial Officer and Principal Accounting Officer  
Date: November 28, 2022.

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 28, 2022.

By: /s/ Allan Spissinger  
Allan Spissinger CPA, CA  
Chief Financial Officer  
Principal Financial Officer and Principal Accounting Officer  
Date: November 28, 2022.

## TECHNOLOGY ADVISOR CONSULTING AGREEMENT

THIS AGREEMENT is made effective this \_\_\_ day of December 2021.

BETWEEN:

**Enertopia Corp.**, a body corporate duly incorporated under the laws of the State of Nevada and having an Office at unit #18 1873 Spall Road. Kelowna, BC. V1Y 4R2

(hereinafter called the "Company")

OF THE FIRST PART

AND:

**Terry Galyon**, an individual with principal place of business at address 120 Phoenix Drive Magdalena New Mexico 87825

(hereinafter called the "Consultant")

OF THE SECOND PART

WHEREAS:

- A. Consultant agrees to serve the Company and to provide services as described below, effective December 6, 2021;
- B. The Company is desirous of retaining the technology consulting services of Consultant as an advisor, on a one year contract and after one year on a month to month contract basis and the Consultant has agreed to serve the Company as an independent contractor upon the terms and conditions hereinafter set forth;

FOR VALUABLE CONSIDERATION it is hereby agreed as follows:

1. The Consultant shall provide services to the CEO of the Company and others designated by the CEO, and perform such tasks in general including but not limited to the following:
  - a) General Services. The Consultant shall serve the Company (and/or such subsidiary or subsidiaries of the company as the Company may from time to time require) in such consulting capacity or capacities as may from time to time be determined by resolution of the Board of Directors or senior management of the Company and shall perform such duties and exercise such powers as may from time be determined by resolution of the Board of Directors, as an independent contractor. The Consultant will work as needed with lawyers, partners, shareholders and other stakeholders as required by the Company.
2. By virtue of this Agreement, the Company is expecting, and Consultant is accepting, the responsibility during the time that this Agreement remains in effect, the Consultant shall not act in any capacity whatsoever, directly or indirectly for or for the betterment of any other nonrelated company, partnership, or project that competes within North America within the same industry sector, without the Company's prior written consent.

3. The Consultant will be granted 500,000 stock options upon signing this Agreement.
4. The Consultant will be paid \$2,500.00 per month for 12 months upon signing this agreement
5. The Consultant shall be responsible for the payment of its income taxes and other remittances including but not limited to any form of insurance as shall be required by any governmental entity with respect to compensation paid by the Company to the Consultant. The Consultant will be responsible for all expenses unless preapproved in email or writing by the Company.
6. The Consultant shall not, either during the continuance of its contract hereunder or at any time thereafter, disclose the private affairs of the Company and/or its subsidiary or subsidiaries, or any secrets of the Company and/or its subsidiary or subsidiaries, to any person other than the Directors of the Company and/or its subsidiary or subsidiaries or for the Company's purposes and shall not (either during the continuance of its contract hereunder or at any time thereafter) use for its own purposes or for any purpose other than those of the Company any information it may acquire in relation to the business and affairs of the Company and/or its subsidiary or subsidiaries, unless required by law. Proprietary Information as that term is used herein shall consist of all knowledge, data and information which the Consultant may acquire from the documents and information disclosed to it by the Company, its employees, attorneys, consultants, independent contractors, clients or representatives whether orally, in written or electronic form or on electronic media including, by way of example and not by limitation, any products, customer lists, supplier lists, marketing techniques, technical processes, formulae, inventions or discoveries (whether patentable or not), innovations, suggestions, ideas, reports, data, patents, trade secrets and copyrights, made or developed by the Company and related data and information related to the conduct of the business of the Company. Proprietary Information shall also include discussions with officers, directors, employees, independent contractors, attorneys, consultants, clients, finance sources, customers or representatives and the fact that such discussions are taking place. Proprietary Information shall not be directly or indirectly disclosed to any other person without the prior written approval of the Company. Proprietary Information shall not include matters of general public knowledge, information legally received or obtained by the Consultant from a third party or parties without a duty of confidentiality, and information independently known or developed by the Consultant without the assistance of the Company.
7. The Consultant shall well and faithfully serve the Company or any subsidiary as aforesaid during the continuance of its contract hereunder and use its best efforts to promote the interests of the Company.
8. This Agreement may be terminated forthwith by the Company or Consultant without prior notice if at any time:
  - (a) The Company or Consultant shall commit any material breach of any of the provisions herein contained; or
  - (b) The Company or Consultant shall be guilty of any misconduct or neglect in the discharge of its duties hereunder; or
  - (c) The Company or Consultant shall become bankrupt or make any arrangements or composition with its creditors; or

- (d) The Principals of the Company or Consultant shall become of unsound mind or be declared incompetent to handle his own personal affairs; or
- (e) The Company or Consultant shall be convicted of any criminal offence other than an offence which, in the reasonable opinion of the Board of Directors of the Company, does not affect their position as a Consultant or a director of the Company.

This Agreement may also be terminated by either party upon sixty (60) days written notice to the other. Should the Company terminate this agreement for a reason not enumerated in items 8(a), 8(b), 8(c), 8(d), or 8(e), Consultant will be entitled to all remuneration, as it relates to transactions which were in process but had not yet closed at the date of his termination, to which he would have otherwise been entitled for a period of 2 months after the date of her termination.

9. In the event this Agreement is terminated by reason of default on the part of the Consultant or the written notice of the Company, then at the request of the Board of Directors of the Company, the Consultant shall cause Consultant to forthwith resign any position or office which he then holds with the Company or any subsidiary of the Company. The provisions of Paragraph 6 shall survive the termination of this Agreement for a period of 2 years thereafter.
10. The Company is aware that the Consultant may have and may continue to have financial interests in other companies. The Company agrees that the Consultant may continue to devote time to such outside interests, PROVIDED THAT such interests do not conflict with or hinder Consultant's ability to perform his duties under this Agreement.
11. The services to be performed by the Consultant pursuant hereto are personal in character, and neither this Agreement nor any rights or benefits arising thereunder are assignable by the Consultant without the previous written consent of the Company.
12. With the express exception of outstanding options granted to Consultant as a result of Advisory Services previously performed, and any prior investment made by Consultant in the Company, any and all previous agreements, written or oral, between the parties hereto or on their behalf relating to the agreement between the Consultant and the Company are hereby terminated and cancelled and each of the parties hereto hereby releases and forever discharges the other party hereto of and from all manner of actions, causes of action, claims and demands whatsoever under or in respect of any such previous agreements.
13. Any notice in writing or permitted to be given to the Consultant hereunder shall be sufficiently given if delivered to the Consultant personally or mailed by registered mail, postage prepaid, addressed to the Consultant as its last residential address known to the Company. Provided any such notice is mailed via guaranteed overnight delivery, as aforesaid shall be deemed to have been received by the Consultant on the first business day following the date of mailing. Any notice in writing required or permitted to be given to the Company hereunder shall be given by registered mail, postage prepaid, addressed to the Company at the address shown on page 1 hereof. Any such notice mailed as aforesaid shall be deemed to have been received by the Company on the first business day following the date of mailing provided such mailing is sent via guaranteed overnight delivery. Any such address for the giving of notices hereunder may be changed by notice in writing given hereunder.
14. The provisions of this Agreement shall enure to the benefit of and be binding upon the Consultant and the successors and assigns of the Company. For this purpose, the terms "successors" and "assigns" shall include any person, firm or corporation or other entity which at any time, whether by merger, purchase or otherwise, shall acquire all or substantially all of the assets or business of the Company.

15. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the provisions of this Agreement.
16. This Agreement is being delivered and is intended to be managed from the Province of British Columbia and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of such Province. Similarly, no provision within this contract is deemed valid should it conflict with the current or future laws of the United States of America or current or future regulations set forth by the United States Securities and Exchange Commission. This Agreement may not be changed orally, but only by an instrument in writing signed by the party against whom or which enforcement of any waiver, change, modification or discharge is sought.
17. This Agreement and the obligations of the Company herein are subject to all applicable laws and regulations in force at the local, State, Province, and Federal levels in both Canada and the United States. In the event that there is an employment dispute between the Company and Consultant, Consultant agrees to allow it to be settled according to applicable Canadian law in an applicable British Columbia jurisdiction.
18. This Agreement is in effect on a month to month basis unless otherwise terminated as noted above, or by mutual consent, extended or replaced.

IN WITNESS WHEREOF this Agreement has been executed as of the day, month and year first above written.

SIGNED by:

DATED:

/s "Robert McAllister"

December 6, 2021

---

Robert McAllister  
CEO and Director,  
Enertopia Corp

SIGNED by:

DATED:

/s "Terry Galyon"

December 6, 2021

---

Terry Galyon  
Consultant

**THIS ASSET PURCHASE AGREEMENT** made as of the   6th   day of December, 2021.

**BETWEEN:**

**ENERTOPIA CORP.**, a corporation incorporated under the laws of the state of Nevada, with an address at #18 1873 Spall Road, Kelowna, BC, V1Y 4R2

(the "**Purchaser**")

**AND:**

**TERRY GALYON**, an individual with an address at PO Box 514, Magdalena, New Mexico 87827

(the "**Vendor**")

**WHEREAS:**

A. The Vendor is the sole and exclusive legal and beneficial owner of all right, title, and interest in and to the assets, materials and Intellectual Property (as defined below) described in Schedule A, including the Intellectual Property Rights therein and thereto (collectively, the "**IP Assets**").

B. The Purchaser wishes to acquire (the "**Acquisition**"), and the Vendor wishes to sell, transfer, convey, assign, and deliver, on the terms and conditions set forth in this Agreement, all of Vendor's right, title and interest in and to and under all IP Assets, including all past and future income, royalties, damages and payments due (including, rights to damages and payments for past, present or future infringements or misappropriations) with respect thereto, in each case, of the Vendor in all countries relating to such IP Assets (collectively the "**Purchased Assets**"), free and clear of all Encumbrances (as defined below); and

In consideration of the undertakings of the parties, their mutual promises and covenants, and other valuable consideration as provided, the parties, intending to be legally bound, hereby agree as follows:

**ARTICLE 1- INTERPRETATION**

**1.1 Definitions**

In this Agreement and in the schedules, the following terms and expressions will have the following meanings:

- (a) "**Agreement**" means this asset purchase agreement and all instruments amending it; "**hereof**", "**hereto**" and "**hereunder**" and similar expressions mean and refer to this Agreement and not to any particular Article, Section, or other subdivision; "**Article**", "**Section**" or other subdivisions of this Agreement followed by a number means and refers to the specified Article, Section or other subdivision of this Agreement;
- (b) "**Acquisition**" has the meaning ascribed thereto in the Recitals;
- (c) "**Assessment**" shall include a reassessment or additional assessment and the term "**assessed**" shall be interpreted in the same manner;

- (d) "**Business Day**" means any day other than a Saturday, a Sunday or a statutory holiday in the Province of British Columbia or any other day on which the principal chartered banks located in the City of Kelowna are not open for business during normal banking hours;
- (e) "**Closing**" means the completion of the Transaction pursuant to this Agreement at the Closing Time;
- (f) "**Closing Date**" means the date this Agreement is entered into as shown on the first page of the Agreement;
- (g) "**Closing Time**" means 10:00 am in the City of Kelowna on the Closing Date or such other time on the Closing Date as the Parties may agree upon as the time at which the Closing shall take place;
- (h) "**Consent**" means a license, permit, approval, consent, certificate, registration or authorization (including, without limitation, those made or issued by a Regulatory Authority, in respect of a Contract, or otherwise);
- (i) "**Consideration Shares**" has the meaning ascribed in Section 2.2;
- (j) "**Contract**" means any agreement, understanding, indenture, contract, lease, deed of trust, license, option, instrument or other commitment, whether written or oral;
- (k) "**Encumbrances**" means mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or howsoever arising and any rights or privileges capable of becoming any of the foregoing;
- (l) "**Escrowed Shares**" has the meaning ascribed in Section 2.3(ii);
- (m) "**Intellectual Property**" means all rights and title under copyright, or trademark, and all trade-names, designs, Technical Know-How, Patents and other intellectual property rights of any kind throughout the world, whether registered or not, owned or controlled by Seller and relating to the Hydrogen Technology, prototypes, diagrams, fuel cells and electrical devices and other associated materials and any other works of art applicable to the Hydrogen Technology, and which exist as of the Closing Date and including, without limitation all intellectual property listed in Schedule "A" hereto, and all physical embodiments thereof;
- (n) "**Law**" or "**Laws**" means all requirements imposed by statutes, regulations, rules, ordinances, by-laws, decrees, codes, policies, judgments, orders, rulings, decisions, approvals, notices, permits, guidelines or directives of any Regulatory Authority;
- (o) "**Loss**" and "**Losses**" mean any and all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs, and expenses, including without limitation, interest, penalties, fines and reasonable attorneys, accountants and other professional fees and expenses, but excluding damages for lost profits or lost business opportunities and excluding any indirect, consequential or punitive damages suffered by the Purchaser or the Vendor;
- (p) "**Patents**" means any United States, Canadian or foreign patents and applications (including provisional applications), patents issuing from such applications, certificates of invention or any other grants by any court, administrative agency or commission or other federal, state, provincial, county, local or foreign governmental authority, instrumentality, agency commission or subdivision thereof, including the U.S. Patent and Trademark Office, Canadian Intellectual Property Office and the European Patent Office, for the protection of inventions, or foreign equivalents of any of the foregoing;

- (q) "**Parties**" means the Vendor and the Purchaser and any other person that may become a party to this Agreement, and Party means any one of them;
- (r) "**person**" includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency and any other form of entity or organization;
- (s) "**Purchased Assets**" has the meaning ascribed thereto in Recital B and in Schedule A;
- (t) "**Purchase Price**" has the meaning ascribed in Section 2.2;
- (u) "**U.S. Securities Act**" means the *United States Securities Act of 1933, as amended*;
- (v) "**Regulatory Authority**" means any government, regulatory or administrative authority, agency, commission, utility or board (federal, provincial, municipal or local, domestic or foreign) having jurisdiction in the relevant circumstances and any person acting under the authority of any of the foregoing and any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances;
- (w) "**Securities Laws**" means the securities laws, regulations, rules, rulings and orders and the blanket rulings and policies and written interpretations of, and multilateral or national instruments adopted by, the securities regulators and the policies and rules of any applicable stock exchange or quotation or stock reporting system;
- (x) "**SEDAR**" means System for Electronic Document Analysis and Retrieval;
- (y) "**Technical Know-How**" shall mean all published or unpublished research, development information, technical data, designs, formulas, prototypes, samples, plans, specifications, methods, processes, systems, trade secrets, empirical data, computer programs and any other information or documentation related to the Intellectual Property, whether patentable or unpatentable, and whether in written, machine readable, oral form or drawing, and which exists at the Closing Date of this Agreement or which is subsequently developed or otherwise created from the IP Assets;
- (z) "**Transaction**" means the purchase and sale of the Purchased Assets and all other transactions contemplated by this Agreement.

## **1.2 Best Knowledge**

Any reference herein to "the best knowledge" of the Vendor will be deemed to mean the actual knowledge of the directors of the Vendor, together with the knowledge which they would have had if they had conducted a diligent inquiry into the relevant subject matter.

## **1.3 Currency**

Unless otherwise indicated, all references to dollar (\$) amounts in this Agreement are expressed in U.S Dollar currency.



#### **1.4 Governing Law**

This Agreement shall be exclusively governed by and construed and interpreted in accordance with the laws of British Columbia and the federal laws of the Canada applicable therein. The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia with respect to any matter arising under or related to this Agreement.

#### **1.5 Interpretation Not Affected by Headings**

The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

#### **1.6 Number and Gender**

In this Agreement, unless the context otherwise requires, any reference to gender shall include both genders and words importing the singular number shall include the plural and vice-versa.

#### **1.7 Time of Essence**

Time shall be of the essence of every provision of this Agreement.

#### **1.8 Severability**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

#### **1.9 Calculation of Time Periods**

Where a time period is expressed to begin or end at, on or with a specified day, or to continue to or until a specified day, the time period includes that day. Where a time period is expressed to begin after or to be from a specified day, the time period does not include that day. Where anything is to be done within a time period expressed after, from or before a specified day, the time period does not include that day. If the last day of a time period is not a Business Day, the time period shall end on the next Business Day.

#### **1.10 Statutory Instruments**

Unless otherwise specifically provided in this Agreement, any reference in this Agreement to any Law shall be construed as a reference to such Law as amended or re-enacted from time to time or as a reference to any successor thereto.

#### **1.11 Incorporation of Schedules**

The following are the schedules attached to and incorporated by reference into this Agreement:

Schedule A          Purchased Assets

## ARTICLE 2- PURCHASE AND SALE

### 2.1 Purchased Assets

On the terms and subject to the fulfilment of the conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor at the Closing Time on the Closing Date, all of the Purchased Assets in Schedule A.

### 2.2 Purchase Price

The aggregate purchase price (the "**Purchase Price**") payable by the Purchaser to the Vendor for the Purchased Assets at Closing, shall be the allotment and issuance of 2,000,000 common shares in the capital of the Purchaser (collectively, the "**Consideration Shares**").

### 2.3 Payment of Purchase Price

At the Closing Time, the Purchaser will issue to the Vendor in total 2,000,000 Consideration Shares as follows:

- (i) 1,000,000 will be issued as fully paid and non-assessable Common Shares of the Company, free and clear of any restrictions, except those restrictions required under the applicable Securities Laws, including but not limited to those restrictions described in section 2.5 of this Agreement, following the transfer and delivery of the Purchased Assets outlined in Schedule A; and
- (ii) 1,000,000 (the "**Escrowed Shares**") will be subject to the following escrow restrictions pursuant to the Escrow Agreement. The Escrowed Shares will be released upon provisional patents being approved by US patent office. If no patents relating to or in connection with the purchased Hydrogen technology (the "**New Patents**") are approved within thirty (30) months from the Closing Date, the Escrowed Shares will be cancelled. If any New Patents are being reviewed by the United States Patent Office within thirty (30) months, the Escrowed Shares shall not be cancelled and shall remain in escrow until the New Patents are approved by the United States Patent Office. The Escrowed Shares will be held in Trust by Macdonald Tuskey, Corporate and Securities Lawyers, with an address at #409 - 221 West Esplanade, North Vancouver, BC, V7M 3J3; and
- (iii) \$25,000 to be paid to Terry Galyon
- (iv) 12-month consulting contract at \$2,500 per month on signing consulting contract
- (v) 500,000 common stock options to be granted on signing consulting contract

### 2.4 Transfer Taxes

The Purchaser shall be liable for and shall pay all federal and provincial sales taxes and all other taxes, duties, fees or other like charges of any jurisdiction properly payable in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser.

### 2.5 Securities Laws Compliance

(1) The Parties hereto acknowledge that the issuance of the Consideration Shares by the Purchaser to the Vendor as contemplated herein is being made pursuant to an exemption from the registration and prospectus requirements of applicable securities laws pursuant to Section 2.12 of National Instrument 45-106 Prospectus and Registration Exemptions.

- (2) The Vendor confirms to and covenants with the Purchaser that:
- (a) it will comply with all requirements of applicable securities laws in connection with the issuance to it of the Consideration Shares and the resale of any of the Consideration Shares;
  - (b) the Consideration Shares have not been registered under the U.S. Securities Act of 1933 or the securities laws of any State of the United States and that the Purchaser does not intend to register the Consideration Shares under the Securities Act of 1933, or the securities laws of any State of the United States and has no obligation to do so; and
  - (c) the Vendor is a U.S. Person and is acquiring the Consideration Shares for its own account and not with a view to its distribution within the meaning of Section 2(11) the U.S. Securities Act. The Vendor is either an "accredited investor" as that term is defined in Rule 501 of Regulation D of the U.S. Securities Act, or is acquiring the Consideration Shares pursuant to section 4(2) of the U.S. Securities Act in a "private" offering, and has the ability to bear the economic risk in connection with the consummation of the transactions contemplated by this Agreement, including a complete loss of future revenue related to the Consideration Shares.
- (3) Upon the issuance of the Consideration Shares to the Vendor and until such time as is no longer required under applicable securities laws, the certificates representing the Consideration Shares will bear legends in substantially the following form:

**"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE [THE DATE THAT IS 4 MONTHS AND A DAY] AFTER THE DISTRIBUTION DATE"**

**THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT IF APPLICABLE, (C) INSIDE THE UNITED STATES (1) PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (2) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER, PRIOR TO SUCH SALE PURSUANT TO (C)(1) OR (2), HAS FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION. PROVIDED THAT IF THE CORPORATION IS A "FOREIGN ISSUER" AS THAT TERM IS DEFINED BY REGULATION S OF THE U.S. SECURITIES ACT AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO RESTRICTIVE LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY", MAY BE OBTAINED FROM THE TRANSFER AGENT, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN FORM SATISFACTORY TO THE CORPORATION AND ITS TRANSFER AGENT, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE 1933 ACT.**

## ARTICLE 3- REPRESENTATIONS AND WARRANTIES

### 3.1 Representations and Warranties of the Vendor

The Vendor hereby makes the following representations and warranties to the Purchaser and acknowledges that the Purchaser is relying on such representations and warranties in entering into this Agreement and completing the Transaction:

- (1) **Existence of the Vendor.** The Vendor is an individual that is resident in the United States of America.
- (2) **Power and Authority.** The Vendor has the power and authority to own or lease its property, including the ownership of the Purchased Assets and the Intellectual Property, and to carry on its business as now being conducted by it.
- (3) **Options.** Except for the Purchaser's right in this Agreement, no person has any option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, commitment, conversion right, right of exchange or other agreement for the purchase from the Vendor of any of the Purchased Assets.
- (4) **Validity of Agreement.**
  - (a) The Vendor has all necessary corporate power to own the Purchased Assets and to enter into and perform its obligations under this Agreement, and the Vendor has all necessary corporate power to enter into and perform its obligations under any other agreements or instruments to be delivered or given by it pursuant to this Agreement.
  - (b) The Vendor's execution and delivery of, and performance of its obligations under, this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Vendor.
  - (c) This Agreement or any other agreements entered into pursuant to this Agreement to which the Vendor is a party constitute legal, valid and binding obligations of the Vendor enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (5) **No Violation.** The execution and delivery of this Agreement by the Vendor, the consummation of the Transaction and the fulfillment by the Vendor of the terms, conditions and provisions hereof will not (with or without the giving of notice or lapse of time, or both):
  - (a) contravene or violate or result in a material breach or a material default under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of the Vendor under:

- (i) any applicable Law;
  - (ii) any judgment, order, writ, injunction or decree of any Regulatory Authority having jurisdiction over the Vendor;
  - (iii) its Articles of Incorporation or any resolutions of the board of directors or shareholders of the Vendor;
  - (iv) any Consent held by the Vendor or necessary to the ownership of the Purchased Assets; or
  - (v) the provisions of any Contract to which the Vendor is a party or by which it is, or any of its properties or assets are, bound; or
- (b) result in the creation or imposition of any Encumbrance on any of the Purchased Assets.

(6) **Regulatory and Contractual Consents.** To the knowledge of the Vendor, there is no requirement to make any filing with, give any notice to or obtain any Consent from any Regulatory Authority as a condition to the lawful consummation of the Transaction. There is no requirement under any Contract to which the Vendor is a party or by which the Vendor is bound to make any filing with, give any notice to, or to obtain the Consent of, any party to such Contract relating to the Transaction.

(7) **No Material Adverse Change.** Since the Annual Statement Date, no material adverse change has occurred in any of the assets, business, financial condition, earnings, results of operations or prospects of the Business nor has any other event, condition, or state of facts occurred or arisen which might have a material adverse effect on the assets, business, financial condition, earnings, results of operations or prospects of the Business.

(8) **Compliance with Laws.** The Vendor has complied, in all material respects, with all Laws applicable to the Purchased Assets.

(9) **Purchased Assets.** Schedule A is a complete and accurate list of all intellectual property underlying the Purchased Assets;

(10) **Title to Purchased Assets.** The Vendor has good and marketable title to the Purchased Assets. The Purchased Assets are free and clear of all Encumbrances and restrictions of transfer. There are no actions, suits, claims or proceedings threatened, pending or in progress on the part of any named inventor of the Patents relating in any way to the Assigned Patents and Vendor has not received notice of (and Vendor is not aware of any facts or circumstances which could reasonably be expected to give rise to) any other actions, suits, investigations, claims or proceedings threatened, pending or in progress relating in any way to the Patents.

(11) **Full Disclosure.** No representation or warranty by the Vendor in this Agreement and no statement contained in any certificate or other document furnished or to be furnished to the Purchaser pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

### **3.2 Representations and Warranties of the Purchaser**

The Purchaser hereby makes the following representations and warranties to the Vendor and acknowledges that the Vendor is relying on such representations and warranties in entering into this Agreement and completing the Transaction:

- (1) **Incorporation and Existence.** The Purchaser has been duly incorporated and organized and is a valid and subsisting company under the laws of the state of Nevada and is duly qualified to carry on business in the state of Nevada and in each other jurisdiction, if any, wherein the carrying out of the activities contemplated makes such qualifications necessary.
- (2) **Capitalization.** As at the date of this Agreement, the Purchaser has 142,002,700 common shares and 6,473,369 common share purchase warrants issued and outstanding.
- (3) **Reporting Issuer.** The Purchaser is a reporting issuer in good standing. The Purchaser is not in material default under the applicable Securities Laws. No orders suspending the sale or ceasing the trading of any securities issued by the Purchaser have been issued by any Regulatory Authority, and no proceedings for such purpose are pending or, to the knowledge of the Purchaser, threatened.
- (4) **Validity of Agreement.**
- (a) The Purchaser has all necessary corporate power to own the Purchased Assets. The Purchaser has all necessary corporate power to enter into and perform its obligations under this Agreement and any other agreements or instruments to be delivered or given by it pursuant to this Agreement.
  - (b) The execution, delivery and performance by the Purchaser of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser.
  - (c) This Agreement or any other agreements entered into pursuant to this Agreement to which the Purchaser is a party constitute legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (5) **No Violation.** The execution and delivery of this Agreement by the Purchaser, the consummation of the Transaction and the fulfilment by the Purchaser of the terms, conditions and provisions hereof will not (with or without the giving of notice or lapse of time, or both):
- (a) contravene or violate or result in a breach or a default under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of the Purchaser, under:
    - (i) any applicable Law;
    - (ii) any judgment, order, writ, injunction or decree of any Regulatory Authority having jurisdiction over the Purchaser;
    - (iii) the Articles, Notice of Articles or any resolutions of the board of directors or shareholders of the Purchaser;
    - (iv) any Consent held by the Purchaser; or
    - (v) the provisions of any Contract to which the Purchaser is a party or by which it is, or any of its properties or assets are, bound.

(6) **Brokers.** The Purchaser has not engaged any broker or other agent in connection with the Transaction and, accordingly, there is no commission, fee or other remuneration payable to any broker or agent who purports or may purport to have acted for the Purchaser.

(7) **Consents.** There is no requirement for the Purchaser to make any filing with, give any notice to or obtain any Consent from any Regulatory Authority as a condition to the lawful consummation of the Transaction.

(8) **Consideration Shares.** The Consideration Shares to be issued hereunder will, upon issue and delivery, be validly issued as fully-paid and non-assessable shares in the capital of the Purchaser, free of all restrictions on trading other than those required by applicable securities law or the Escrow terms as set out in Section 2.3 hereof.

(9) **Material Change/Material Fact.** There is no "material fact" or "material change" (as those terms are defined in applicable securities legislation) in the affairs of the Corporation that has not been generally disclosed to the public.

### **3.3 Survival of Covenants, Representations and Warranties of the Vendor**

To the extent that they have not been fully performed at or prior to the Closing Time, and unless otherwise provided, the covenants, representations and warranties of the Vendor contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement shall survive the Closing and shall continue for the benefit of the Purchaser for a period of 2 years notwithstanding such Closing, nor any investigation made by or on behalf of the Purchaser or any knowledge of the Purchaser, except that the representations and warranties set out in Section 3.1(1) to and including 3.1(4) and the corresponding representations and warranties set out in the certificates to be delivered pursuant to Section 6.1, shall survive the Closing and continue in full force and effect without limitation of time.

### **3.4 Survival of Covenants, Representations and Warranties of the Purchaser**

To the extent that they have not been fully performed at or prior to the Closing Time, and unless otherwise provided, the covenants, representations and warranties of the Purchaser contained in this Agreement and in any agreement, instrument, certificate or other document delivered pursuant to this Agreement shall survive the Closing and shall continue for the benefit of the Vendor for a period of 2 years notwithstanding such Closing, nor any investigation made by or on behalf of the Vendor or any knowledge of the Vendor, except that the representations and warranties set out in Sections 3.2(1) and 3.2(4), and the corresponding representations and warranties set out in the certificates to be delivered pursuant to Section 6.2, shall survive the Closing and shall continue in full force and effect without limitation of time.

## **ARTICLE 4- COVENANT**

### **4.1 Maintenance of Corporate Status**

Prior to Closing and for a period of a least 24 months after the Closing Date, the Purchaser shall use its commercially reasonable efforts to remain a corporation validly subsisting under the laws of its jurisdiction of existence, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction.

## **4.2 Non-Competition Agreement**

Prior to the Company causing Terry Galyon (the "**Advisor**") to be appointed to the advisory board of the Company, the Purchaser shall cause the Advisor to enter into a non-competition agreement (the "**Non-Competition Agreement**") with the Company pursuant to which the Advisor shall covenant and agree that throughout the time the Advisor is appointed to the Company's advisory board, the Advisor will not, without the written consent of the Company, directly or indirectly, on his own behalf or in the service or on behalf of others, whether or not for compensation, engage in any business activity, or have any interest in any person, firm, corporation or business, through a subsidiary or parent entity or other entity (whether as a shareholder, agent, joint venturer, security holder, trustee, partner, consultant, creditor lending credit or money for the purpose of establishing or operating any such business, partner or otherwise) with any Competing Business in the Covered Area. For the purpose of this Agreement, (i) "Competing Business" means the development of intellectual property with a general connection to the Intellectual Property or the Purchased Assets, and (ii) "Covered Area" means the continent of North America. Notwithstanding the foregoing, the Executive may own shares of companies whose securities are publicly traded, so long as such securities do not constitute more than ten percent (10%) of the outstanding securities of any such company.

## **ARTICLE 5- CONDITIONS**

### **5.1 Mutual Conditions Precedent**

The respective obligations of the parties hereto to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing Time, of the following conditions any of which may be waived by the mutual consent of such parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) The Purchaser and the Vendor shall have entered into any assignments as may be required for the transfer of any IP Assets.
- (b) The Purchaser and the Advisor shall have entered into the Non-Competition and Consulting Agreement.

### **5.2 Conditions to the Obligations of the Purchaser**

Notwithstanding anything herein contained, the obligation of the Purchaser to complete the transactions provided for herein will be subject to the fulfillment of the following conditions at or prior to the Closing Time:

- (a) The representations and warranties of the Vendor contained in this Agreement shall be true and accurate on the date hereof and at the Closing Time with the same force and effect as though such representations and warranties had been made as of the Closing Time (regardless of the date as of which the information in this Agreement or in any Schedule or other document made pursuant hereto is given).
- (b) The Vendor shall have complied with all covenants and agreements herein agreed to be performed or caused to be performed by them at or prior to the Closing Time.
- (c) The Vendor shall have delivered to the Purchaser a certificate in a form satisfactory to the Purchaser confirming that the facts with respect to each of the representations and warranties of the Vendor are as set out herein and remain true at the Closing Time and that the Vendor has performed each of the covenants required to be performed by it hereunder.



- (d) No order, decision or ruling of any court, tribunal or regulatory authority having jurisdiction will have been made, and no action or proceeding will be pending or threatened which, in the opinion of counsel to the Purchaser, is likely to result in an order, decision or ruling:
  - (i) to disallow, enjoin, prohibit or impose any limitations or conditions on the Transaction or the transactions contemplated hereby; or
  - (ii) to impose any limitations or conditions which may have an adverse effect on the Purchased Assets.
- (e) All consents, approvals authorizations of any governmental or regulator authority or person whose consent to the Transaction is required to be obtained in order to carry out the transactions contemplated hereby in compliance with all laws and agreements binding upon the parties hereto will have been obtained.

The conditions contained in this Section 5.2 are inserted for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time. The Vendor acknowledges that the waiver by the Purchaser of any condition or any part of any condition will constitute a waiver only of such condition or such part of such condition, as the case may be, and will not constitute a waiver of any covenant, agreement, representation or warranty made by the Vendor herein that corresponds or is related to such condition or such part of such condition, as the case may be. If any of the conditions contained in this Section 5.2 are not fulfilled or complied with in all material respects as herein provided, the Purchaser may, at or prior to the Closing Time at its option, rescind this Agreement by notice in writing to the Vendor and in such event the Purchaser will be released from all obligations hereunder and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Vendor, then the Vendor will also be released from all obligations hereunder.

### **5.3 Conditions to the Obligations of the Vendor**

Notwithstanding anything herein contained, the obligations of the Vendor to complete the transactions provided for herein will be subject to the fulfillment of the following conditions at or prior to the Closing Time:

- (a) The representations and warranties of the Purchaser contained in this Agreement or in any documents delivered in order to carry out the transactions contemplated hereby will be true and accurate on the date hereof and at the Closing Time with the same force and effect as though such representations and warranties had been made as of the Closing Time (regardless of the date as of which the information in this Agreement or any such Schedule or other document made pursuant hereto is given).
- (b) The Purchaser shall have complied with all covenants and agreements herein agreed to be performed or caused to be performed by it at or prior to the Closing Time.
- (c) The Purchaser shall have delivered to the Vendor a certificate confirming that the facts with respect to each of the representations and warranties of the Purchaser are as set out herein at the Closing Time and that the Purchaser has performed each of the covenants required to be performed by it hereunder.
- (d) There shall have been no material adverse change in the business of the Purchaser.

- (e) No order, decision or ruling of any court, tribunal or regulatory authority having jurisdiction will have been made, and no action or proceeding will be pending or threatened which, in the opinion of counsel to the Vendor, is likely to result in an order, decision or ruling:
  - (i) to disallow, enjoin, prohibit or impose any limitations or conditions on the Transaction or the transactions contemplated hereby; or
  - (ii) to impose any limitations or conditions which may have an adverse effect on the business of the Purchaser.
- (f) All consents, approvals and authorizations of any governmental or regulatory authority or person whose consent to the Transaction is required to be obtained in order to carry out the transactions contemplated hereby in compliance with all laws and agreements binding upon the parties hereto will have been obtained.
- (g) The Purchaser shall cause Terry Galyon to be appointed to the Advisory Board of the Company.
- (h) The Purchaser shall issue and deliver to the Vendor the Consideration Shares in compliance with all applicable securities laws and the Escrow terms.

The conditions contained in this Section 5.3 hereof are inserted for the exclusive benefit of the Vendor and may be waived in whole or in part by the Vendor at any time. The Purchaser acknowledges that the waiver by the Vendor of any condition or any part of any condition will constitute a waiver only of such condition or such part of such condition, as the case may be, and will not constitute a waiver of any covenant, agreement, representation or warranty made by the Vendor herein that corresponds or is related to such condition or such part of such condition, as the case may be. If any of the conditions contained in this Section 5.3 hereof are not fulfilled or complied with as herein provided, the Vendor may, at or prior to the Closing Time at its option, rescind this Agreement by notice in writing to the Purchaser and in such event the Vendor will be released from all obligations hereunder and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Purchaser, then the Purchaser will also be released from all obligations hereunder.

## **ARTICLE 6-CLOSING**

### **6.1 Vendor Deliveries**

At the Closing Time, the Vendor shall deliver to the Purchaser the following in form and substance satisfactory to the Purchaser:

- (a) the certificate of the Vendor contemplated in Section 5.2;
- (b) certified copy of the resolution of the directors and the shareholders of the Vendor authorizing the execution and delivery of this Agreement and the performance by the Vendor of the terms of the Agreement;
- (c) all documentation and other evidence reasonably requested by the Purchaser in order to establish the due authorization and consummation of the Transaction, including the taking of all corporate proceedings by the boards of directors and shareholders of the Vendor required to effectively carry out the obligations of the Vendor pursuant to this Agreement; and

- (d) any other documentation necessary or reasonably required to transfer the Purchased Assets to the Purchaser with a good and marketable title, free and clear of all Encumbrances whatsoever.

## **6.2 Purchaser Deliveries**

At the Closing Time, the Purchaser shall deliver to the Vendor the following in form and substance satisfactory to the Vendor:

- (a) the certificate of the Purchaser contemplated in Section 5.3;
- (b) certificates or DRS advices representing the Consideration Shares;
- (c) a certified copy of the resolution of the directors of the Purchaser authorizing the execution and delivery of this Agreement and the performance by the Purchaser of the terms of the Agreement including without limitation the allotment and issuance of the Consideration Shares and appointing the persons set out in Section 4.6 hereof as directors and officers of the Purchaser; and
- (d) all documentation and other evidence reasonably requested by the Vendor in order to establish the due authorization and consummation of the Transaction, including the taking of all corporate proceedings by the boards of directors and shareholders of the Purchaser required to effectively carry out the obligations of the Purchaser pursuant to this Agreement.

## **6.3 Place of Closing**

The Closing shall take place at the Closing Time at the offices of Macdonald Tuskey or at such other place as the Purchaser and the Vendor may agree upon in writing.

# **ARTICLE 7- INDEMNIFICATION**

## **7.1 Purchaser Indemnity**

The Purchaser will indemnify, defend, and hold harmless the Vendor from, against, for, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by the Vendor by reason of, resulting from, based upon or arising out of (i) any misrepresentation, misstatement or breach of warranty of the Purchaser contained in or made pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement; or (ii) the breach or partial breach by the Purchaser of any covenant or agreement of the Purchaser made in or pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement.

## **7.2 Vendor Indemnity**

The Vendor will indemnify, defend, and hold harmless the Purchaser from, against, for, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by the Purchaser by reason of, resulting from, based upon or arising out of (i) any misrepresentation, misstatement or breach of warranty of Vendor contained in or made pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement; or (ii) the breach or partial breach by the Vendor of any covenant or agreement of the Vendor made in or pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement.

## ARTICLE 8- ARBITRATION

### 8.1 Reasonable Commercial Efforts to Settle Disputes

If any controversy, dispute, claim, question or difference (a "**Dispute**") arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, the Parties to the Dispute will use all commercially reasonable efforts to settle the Dispute. To this end, they will consult and negotiate with each other in good faith and understanding of their mutual interests to reach a just and equitable solution satisfactory to all such Parties.

### 8.2 Arbitration

Except as is expressly provided in this Agreement, if the Parties do not reach a solution pursuant to Section 8.1 within a period of 30 Business Days following the first notice of the Dispute by any Party to the other party(ies) to the Dispute, then upon written notice by any Party to the other party(ies) to the Dispute, the Dispute will be submitted to non-binding arbitration in accordance with the provisions of the *Commercial Arbitration Act* (British Columbia), based upon the following:

- (1) the arbitration tribunal will consist of one arbitrator appointed by mutual agreement of such Parties, or in the event of failure to agree within 10 Business Days following delivery of the written notice to arbitrate, any such Party may apply to a judge of the British Columbia Supreme Court to appoint an arbitrator. The arbitrator will be qualified by education and training to pass upon the particular matter to be decided;
- (2) the arbitrator will be instructed that time is of the essence in the arbitration proceeding and, in any event, the arbitration award must be made within 30 days of the appointment of the arbitrator;
- (3) after written notice is given to refer any Dispute to arbitration, the Parties to the Dispute will meet within 15 Business Days of delivery of the notice to arbitrate and will negotiate in good faith to agree upon the rules and procedures for the arbitration, in an effort to expedite the process and otherwise ensure that the process is appropriate given the nature of the Dispute and the values at risk, failing which, the rules and procedures for the arbitration will be finally determined by the arbitrator;
- (4) the arbitration will take place in Vancouver, British Columbia;
- (5) except as otherwise provided in this Agreement or otherwise decided by the arbitrator, the fees and other costs associated with the arbitrator will be shared equally by the Parties to the Dispute and each Party to the Dispute will be responsible for its own costs;
- (6) the arbitration award will be given in writing, will provide reasons for the decision, and will be final and binding on the Parties, not subject to any appeal, and will deal with the question of costs of arbitration and all related matters;
- (7) judgment upon any award may be entered in any court having jurisdiction or application may be made to the Court for a judicial recognition of the award or an order of enforcement, as the case may be;
- (8) all Disputes referred to arbitration (including without limitation the scope of the agreement to arbitrate, any statute of limitations, conflict of laws rules, tort claims and interest claims) will be governed by the substantive law of British Columbia and the federal laws of Canada applicable therein; and

- (9) the Parties to the Dispute agree that the arbitration will be kept confidential and that the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) will not be disclosed beyond the arbitrator, the Parties to the Dispute, their counsel and any person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the arbitration or otherwise.

## ARTICLE 9- GENERAL

### 9.1 Confidentiality

The Purchaser covenants and agrees that, except as otherwise authorized by the Vendor and until the Closing, neither the Purchaser nor its representatives, agents or employees will disclose to third parties, directly or indirectly, any confidential information or confidential data relating to the Vendor or the Business discovered or received by the Purchaser or its representatives, agents or employees as a result of the Vendor making available to the Purchaser and its representatives, agents or employees the information requested by them in connection with the Transaction.

### 9.2 Collection of Personal Information

The Vendor acknowledges and consents to the fact that the Purchaser may be required to collect its personal information which may be disclosed by the Purchaser to:

- (a) Securities regulatory authorities;
- (b) the Purchaser's registrar and transfer agent;
- (c) Canadian tax authorities; and
- (d) authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

By executing this Agreement, the Vendor is deemed to be consenting to the foregoing collection, use and disclosure of such personal information and to the retention of such personal information for as long as permitted or required by law or business practice. The Vendor hereby consents to the foregoing collection, use and disclosure of such personal information for such purposes only. The Vendor also consents to the filing of copies or originals of any of the documents described herein as may be required to be filed with any securities regulatory authority in connection with the transactions contemplated hereby. An officer of the Purchaser is available to answer questions about the collection of personal information by the Purchaser.

### 9.3 Notices

- (1) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by facsimile or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

(a) if to the Purchaser:

Enertopia Corp.  
#18 1873 Spall Road  
Kelowna, BC V1Y 4R2  
Attention: Robert McAllister  
Email: mcallister@enertopia.com

(b) if to the Vendor:

Terry Galyon  
PO Box 514, Magdalena, New Mexico 87827  
Email: Terry@tlgwindpower.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as described.

(2) Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 9.3.

#### **9.4 Public Announcements and Disclosure**

The Parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the Transaction and, except as required by any applicable Law or stock exchange having jurisdiction, no Party shall issue any such press release or make any such public announcement without the prior written consent of the others, which consent shall not be unreasonably withheld or delayed. Prior to any such press release or public announcement, none of the Parties shall disclose this Agreement or any aspect of the Transaction except to its board of directors, its senior management, its legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with the Transaction and counsel to such institution, or as may be required by any applicable Law or stock exchange having jurisdiction.

#### **9.5 Assignment**

The rights of the Purchaser hereunder are not assignable without the written consent of the Vendor. The rights of the Vendor hereunder are not assignable without the written consent of the Purchaser.

#### **9.6 Commercially Reasonable Efforts**

The Parties acknowledge and agree that, for all purposes of this Agreement, an obligation on the part of any Party to use its "commercially reasonable efforts" to obtain any waiver, Consent or other document shall not require such Party to make any payment to any person for the purpose of procuring the same, other than payments for amounts due and payable to such person, payments for incidental expenses incurred by such person and payments required by any applicable law or regulation.

## **9.7 Expenses**

Unless otherwise provided, each of the Vendor and the Purchaser shall be responsible for the expenses (including fees and expenses of legal advisers, accountants and other professional advisers) incurred by them, respectively, in connection with the negotiation and settlement of this Agreement and the completion of the Transaction. In the event of termination of this Agreement, the obligation of each Party to pay its own expenses will be subject to any rights of such Party arising from a breach of this Agreement by another Party.

## **9.8 Further Assurances**

Each of the Parties shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties may reasonably require from time to time after Closing at the expense of the requesting Party for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

## **9.9 Entire Agreement**

This Agreement, including all Schedules, constitutes the entire agreement between the Parties with respect to the subject matter and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral including without limitation, the Letter of Intent. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter except provided in this Agreement. No reliance is placed by any Party on any warranty, representation, opinion, advice or assertion of fact made by any Party or its directors, officers, employees or agents, to any other Party or its directors, officers, employees or agents, except to the extent that it has been reduced to writing and included in this Agreement.

## **9.10 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

## **9.11 Rights Cumulative**

The rights and remedies of the Parties are cumulative and not alternative.

## **9.12 Counterparts**

This Agreement may be executed in any number of counterparts, and/or by facsimile or e-mail transmission of Adobe Acrobat files, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument. Any Party executing this Agreement by fax or Adobe Acrobat file shall, immediately following a request by any other Party, provide an originally executed counterpart of this Agreement provided, however, that any failure to so provide shall not constitute a breach of this Agreement.

*[signature page to follow]*

**IN WITNESS WHEREOF** this Agreement has been executed as of the \_6th\_ day of December, 2021.

**ENERTOPIA CORP.**

Per: /s "Robert McAllister"  
Authorized Signatory

**THE VENDOR:**

/s "Terry Galyon"

---

**Terry Galyon**



## SCHEDULE A

### PURCHASED ASSETS

**Description:** Hydrogen gas conversion, generating system and fuel cell.

**Abstract:** A hydrogen gas conversion, generation and fuel cell device, consisting of an electrolyser, hydrolysis device, electrical circuitry, a reforming device, a power source a management and control system, and energy management system to connect to multiple sources of power and multiple sources of effluent and electrolytes including but not limited to water H<sub>2</sub>O

Uses contemplated but not limited to site power, motive power, furnace gas heating and cooling source. Commercial and industrial scale power, mining industry and heat plant applications.

**THIS ASSET PURCHASE AGREEMENT** made as of the \_\_\_\_ day of December, 2021.

**BETWEEN:**

**ENERTOPIA CORP.**, a corporation incorporated under the laws of the state of Nevada, with an address at #18 1873 Spall Road, Kelowna, BC, V1Y 4R2

(the "**Purchaser**")

**AND:**

**PAUL SANDLER**, an individual with an address at 4478 Via Largo, Cypress, CA 90630

(the "**Vendor**")

**MARK SNYDER**, an individual with an address at 12900 Brookprinter Pl #200 Poway, CA 92064

(the "**Vendor**")

**WHEREAS:**

A. The Vendor's are collectively the sole and exclusive legal and beneficial owners of all right, title, and interest in and to the assets, materials and Intellectual Property (as defined below) described in Schedule A, including the Intellectual Property Rights therein and thereto (collectively, the "**IP Assets**").

B. The Purchaser wishes to acquire (the "**Acquisition**"), and the Vendor wishes to sell, transfer, convey, assign, and deliver, on the terms and conditions set forth in this Agreement, all of Vendor's right, title and interest in and to and under all IP Assets, including all past and future income, royalties, damages and payments due (including, rights to damages and payments for past, present or future infringements or misappropriations) with respect thereto, in each case, of the Vendor in all countries relating to such IP Assets (collectively the "**Purchased Assets**"), free and clear of all Encumbrances (as defined below).

In consideration of the undertakings of the parties, their mutual promises and covenants, and other valuable consideration as provided, the parties, intending to be legally bound, hereby agree as follows:

**ARTICLE 1- INTERPRETATION**

**1.1 Definitions**

In this Agreement and in the schedules, the following terms and expressions will have the following meanings:

- (a) "**Agreement**" means this asset purchase agreement and all instruments amending it; "**hereof**", "**hereto**" and "**hereunder**" and similar expressions mean and refer to this Agreement and not to any particular Article, Section, or other subdivision; "**Article**", "**Section**" or other subdivisions of this Agreement followed by a number means and refers to the specified Article, Section or other subdivision of this Agreement;
- (b) "**Acquisition**" has the meaning ascribed thereto in the Recitals;

- (c) "**Assessment**" shall include a reassessment or additional assessment and the term "**assessed**" shall be interpreted in the same manner;
- (d) "**Business Day**" means any day other than a Saturday, a Sunday or a statutory holiday in the Province of British Columbia or any other day on which the principal chartered banks located in the City of Kelowna are not open for business during normal banking hours;
- (e) "**Closing**" means the completion of the Transaction pursuant to this Agreement at the Closing Time;
- (f) "**Closing Date**" means the date this Agreement is entered into as shown on the first page of the Agreement;
- (g) "**Closing Time**" means 10:00 am in the City of Kelowna on the Closing Date or such other time on the Closing Date as the Parties may agree upon as the time at which the Closing shall take place;
- (h) "**Consent**" means a license, permit, approval, consent, certificate, registration or authorization (including, without limitation, those made or issued by a Regulatory Authority, in respect of a Contract, or otherwise);
- (i) "**Consideration Shares**" has the meaning ascribed in Section 2.2;
- (j) "**Contract**" means any agreement, understanding, indenture, contract, lease, deed of trust, license, option, instrument or other commitment, whether written or oral;
- (k) "**Encumbrances**" means mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or howsoever arising and any rights or privileges capable of becoming any of the foregoing;
- (l) "**Escrowed Shares**" has the meaning ascribed in Section 2.3(ii);
- (m) "**Intellectual Property**" means all rights and title under copyright, or trademark, and all trade-names, designs, technical know-how, and other intellectual property rights of any kind throughout the world, whether registered or not, owned or controlled by Vendors and relating to the IP Assets and which exist as of the Closing Date, and includes any Patents and Patents pending in regards to the IP Assets, including but not limited to the 100% interest in Provisional Patent application number 63275879 which is an energy management system having applications in Solar Energy and Battery Management Systems and was assigned to the Company by USPTO number 506966178;
- (n) "**Law**" or "**Laws**" means all requirements imposed by statutes, regulations, rules, ordinances, by-laws, decrees, codes, policies, judgments, orders, rulings, decisions, approvals, notices, permits, guidelines or directives of any Regulatory Authority;
- (o) "**Loss**" and "**Losses**" mean any and all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs, and expenses, including without limitation, interest, penalties, fines and reasonable attorneys, accountants and other professional fees and expenses, but excluding damages for lost profits or lost business opportunities and excluding any indirect, consequential or punitive damages suffered by the Purchaser or the Vendor;

- (p) "**Patents**" means any United States, Canadian or foreign patents and applications (including provisional applications), patents issuing from such applications, certificates of invention or any other grants by any court, administrative agency or commission or other federal, state, provincial, county, local or foreign governmental authority, instrumentality, agency commission or subdivision thereof, including the U.S. Patent and Trademark Office, Canadian Intellectual Property Office and the European Patent Office, for the protection of inventions, or foreign equivalents of any of the foregoing;
- (q) "**Parties**" means the Vendor and the Purchaser and any other person that may become a party to this Agreement, and Party means any one of them;
- (r) "**person**" includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency and any other form of entity or organization;
- (s) "**Purchased Assets**" has the meaning ascribed thereto in Recital B and in Schedule A;
- (t) "**Purchase Price**" has the meaning ascribed in Section 2.2;
- (u) "**Transaction**" means the Acquisition and the ancillary transactions contemplated by this Agreement;
- (v) "**U.S. Securities Act**" means the *United States Securities Act of 1933, as amended*;
- (w) "**Regulatory Authority**" means any government, regulatory or administrative authority, agency, commission, utility or board (federal, provincial, municipal or local, domestic or foreign) having jurisdiction in the relevant circumstances and any person acting under the authority of any of the foregoing and any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances;
- (x) "**Securities Laws**" means the securities laws, regulations, rules, rulings and orders and the blanket rulings and policies and written interpretations of, and multilateral or national instruments adopted by, the securities regulators and the policies and rules of any applicable stock exchange or quotation or stock reporting system;
- (y) "**SEDAR**" means System for Electronic Document Analysis and Retrieval;
- (z) "**Transaction**" means the purchase and sale of the Purchased Assets and all other transactions contemplated by this Agreement; and

## 1.2 Best Knowledge

Any reference herein to "the best knowledge" of the Vendor will be deemed to mean the actual knowledge of the directors of the Vendor, together with the knowledge which they would have had if they had conducted a diligent inquiry into the relevant subject matter.

## 1.3 Currency

Unless otherwise indicated, all references to dollar (\$) amounts in this Agreement are expressed in U.S Dollar currency.

#### **1.4 Governing Law**

This Agreement shall be exclusively governed by and construed and interpreted in accordance with the laws of British Columbia and the federal laws of the Canada applicable therein. The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia with respect to any matter arising under or related to this Agreement.

#### **1.5 Interpretation Not Affected by Headings**

The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

#### **1.6 Number and Gender**

In this Agreement, unless the context otherwise requires, any reference to gender shall include both genders and words importing the singular number shall include the plural and vice-versa.

#### **1.7 Time of Essence**

Time shall be of the essence of every provision of this Agreement.

#### **1.8 Severability**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

#### **1.9 Calculation of Time Periods**

Where a time period is expressed to begin or end at, on or with a specified day, or to continue to or until a specified day, the time period includes that day. Where a time period is expressed to begin after or to be from a specified day, the time period does not include that day. Where anything is to be done within a time period expressed after, from or before a specified day, the time period does not include that day. If the last day of a time period is not a Business Day, the time period shall end on the next Business Day.

#### **1.10 Statutory Instruments**

Unless otherwise specifically provided in this Agreement, any reference in this Agreement to any Law shall be construed as a reference to such Law as amended or re-enacted from time to time or as a reference to any successor thereto.

#### **1.11 Incorporation of Schedules**

The following are the schedules attached to and incorporated by reference into this Agreement:

Schedule A	Purchased Assets
Schedule B	Joint Venture Terms

## ARTICLE 2- PURCHASE AND SALE

### 2.1 Purchased Assets

On the terms and subject to the fulfilment of the conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor at the Closing Time on the Closing Date, all of the Purchased Assets. The Purchaser agrees to contribute the Purchased Assets to the Joint Venture.

### 2.2 Purchase Price

The aggregate purchase price (the "**Purchase Price**") payable by the Purchaser to the Vendor for the Purchased Assets at Closing, shall be the allotment and issuance of 10,000,000 common shares in the capital of the Purchaser (collectively, the "**Consideration Shares**").

### 2.3 Payment of Purchase Price

At the Closing Time, the Purchaser will issue to the Vendors collectively in total 10,000,000 Consideration Shares as follows:

- (i) 5,000,000 (2,500,000 as to each Vendor) will be issued as fully paid and non-assessable Common Shares of the Company, free and clear of any restrictions, except those restrictions required under the applicable Securities Laws, including but not limited to those restrictions described in section 2.5 of this Agreement, following the transfer and delivery of the Purchased Assets, including provisional patent # 63275879; and
- (ii) 5,000,000 (the "**Escrowed Shares**") (2,500,000 as to each Vendor) will be subject to the following escrow restrictions pursuant to the Escrow Agreement. The Escrowed Shares will be released upon provisional patent 63275879 being approved by US patent office. If no patents relating to or in connection with Provisional Patent 63275879 (the "**New Patents**") are approved within thirty (30) months from the Closing Date, the Escrowed Shares will be cancelled. If any New Patents are being reviewed by the United States Patent Office within thirty (30) months, the Escrowed Shares shall not be cancelled and shall remain in escrow until the New Patents are approved by the United States Patent Office. The Escrowed Shares will be held in Trust by Macdonald Tuskey, Corporate and Securities Lawyers, with an address at #409 - 221 West Esplanade, North Vancouver, BC, V7M 3J3; and
- (iii) \$30,000 to be paid to Mark Snyder

### 2.4 Transfer Taxes

The Purchaser shall be liable for and shall pay all federal and provincial sales taxes and all other taxes, duties, fees or other like charges of any jurisdiction properly payable in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser.

### 2.5 Securities Laws Compliance

(1) The Parties hereto acknowledge that the issuance of the Consideration Shares by the Purchaser to the Vendor as contemplated herein is being made pursuant to an exemption from the registration and prospectus requirements of applicable securities laws pursuant to Section 2.12 of National Instrument 45-106 Prospectus and Registration Exemptions.

- (2) The Vendor confirms to and covenants with the Purchaser that:
- (a) it will comply with all requirements of applicable securities laws in connection with the issuance to it of the Consideration Shares and the resale of any of the Consideration Shares;
  - (b) the Consideration Shares have not been registered under the U.S. Securities Act of 1933 or the securities laws of any State of the United States and that the Purchaser does not intend to register the Consideration Shares under the Securities Act of 1933, or the securities laws of any State of the United States and has no obligation to do so; and
  - (c) the Vendor is a U.S. Person and is acquiring the Consideration Shares for its own account and not with a view to its distribution within the meaning of Section 2(11) the U.S. Securities Act. The Vendor is either an "accredited investor" as that term is defined in Rule 501 of Regulation D of the U.S. Securities Act, or is acquiring the Consideration Shares pursuant to section 4(2) of the U.S. Securities Act in a "private" offering, and has the ability to bear the economic risk in connection with the consummation of the transactions contemplated by this Agreement, including a complete loss of future revenue related to the Consideration Shares.
- (3) Upon the issuance of the Consideration Shares to the Vendor and until such time as is no longer required under applicable securities laws, the certificates representing the Consideration Shares will bear legends in substantially the following form:

**"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE [THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE]"**

**THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT IF APPLICABLE, (C) INSIDE THE UNITED STATES (1) PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (2) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER, PRIOR TO SUCH SALE PURSUANT TO (C)(1) OR (2), HAS FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION. PROVIDED THAT IF THE CORPORATION IS A "FOREIGN ISSUER" AS THAT TERM IS DEFINED BY REGULATION S OF THE U.S. SECURITIES ACT AT THE TIME OF SALE, A NEW CERTIFICATE BEARING NO RESTRICTIVE LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY", MAY BE OBTAINED FROM THE TRANSFER AGENT, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN FORM SATISFACTORY TO THE CORPORATION AND ITS TRANSFER AGENT, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE 1933 ACT.**

## ARTICLE 3- REPRESENTATIONS AND WARRANTIES

### 3.1 Representations and Warranties of the Vendor

The Vendor hereby makes the following representations and warranties to the Purchaser and acknowledges that the Purchaser is relying on such representations and warranties in entering into this Agreement and completing the Transaction:

- (1) **Existence of the Vendor.** Each Vendor is an individual that is resident in the United States of America.
- (2) **Power and Authority.** Each Vendor has the power and authority to own or lease its property, including the ownership of the Purchased Assets and the Intellectual Property, and to carry on its business as now being conducted by it.
- (3) **Options.** Except for the Purchaser's right in this Agreement, no person has any option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, commitment, conversion right, right of exchange or other agreement for the purchase from Each Vendor of any of the Purchased Assets.
- (4) **Validity of Agreement.**
  - (a) Each Vendor has all necessary corporate power to own the Purchased Assets and to enter into and perform its obligations under this Agreement, and the Vendor has all necessary corporate power to enter into and perform its obligations under any other agreements or instruments to be delivered or given by it pursuant to this Agreement.
  - (b) Each Vendor's execution and delivery of, and performance of its obligations under, this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of each Vendor.
  - (c) This Agreement or any other agreements entered into pursuant to this Agreement to which each Vendor is a party constitute legal, valid and binding obligations of Each Vendor enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (5) **No Violation.** The execution and delivery of this Agreement by each Vendor, the consummation of the Transaction and the fulfilment by each Vendor of the terms, conditions and provisions hereof will not (with or without the giving of notice or lapse of time, or both):
  - (a) contravene or violate or result in a material breach or a material default under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of each Vendor under:



- (i) any applicable Law;
  - (ii) any judgment, order, writ, injunction or decree of any Regulatory Authority having jurisdiction over each Vendor;
  - (iii) its Articles of Incorporation or any resolutions of the board of directors or shareholders of each Vendor;
  - (iv) any Consent held by each Vendor or necessary to the ownership of the Purchased Assets; or
  - (v) the provisions of any Contract to which each Vendor is a party or by which it is, or any of its properties or assets are, bound; or
- (b) result in the creation or imposition of any Encumbrance on any of the Purchased Assets.

(6) **Regulatory and Contractual Consents.** To the knowledge of each Vendor, there is no requirement to make any filing with, give any notice to or obtain any Consent from any Regulatory Authority as a condition to the lawful consummation of the Transaction. There is no requirement under any Contract to which each Vendor is a party or by which each Vendor is bound to make any filing with, give any notice to, or to obtain the Consent of, any party to such Contract relating to the Transaction.

(7) **No Material Adverse Change.** Since the Annual Statement Date, no material adverse change has occurred in any of the assets, business, financial condition, earnings, results of operations or prospects of the Business nor has any other event, condition, or state of facts occurred or arisen which might have a material adverse effect on the assets, business, financial condition, earnings, results of operations or prospects of the Business.

(8) **Compliance with Laws.** Each Vendor has complied, in all material respects, with all Laws applicable to the Purchased Assets.

(9) **Purchased Assets.** Schedule A is a complete and accurate list of all intellectual property underlying the Purchased Assets;

(10) **Title to Purchased Assets.** Each Vendor has good and marketable title to the Purchased Assets. The Purchased Assets are free and clear of all Encumbrances and restrictions of transfer. There are no actions, suits, claims or proceedings threatened, pending or in progress on the part of any named inventor of the Patents relating in any way to the Purchased Assets and any Vendor has not received notice of (and such Vendor is not aware of any facts or circumstances which could reasonably be expected to give rise to) any other actions, suits, investigations, claims or proceedings threatened, pending or in progress relating in any way to the Patents.

(11) **Full Disclosure.** No representation or warranty by each Vendor in this Agreement and no statement contained in any certificate or other document furnished or to be furnished to the Purchaser pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

### 3.2 Representations and Warranties of the Purchaser

The Purchaser hereby makes the following representations and warranties to Each Vendor and acknowledges that Each Vendor is relying on such representations and warranties in entering into this Agreement and completing the Transaction:

- (1) **Incorporation and Existence.** The Purchaser has been duly incorporated and organized and is a valid and subsisting company under the laws of the state of Nevada and is duly qualified to carry on business in the state of Nevada and in each other jurisdiction, if any, wherein the carrying out of the activities contemplated makes such qualifications necessary.
- (2) **Capitalization.** As at the date of this Agreement, the Purchaser has 144,002,700 common shares and 6,473,369 common share purchase warrants issued and outstanding.
- (3) **Reporting Issuer.** The Purchaser is a reporting issuer in good standing. The Purchaser is not in material default under the applicable Securities Laws. No orders suspending the sale or ceasing the trading of any securities issued by the Purchaser have been issued by any Regulatory Authority, and no proceedings for such purpose are pending or, to the knowledge of the Purchaser, threatened.
- (4) **Validity of Agreement.**
- (a) The Purchaser has all necessary corporate power to own the Purchased Assets. The Purchaser has all necessary corporate power to enter into and perform its obligations under this Agreement and any other agreements or instruments to be delivered or given by it pursuant to this Agreement.
  - (b) The execution, delivery and performance by the Purchaser of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser.
  - (c) This Agreement or any other agreements entered into pursuant to this Agreement to which the Purchaser is a party constitute legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (5) **No Violation.** The execution and delivery of this Agreement by the Purchaser, the consummation of the Transaction and the fulfilment by the Purchaser of the terms, conditions and provisions hereof will not (with or without the giving of notice or lapse of time, or both):
- (a) contravene or violate or result in a breach or a default under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligations of the Purchaser, under:
    - (i) any applicable Law;
    - (ii) any judgment, order, writ, injunction or decree of any Regulatory Authority having jurisdiction over the Purchaser;
    - (iii) the Articles, Notice of Articles or any resolutions of the board of directors or shareholders of the Purchaser;
    - (iv) any Consent held by the Purchaser; or
    - (v) the provisions of any Contract to which the Purchaser is a party or by which it is, or any of its properties or assets are, bound.

(6) **Brokers.** The Purchaser has not engaged any broker or other agent in connection with the Transaction and, accordingly, there is no commission, fee or other remuneration payable to any broker or agent who purports or may purport to have acted for the Purchaser.

(7) **Consents.** There is no requirement for the Purchaser to make any filing with, give any notice to or obtain any Consent from any Regulatory Authority as a condition to the lawful consummation of the Transaction.

(8) **Consideration Shares.** The Consideration Shares to be issued hereunder will, upon issue and delivery, be validly issued as fully-paid and non-assessable shares in the capital of the Purchaser, free of all restrictions on trading other than those required by applicable securities law or the Escrow terms as set out in Section 2.3 hereof.

(9) **Material Change/Material Fact.** There is no "material fact" or "material change" (as those terms are defined in applicable securities legislation) in the affairs of the Corporation that has not been generally disclosed to the public.

### **3.3 Survival of Covenants, Representations and Warranties of the Vendor**

To the extent that they have not been fully performed at or prior to the Closing Time, and unless otherwise provided, the covenants, representations and warranties of each Vendor contained in this Agreement and any agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement shall survive the Closing and shall continue for the benefit of the Purchaser for a period of 2 years notwithstanding such Closing, nor any investigation made by or on behalf of the Purchaser or any knowledge of the Purchaser, except that the representations and warranties set out in Section 3.1(1) to and including 3.1(4) and the corresponding representations and warranties set out in the certificates to be delivered pursuant to Section 6.1, shall survive the Closing and continue in full force and effect without limitation of time.

### **3.4 Survival of Covenants, Representations and Warranties of the Purchaser**

To the extent that they have not been fully performed at or prior to the Closing Time, and unless otherwise provided, the covenants, representations and warranties of the Purchaser contained in this Agreement and in any agreement, instrument, certificate or other document delivered pursuant to this Agreement shall survive the Closing and shall continue for the benefit of each Vendor for a period of 2 years notwithstanding such Closing, nor any investigation made by or on behalf of each Vendor or any knowledge of Each Vendor, except that the representations and warranties set out in Sections 3.2(1) and 3.2(4), and the corresponding representations and warranties set out in the certificates to be delivered pursuant to Section 6.2, shall survive the Closing and shall continue in full force and effect without limitation of time.

## **ARTICLE 4- COVENANTS**

### **4.1 Joint Venture**

On or after Closing, the Vendors, and the Purchaser shall form a joint venture entity currently contemplated to be a Limited Liability Company in the State of Nevada (the "**Joint Venture**") by entering into a Joint Venture/Operating Agreement (the "**Joint Venture Agreement**") which Joint Venture Agreement shall contain the material terms set out in Schedule B hereto (the "**Joint Venture Terms**").

### **4.2 Maintenance of Corporate Status**

Prior to Closing and for a period of a least 24 months after the Closing Date, the Purchaser shall use its commercially reasonable efforts to remain a corporation validly subsisting under the laws of its jurisdiction of existence, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction.

#### **4.3 Vendor Use of Technology**

The Purchaser shall, allow Paul Sandler and his monitoring company My Solar Stats to have the free use of the current technology and provisional patent 63275879 in the Residential marketplace. The Purchaser will have a right of first refusal on any Residential systems with an install cost greater than \$2,000.00.

#### **4.4 Non-Competition Agreement**

Each Vendor shall enter into a non-competition agreement (the "**Non-Competition Agreement**") with the Company pursuant to which the Vendor shall covenant and agree that for as long as the Vendor is a party to the Joint venture, the Vendor will not, without the written consent of the Company, directly or indirectly, on his own behalf or in the service or on behalf of others, whether or not for compensation, engage in any business activity, or have any interest in any person, firm, corporation or business, through a subsidiary or parent entity or other entity (whether as a shareholder, agent, joint venturer, security holder, trustee, partner, consultant, creditor lending credit or money for the purpose of establishing or operating any such business, partner or otherwise) with any Competing Business in the Covered Area. For the purpose of this Agreement, (i) "Competing Business" means the development of intellectual property with a general connection to the Intellectual Property or the Purchased Assets, and (ii) "Covered Area" means the continent of North America. Notwithstanding the foregoing, the Executive may own shares of companies whose securities are publicly traded, so long as such securities do not constitute more than ten percent (10%) of the outstanding securities of any such company. And the residential market place as defined in 4.3 above is excluded from this Non-Competition Agreement

#### **4.5 Rights of First Refusal**

The Vendor will notify the Purchaser of the terms of any commercially equitable and credible third party offer received by the Vendor for the acquisition of the Vendor's interest in the Joint Venture (the "**Third Party Offer**") and the Purchaser will have the right of first refusal (the "**Acquisition ROFR**") to acquire the Vendor or the Vendor's interest in the Joint Venture on the same terms as those contained in the Third Party Offer. The notice provided by the Vendor to the Purchaser will include the letter of intent (or similar agreement) entered into between the Vendor and the third party. The ROFR must be exercised by the Purchaser within 60 days following the receipt of the notice by notifying the Vendor that Purchaser wishes to complete a transaction upon the terms set out in the notice. If the Purchaser fails to give notice within the 60 days that it wishes to complete a transaction on the terms set out in the notice, the Vendor will then be free to proceed with the Third Party Offer.

### **ARTICLE 5- CONDITIONS**

#### **5.1 Mutual Conditions Precedent**

The respective obligations of the parties hereto to consummate the transactions contemplated hereby are subject to the satisfaction, on or prior to the Closing Time, of the following conditions any of which may be waived by the mutual consent of such parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) the Purchaser and the Vendor shall have entered into the Patent PSA and Assignment Agreement.

- (b) The Purchaser and the Vendor shall have entered into the Non-Competition Agreement.

## **5.2 Conditions to the Obligations of the Purchaser**

Notwithstanding anything herein contained, the obligation of the Purchaser to complete the transactions provided for herein will be subject to the fulfillment of the following conditions at or prior to the Closing Time:

- (a) The representations and warranties of the Vendors contained in this Agreement shall be true and accurate on the date hereof and at the Closing Time with the same force and effect as though such representations and warranties had been made as of the Closing Time (regardless of the date as of which the information in this Agreement or in any Schedule or other document made pursuant hereto is given).
- (b) The Vendors shall have complied with all covenants and agreements herein agreed to be performed or caused to be performed by them at or prior to the Closing Time.
- (c) The Vendors shall have delivered to the Purchaser a certificate in a form satisfactory to the Purchaser confirming that the facts with respect to each of the representations and warranties of the Vendor are as set out herein and remain true at the Closing Time and that the Vendor has performed each of the covenants required to be performed by it hereunder.
- (d) No order, decision or ruling of any court, tribunal or regulatory authority having jurisdiction will have been made, and no action or proceeding will be pending or threatened which, in the opinion of counsel to the Purchaser, is likely to result in an order, decision or ruling:
  - (i) to disallow, enjoin, prohibit or impose any limitations or conditions on the Transaction or the transactions contemplated hereby; or
  - (ii) to impose any limitations or conditions which may have an adverse effect on the Purchased Assets.
- (e) All consents, approvals authorizations of any governmental or regulator authority or person whose consent to the Transaction is required to be obtained in order to carry out the transactions contemplated hereby in compliance with all laws and agreements binding upon the parties hereto will have been obtained.

The conditions contained in this Section 5.2 are inserted for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time. Each Vendor acknowledges that the waiver by the Purchaser of any condition or any part of any condition will constitute a waiver only of such condition or such part of such condition, as the case may be, and will not constitute a waiver of any covenant, agreement, representation or warranty made by the Vendor herein that corresponds or is related to such condition or such part of such condition, as the case may be. If any of the conditions contained in this Section 5.2 are not fulfilled or complied with in all material respects as herein provided, the Purchaser may, at or prior to the Closing Time at its option, rescind this Agreement by notice in writing to each Vendor and in such event the Purchaser will be released from all obligations hereunder and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Vendor, then the Vendor will also be released from all obligations hereunder.

### 5.3 Conditions to the Obligations of the Vendor

Notwithstanding anything herein contained, the obligations of the Vendors to complete the transactions provided for herein will be subject to the fulfillment of the following conditions at or prior to the Closing Time:

- (a) The representations and warranties of the Purchaser contained in this Agreement or in any documents delivered in order to carry out the transactions contemplated hereby will be true and accurate on the date hereof and at the Closing Time with the same force and effect as though such representations and warranties had been made as of the Closing Time (regardless of the date as of which the information in this Agreement or any such Schedule or other document made pursuant hereto is given).
- (b) The Purchaser shall have complied with all covenants and agreements herein agreed to be performed or caused to be performed by it at or prior to the Closing Time.
- (c) The Purchaser shall have delivered to the Vendor a certificate confirming that the facts with respect to each of the representations and warranties of the Purchaser are as set out herein at the Closing Time and that the Purchaser has performed each of the covenants required to be performed by it hereunder.
- (d) There shall have been no material adverse change in the business of the Purchaser.
- (e) No order, decision or ruling of any court, tribunal or regulatory authority having jurisdiction will have been made, and no action or proceeding will be pending or threatened which, in the opinion of counsel to the Vendor, is likely to result in an order, decision or ruling:
  - (i) to disallow, enjoin, prohibit or impose any limitations or conditions on the Transaction or the transactions contemplated hereby; or
  - (ii) to impose any limitations or conditions which may have an adverse effect on the business of the Purchaser.
- (f) All consents, approvals and authorizations of any governmental or regulatory authority or person whose consent to the Transaction is required to be obtained in order to carry out the transactions contemplated hereby in compliance with all laws and agreements binding upon the parties hereto will have been obtained.
- (g) The Purchaser shall issue and deliver to the Vendor the Consideration Shares in compliance with all applicable securities laws and the Escrow terms.

The conditions contained in this Section 5.3 hereof are inserted for the exclusive benefit of the Vendors and may be waived in whole or in part by the Vendors at any time. The Purchaser acknowledges that the waiver by the Vendors of any condition or any part of any condition will constitute a waiver only of such condition or such part of such condition, as the case may be, and will not constitute a waiver of any covenant, agreement, representation or warranty made by the Vendors herein that corresponds or is related to such condition or such part of such condition, as the case may be. If any of the conditions contained in this Section 5.3 hereof are not fulfilled or complied with as herein provided, the Vendors may, at or prior to the Closing Time at its option, rescind this Agreement by notice in writing to the Purchaser and in such event the Vendor will be released from all obligations hereunder and, unless the condition or conditions which have not been fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Purchaser, then the Purchaser will also be released from all obligations hereunder.

## ARTICLE 6-CLOSING

### 6.1 Vendor Deliveries

At the Closing Time, the Vendor shall deliver to the Purchaser the following in form and substance satisfactory to the Purchaser:

- (a) the certificate of the Vendor contemplated in Section 5.2;
- (b) all documentation and other evidence reasonably requested by the Purchaser in order to establish the due authorization and consummation of the Transaction, including the taking of all corporate proceedings by the boards of directors and shareholders of the Vendor required to effectively carry out the obligations of the Vendor pursuant to this Agreement; and
- (c) a duly completed and executed patent assignment and any other documentation necessary or reasonably required to transfer the Purchased Assets to the Purchaser with a good and marketable title, free and clear of all Encumbrances whatsoever.

### 6.2 Purchaser Deliveries

At the Closing Time, the Purchaser shall deliver to the Vendor the following in form and substance satisfactory to the Vendor:

- (a) the certificate of the Purchaser contemplated in Section 5.3;
- (b) certificates or DRS advices representing the Consideration Shares;
- (c) a certified copy of the resolution of the directors of the Purchaser authorizing the execution and delivery of this Agreement and the performance by the Purchaser of the terms of the Agreement including without limitation the allotment and issuance of the Consideration Shares and appointing the persons set out in Section 4.6 hereof as directors and officers of the Purchaser; and
- (d) all documentation and other evidence reasonably requested by the Vendor in order to establish the due authorization and consummation of the Transaction, including the taking of all corporate proceedings by the boards of directors and shareholders of the Purchaser required to effectively carry out the obligations of the Purchaser pursuant to this Agreement.

### 6.3 Place of Closing

The Closing shall take place at the Closing Time at the offices of Macdonald Tuskey or at such other place as the Purchaser and the Vendor may agree upon in writing.

## ARTICLE 7- INDEMNIFICATION

### 7.1 Purchaser Indemnity

The Purchaser will indemnify, defend, and hold harmless the Vendor from, against, for, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by the Vendor by reason of, resulting from, based upon or arising out of (i) any misrepresentation, misstatement or breach of warranty of the Purchaser contained in or made pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement; or (ii) the breach or partial breach by the Purchaser of any covenant or agreement of the Purchaser made in or pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement.

### 7.2 Vendor Indemnity

The Vendor will indemnify, defend, and hold harmless the Purchaser from, against, for, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by the Purchaser by reason of, resulting from, based upon or arising out of (i) any misrepresentation, misstatement or breach of warranty of Vendor contained in or made pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement; or (ii) the breach or partial breach by the Vendor of any covenant or agreement of the Vendor made in or pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement.

## ARTICLE 8- ARBITRATION

### 8.1 Reasonable Commercial Efforts to Settle Disputes

If any controversy, dispute, claim, question or difference (a "**Dispute**") arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, the Parties to the Dispute will use all commercially reasonable efforts to settle the Dispute. To this end, they will consult and negotiate with each other in good faith and understanding of their mutual interests to reach a just and equitable solution satisfactory to all such Parties.

### 8.2 Arbitration

Except as is expressly provided in this Agreement, if the Parties do not reach a solution pursuant to Section 8.1 within a period of 30 Business Days following the first notice of the Dispute by any Party to the other party(ies) to the Dispute, then upon written notice by any Party to the other party(ies) to the Dispute, the Dispute will be submitted to non-binding arbitration in accordance with the provisions of the *Commercial Arbitration Act* (British Columbia), based upon the following:

- (1) the arbitration tribunal will consist of one arbitrator appointed by mutual agreement of such Parties, or in the event of failure to agree within 10 Business Days following delivery of the written notice to arbitrate, any such Party may apply to a judge of the British Columbia Supreme Court to appoint an arbitrator. The arbitrator will be qualified by education and training to pass upon the particular matter to be decided;
- (2) the arbitrator will be instructed that time is of the essence in the arbitration proceeding and, in any event, the arbitration award must be made within 30 days of the appointment of the arbitrator;
- (3) after written notice is given to refer any Dispute to arbitration, the Parties to the Dispute will meet within 15 Business Days of delivery of the notice to arbitrate and will negotiate in good faith to agree upon the rules and procedures for the arbitration, in an effort to expedite the process and otherwise ensure that the process is appropriate given the nature of the Dispute and the values at risk, failing which, the rules and procedures for the arbitration will be finally determined by the arbitrator;



- (4) the arbitration will take place in Vancouver, British Columbia;
- (5) except as otherwise provided in this Agreement or otherwise decided by the arbitrator, the fees and other costs associated with the arbitrator will be shared equally by the Parties to the Dispute and each Party to the Dispute will be responsible for its own costs;
- (6) the arbitration award will be given in writing, will provide reasons for the decision, and will be final and binding on the Parties, not subject to any appeal, and will deal with the question of costs of arbitration and all related matters;
- (7) judgment upon any award may be entered in any court having jurisdiction or application may be made to the Court for a judicial recognition of the award or an order of enforcement, as the case may be;
- (8) all Disputes referred to arbitration (including without limitation the scope of the agreement to arbitrate, any statute of limitations, conflict of laws rules, tort claims and interest claims) will be governed by the substantive law of British Columbia and the federal laws of Canada applicable therein; and
- (9) the Parties to the Dispute agree that the arbitration will be kept confidential and that the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) will not be disclosed beyond the arbitrator, the Parties to the Dispute, their counsel and any person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the arbitration or otherwise.

## **ARTICLE 9- GENERAL**

### **9.1 Confidentiality**

The Purchaser covenants and agrees that, except as otherwise authorized by the Vendor and until the Closing, neither the Purchaser nor its representatives, agents or employees will disclose to third parties, directly or indirectly, any confidential information or confidential data relating to the Vendor or the Business discovered or received by the Purchaser or its representatives, agents or employees as a result of the Vendor making available to the Purchaser and its representatives, agents or employees the information requested by them in connection with the Transaction.

### **9.2 Collection of Personal Information**

The Vendor acknowledges and consents to the fact that the Purchaser may be required to collect its personal information which may be disclosed by the Purchaser to:

- (a) Securities regulatory authorities;
- (b) the Purchaser's registrar and transfer agent;
- (c) Canadian tax authorities; and
- (d) authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

By executing this Agreement, the Vendor is deemed to be consenting to the foregoing collection, use and disclosure of such personal information and to the retention of such personal information for as long as permitted or required by law or business practice. The Vendor hereby consents to the foregoing collection, use and disclosure of such personal information for such purposes only. The Vendor also consents to the filing of copies or originals of any of the documents described herein as may be required to be filed with any securities regulatory authority in connection with the transactions contemplated hereby. An officer of the Purchaser is available to answer questions about the collection of personal information by the Purchaser.

### **9.3 Notices**

(1) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by facsimile or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

(a) if to the Purchaser:

Enertopia Corp.  
#18 1873 Spall Road  
Kelowna, BC V1Y 4R2  
Attention: Robert McAllister  
Email: [mcallister@enertopia.com](mailto:mcallister@enertopia.com)

(b) if to the Vendor:

Mark Snyder  
12900 Brookprinter Pl #200  
Poway, CA 92064  
Email: [mseprojects@marksnyderelectric.com](mailto:mseprojects@marksnyderelectric.com)

Paul Sandler  
4478 Via Largo  
Cypress, CA 90630  
Email: [paul@swebs.com](mailto:paul@swebs.com)

(2) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as described.

(3) Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 9.3.

### **9.4 Public Announcements and Disclosure**

The Parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the Transaction and, except as required by any applicable Law or stock exchange having jurisdiction, no Party shall issue any such press release or make any such public announcement without the prior written consent of the others, which consent shall not be unreasonably withheld or delayed. Prior to any such press release or public announcement, none of the Parties shall disclose this Agreement or any aspect of the Transaction except to its board of directors, its senior management, its legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with the Transaction and counsel to such institution, or as may be required by any applicable Law or stock exchange having jurisdiction.

## **9.5 Assignment**

The rights of the Purchaser hereunder are not assignable without the written consent of the Vendor. The rights of the Vendor hereunder are not assignable without the written consent of the Purchaser.

## **9.6 Commercially Reasonable Efforts**

The Parties acknowledge and agree that, for all purposes of this Agreement, an obligation on the part of any Party to use its "commercially reasonable efforts" to obtain any waiver, Consent or other document shall not require such Party to make any payment to any person for the purpose of procuring the same, other than payments for amounts due and payable to such person, payments for incidental expenses incurred by such person and payments required by any applicable law or regulation.

## **9.7 Expenses**

Unless otherwise provided, each of the Vendor and the Purchaser shall be responsible for the expenses (including fees and expenses of legal advisers, accountants and other professional advisers) incurred by them, respectively, in connection with the negotiation and settlement of this Agreement and the completion of the Transaction. In the event of termination of this Agreement, the obligation of each Party to pay its own expenses will be subject to any rights of such Party arising from a breach of this Agreement by another Party.

## **9.8 Further Assurances**

Each of the Parties shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties may reasonably require from time to time after Closing at the expense of the requesting Party for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

## **9.9 Entire Agreement**

This Agreement, including all Schedules, constitutes the entire agreement between the Parties with respect to the subject matter and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral including without limitation, the Letter of Intent. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter except provided in this Agreement. No reliance is placed by any Party on any warranty, representation, opinion, advice or assertion of fact made by any Party or its directors, officers, employees or agents, to any other Party or its directors, officers, employees or agents, except to the extent that it has been reduced to writing and included in this Agreement.

## **9.10 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

**9.11 Rights Cumulative**

The rights and remedies of the Parties are cumulative and not alternative.

**9.12 Counterparts**

This Agreement may be executed in any number of counterparts, and/or by facsimile or e-mail transmission of Adobe Acrobat files, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument. Any Party executing this Agreement by fax or Adobe Acrobat file shall, immediately following a request by any other Party, provide an originally executed counterpart of this Agreement provided, however, that any failure to so provide shall not constitute a breach of this Agreement.

*[signature page to follow]*

IN WITNESS WHEREOF this Agreement has been executed as of the \_\_\_ day of December, 2021.

**ENERTOPIA CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

**THE VENDOR:**

\_\_\_\_\_  
**Paul Sandler**

**THE VENDOR:**

\_\_\_\_\_  
**Mark Snyder**

**SCHEDULE A**

**PURCHASED ASSETS**

**Provisional Patent Number: 63275879**

**Date of Provisional Patent Filing:** November 4, 2021

**Recordation of Assignment Number: 506966178**

**Date of Assignment** November 8, 2021

**Description:** Energy Management System having applications in Solar Energy and Battery Management Systems.

**Abstract:** An energy management system for an energy environment, including a photovoltaic panel and a power supply configured to store energy generated by the photovoltaic panel, may include a plurality of subsystems and an energy management platform for monitoring and controlling each of the plurality of subsystems. The plurality of subsystems may include a first subsystem, and a second subsystem. The platform may include a user interface, and a controller communicatively coupled to each the plurality of subsystems. The controller may receive the data from the first subsystem and adjust, based on the received data, operation of the second subsystem.

## SCHEDULE B

### JOINT VENTURE TERMS

The equity interest of, and share of each Joint Venture in, the assets, profits and losses, liabilities and obligations of the Joint Venture shall be as follows:

Purchaser	51%
Vendor	49%

The Joint Venture will be a Nevada Limited Liability Company and will be named as mutually agreed by the Purchaser and the Vendor.

Prosecution of, and costs related to, the Purchased Assets, including patent expenses, will be the responsibility of the Purchaser. The Purchaser shall retain all right, title and interest in and to and under all of the Purchased Assets and the Intellectual Property. For greater certainty, the Joint Venture will not own any right, title, or interest in or to or under any of the Purchased Assets.

Prosecution of, and costs related to, funding based on new approved patent/patents developed by the Joint Venture will be the responsibility of the Purchaser. The Purchaser shall retain all right, title and interest in and to and under all updated or new approved patents (the "**New IP**"), including all part and future income, royalties, damages and payments due (including, rights to damages and payments for past, present or future infringements or misappropriations) with respect thereto, in each case, of the Vendor in all countries relating to the New IP.

All decisions of the Joint Venture will be made by the officers of the Joint Venture company (the "**Management**") comprised of one nominee of each Joint Venturer, under the supervision of the board of directors of the Joint Venture company which will consist of two directors, with each Joint Venturer being entitled to appoint one director and the original directors being Robert McAllister and Paul Sandler.

The Purchaser shall be entitled to receive 150% of the funds spent on commercialization of the Purchased Assets (excluding patent expenses) (the "**Payout**") on a payout ratio of 75% to the Purchaser and 25% to the Vendor until the Purchaser has received the total aggregate Payout of 150% of the funds spent on commercialization of the Purchased Assets. Once the Purchaser has received the Payout, the payout and expenditure ratio will reflect the ownership interests of the Purchaser and the Vendor, namely, 51% and 49%, respectively.

**CERTIFICATION PURSUANT TO  
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert McAllister, certify that:

1. I have reviewed this Annual Report on Form 10-K of Enertopia Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 28, 2022

*"Robert McAllister"*

---

Robert McAllister  
President and Director  
(Principal Executive Officer)



**CERTIFICATION PURSUANT TO  
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Allan Spissinger, certify that:

1. I have reviewed this Annual Report on Form 10-K of Enertopia Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 28, 2022

"Allan Spissinger"

Allan Spissinger CPA, CA  
Chief Financial Officer  
(Principal Financial Officer and Principal  
Accounting Officer)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert McAllister, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Annual Report on Form 10-K of Enertopia Corp. for the year ended August 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Enertopia Corp.

Dated: November 28, 2022

*"Robert McAllister"*  
\_\_\_\_\_  
Robert McAllister  
President and Director  
(Principal Executive Officer)  
Enertopia Corp.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Enertopia Corp. and will be retained by Enertopia Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Allan Spissinger, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Annual Report on Form 10-K of Enertopia Corp. for the year ended August 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Enertopia Corp.

Dated: November 28, 2022

*"Allan Spissinger"*

\_\_\_\_\_  
Allan Spissinger CPA, CA

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Enertopia Corp.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Enertopia Corp. and will be retained by Enertopia Corp. and furnished to the Securities and Exchange Commission or its staff upon request.