Admission to trading of issued shares in Etrion Corporation

January 2014

IMPORTANT INFORMATION

This prospectus has been prepared in conjunction with the application for admission to trading on NASDAQ OMX Stockholm AB (**"NASDAQ OMX"**) of 124,633,571 newly issued common shares (the **"New Shares"**) (the **"Admission"**). Reference to **"Etrion"**, the **"Company"**, **"us"**, **"our"** or **"we"** in this prospectus refers to Etrion Corporation (British Columbia corporation number C0860958). References to the **"Group"** refer to the Company and its subsidiaries, unless the context requires otherwise. References to the **"Board of Directors"**, the **"Board"** or the **"Directors"** refer to the board of directors or directors of Etrion unless the context requires otherwise.

References to **"Pareto"** refer to Pareto Securities AB. In connection with the Admission, Pareto is acting as Swedish financial adviser to the Company. References to **"TSX"** refer to the Toronto Stock Exchange. References to **"CAD"** are to Canadian dollars. References to **"SEK"** are to Swedish kronor. References to **"USD"** are to United States dollars. References to **"EUR"** are to Euros. References to **"CHF"** are to Swiss francs. References to JPY are to Japanese Yen.

This prospectus has been prepared in accordance with the Swedish Financial Instruments Trading Act (Sw. lagen (1991:980) om handel med finansiella instrument) (as amended) and Commission Regulation (EC) No. 809/2004 (as amended). The prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (**"SFSA"**) pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act. Approval and registration by SFSA does not imply that SFSA guarantees that the factual information provided in this prospectus is correct and complete.

This is not an offering to purchase or to subscribe for the New Shares. This prospectus has been prepared in accordance with Chapter 2, Section 21 of the Swedish Financial Instruments Trading Act. The prospectus may not be distributed in any country where the distribution of this document requires additional prospectuses, registrations or measures, other than those pursuant to Swedish law or that would conflict with regulations in such country or jurisdiction. The prospectus is governed by material Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this prospectus.

This prospectus has been prepared by the Board of Directors based on information from the Company and information from third parties (including publicly available information) that the Board of Directors considers to be reliable. The information from third parties contained herein has been correctly restated and - to the best of the Board of Directors' knowledge and as far as it can warrant through comparison with other information made public by the third parties from which the information has been obtained - no information has been omitted in such manner that would render the information set forth herein erroneous or misleading. However, the accuracy or completeness of the information cannot be guaranteed, irrespective of whether it relates to the past or future circumstances, as no independent verification has been made of the information. Reference in this prospectus to the Company's website does not imply that information on the website is incorporated in this prospectus.

This prospectus contains forward-looking statements. The words "may", "intend", "plan", "anticipate", "believe", "estimate", "expect", "goal", "target", "likely", "potential", "continue", "project", "forecast", "prospects" and similar expressions typically are used to identify forward-looking statements. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. A potential investor is cautioned that forward-looking statements or information are only predictions, and that the Company's actual future results or performance may be materially different due to a number of factors. Accordingly, a potential investor should not place undue reliance on forward-looking statements and information, which are qualified in their entirety by this cautionary statement. These forward-looking statements, as well as other information in the prospectus, are made as of the date of this prospectus. The Board of Directors expressly disclaims any intent or obligation to update these forward-looking statements or any other information in the prospectus, unless specifically stated otherwise and except as required by applicable law, regulation or listing agreement.

Figures in this prospectus may have been rounded and, as a result, tables may not always exactly sum up.

With the exception of Etrion's audited consolidated financial statements for 2011 and 2012, the interim reports for the three and nine months ending on 30 September 2013, no other information in the prospectus has been reviewed or audited by Etrion's auditors.

The New Shares have not been and will not be required to be registered under the United States Securities Act of 1933 (as amended) The New Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

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KEY INFORMATION

Estimated first day of trading of New Shares on NASDAQ OMX: 31 January 2014 and potentially on or about 12 March 2014 (see "Equity Financing" on page 22)

Short name on NASDAQ OMX: **ETX**

ISIN code for the Shares on NASDAQ OMX: CA29786T1057

ISIN code for the Shares on the TSX: CA29786T1057

Trading lot on NASDAQ OMX: 1 Share

FINANCIAL CALENDAR

Annual Financial Statements and MD&A for the fiscal year ended 31 December 2013: On or before 31 March 2014

Annual information form for the fiscal year ended 31 December 2013: On or before 31 March 2014

Q1 Interim report for the interim period ended 31 March 2014: On or before 15 May 2014

Q2 Interim report for the interim period ended 30 June 2014: On or before 14 August 2014

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated by reference and form part of the prospectus:

Etrion's audited consolidated financial statements for the fiscal years ended 31 December 2012 and 2011, including the auditors' reports thereon, together with the management's discussion and analysis relating thereto.

SUMMARY

Introduction

A prospectus summary follows a set structure, consisting of items that must include certain information. The presented items in sections A-E (A.1-E.7) have been numbered.

This summary contains the specific items which are required to be included in a summary for the relevant type of securities and issuer. As certain items are not required to be included in this summary there are some gaps in the numbering of items.

Although information relating to a specific item may be required, it may be the case that no relevant information is available. In such cases, the summary contains a brief description of the information requirement together with the statement "Not applicable".

SECTION A - INTRODUCTION AND WARNINGS		
Item	**Information required**	**Information**
A.1	Warnings	This summary shall be regarded as an introduction to the prospectus. Each decision to invest in the securities shall be based on an assessment of the prospectus in its entirety from the investor's point of view. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability can only be required of the persons responsible for the summary and translations; however only if the summary is misleading, incorrect or incompatible with the other parts of the prospectus or if it does not together with the other parts of the prospectus provide key information to help investors who are considering investing in such securities.
A.2	Consent for use of the prospectus	Not applicable. Financial intermediaries are not entitled to use the prospectus for the subsequent resale of the New Shares sold in the placement.

SECTION B - ISSUER		
Item	**Information required**	**Information**
B.1	Name of the company and ticker	Etrion Corporation and ticker symbol ETX.
B.2	Registered office and legal form	The Company has its registered office in Vancouver, British Columbia, and its legal form is a "public company" as such term is defined under the BCBCA. The Company's head office is located in Geneva, Switzerland. The Company was incorporated under the laws of the Province of Ontario, Canada, in 1993 and continued under the laws of the Province of Alberta, Canada, in 1996. Having changed its name several times, the Company continued under the BCBCA under incorporation number C0860958, and subsequently, on 10 September 2009, changed its name to its current name, "Etrion Corporation".
B.3	Main operations of the issuer	The Company is an independent power producer that owns and operates renewable assets. Etrion's initial focus was on countries with government incentives for solar power production, specifically Feed-in Tariff (**"FiT"**) environments like Italy. However, as a result of the accelerated cost reductions of

		solar electricity and the market evolving beyond the need for government incentives, the Company is expanding into markets like Chile that have high solar irradiation and increasing demand for energy where the Company can enter into power purchase agreements (**"PPAs"**) with industrial clients. The Company may also rely on spot market (**"merchant"**) revenues where attractive. Future growth will be driven by the development and acquisition of additional renewable power facilities in markets with high electricity prices, strong solar irradiation and/or robust government incentives. During July 2013, Etrion entered into a long-term take-or-pay PPA with Atacama Minerals Chile S.C.M. (**"Atacama Minerals"**), a wholly-owned subsidiary of Sirocco Mining Inc., to provide electricity to its iodine mine located in northern Chile (**"Aguas Blancas Mine"**). Etrion plans to build, own and operate a solar park with total capacity of 8.8 MW in the Antofagasta region in northern Chile (**"Aguas Blancas"**) to meet approximately 35 per cent of the mine's total projected power requirements. In September 2013, Etrion Chile signed a purchase agreement with Total Nuevas Energias Chile S.p.A. (**"Total"**) and Holding Solventus Salvador S.p.A. (**"Solventus"**) to build, own and operate a 70 MW (49 MW net to Etrion Chile) solar project in the Atacama region in northern Chile (**"Project Salvador"**). Pursuant to the purchase agreement, Etrion Chile, Total and Solventus will initially own 70 per cent, 20 per cent and 10 per cent interests, respectively, in the project company PV Salvador S.p.A. (**"PV Salvador"**), which holds the licences, land rights and permits necessary to build, own and operate the solar project. Project Salvador will be built on 133 hectares leased from the Chilean government through a long-term concession. Construction commenced in December 2013, and the project is expected to be operational by the first quarter of 2015. In January 2014, Etrion announced a strategic partnership with Hitachi High-Technologies Corporation (HHT) for the development, financing, construction, ownership and operation of utility-scale solar power plants in Japan, a relatively low risk jurisdiction with an attractive solar FiT-regime. The Company's business process can be described as going through four different phases: (1) site development; (2) financing; (3) construction; and (4) operations. In phase 1, which generally requires 12 to 24 months of work, site surveys are carried out in order to locate the most favourable sites for the planned solar power plant, taking into account such factors as solar irradiation and the levels of FiTs for the sale of electricity to the local grid, among others. Also, in this phase, necessary permits are applied for. In phase 2, which generally requires four to six months, the Company assesses and selects financing partners. Phase 3 generally requires three to six months, during which the Company closes the financial aspects of the project, hires a contractor to build the solar power plant and ensures that the local operational subsidiary complies with the FiT requirements (if applicable). During a minimum period of 20 years constituting phase 4, the Company's local operational subsidiary is mainly engaged in the operation of the solar power plant and the repayment of debt facilities incurred in connection with the project.
B.4a	Tendencies to affect the issuer and the industry in which it operates	Solar technology cost has dropped dramatically and continues to decrease. In addition, solar energy has reached grid parity in certain parts of the world where solar irradiation and electricity prices are high (for example Chile, where the Company is competing with traditional sources of electricity without the need for government subsidies). As the cost of solar technology continues to drop, new potential markets are expected to develop in areas where solar electricity is price-competitive with other sources of energy.
B.5	Description of the Group and the issuer's position in the group	Etrion is the parent company of the Group consisting of 25 directly and indirectly held subsidiaries. The Company has one material wholly-owned subsidiary: Solar Resources Holding S.à r.l. (**"Solar"** or **"SHR"**), which holds all of the Company's renewable energy assets in Italy. In addition the Company has another material directly but 70 per cent owned subsidiary, PV Salvador, a Chilean company, which

		holds the permits and contracts to build a 70 MW solar park in Chile.
B.6	Major shareholders, control of the company and shareholders with reporting obligations	The largest shareholder in the Company is the Lundin family, which directly and through trusts, as at 6 November 2013, holds approximately 25.4 per cent of the Company's share capital. The investment companies Lorito Holdings S.à r.l. (**"Lorito"**), Lorito Holdings (Guernsey) Limited (**"Lorito Guernsey"**) and Zebra Holdings and Investments S.à r.l. (**"Zebra"**) are registered shareholders in the Company and are owned by trusts whose beneficiaries are members of the family of the late Adolf Lundin. Generally, under Canadian securities laws, holdings of persons representing 10 per cent or more of the securities of a public company and holdings of such securities held by other insiders of the company must be disclosed. In addition, acquisitions of two per cent or more of the issued and outstanding securities of a public company by holders of 10 per cent or more of such securities also have to be disclosed. The Company's Chief Executive Officer, Marco A. Northland, who holds approximately nine per cent of the share capital, is an insider and reports his holdings on the Canadian System for Electronic Disclosure by Insiders (www.sedi.ca).
B.7	Selected historical financial information	**Income statements in summary**

Income statements in summary

	January-September		Full year	
USD million	**2013**	**2012**	**2012**	**2011**
Revenue	**46.1**	**48.3**	**55.7**	**51.9**
Operating expenses	-21.0	-18.8	-25.9	-22.1
Gross profit	**25.1**	**29.5**	**29.8**	**29.8**
General and administrative expenses	-4.7	-6.7	-8.5	-13.7
Other (expenses)/income	-0.6	2.0	1.9	-6.6
Operating profit	**19.8**	**24.8**	**23.2**	**9.5**
Net finance costs	-20.0	-21.1	-27.6	-30.3
(Loss) / Income before tax	**-0.2**	**3.7**	**-4.4**	**-20.8**
Income tax expense	-4.4	-4.8	-4.0	-5.5
Loss for the period	**-4.6**	**-1.1**	**-8.4**	**-26.3**
Other comprehensive gain/(loss)	9.7	-10.9	-13.6	-13.2
Total comprehensive gain / (loss) for the period	**5.1**	**-12.0**	**-22.0**	**-39.5**

Balance sheets in summary

	30 September		31 December	
USD million	**2013**	**2012**	**2012**	**2011**
Property, plant and equipment	345.5	349.7	352.2	364.1
Other non-current assets	32.2	31.0	33.0	44.0
Total non-current assets	**377.7**	**380.7**	**385.2**	**408.1**
Trade and other receivables	38.6	45.1	29.8	19.8
Cash and cash equivalents	25.2	36.3	37.8	39.7
Total current assets	**63.8**	**81.4**	**67.6**	**59.5**
TOTAL ASSETS	**441.5**	**462.1**	**452.8**	**467.6**
Total equity	**-8.8**	**-5.0**	**-14.6**	**2.6**
Non-current interest-bearing liabilities	364.7	365.8	369.7	390.8
Other non-current liabilities	35.4	43.7	47.8	34.9
Total non-current liabilities	**400.1**	**409.5**	**417.5**	**425.7**
Current interest-bearing liabilities	23.7	32.7	30.0	16.0

Other current liabilities	26.5	24.9	19.9	23.3
Total current liabilities	**50.2**	**57.6**	**49.9**	**39.3**
TOTAL EQUITY AND LIABILITIES	**441.5**	**462.1**	**452.8**	**467.6**

Cash flow statements in summary

	January-September		Full year	
USD million	**2013**	**2012**	**2012**	**2011**
Cash flow from operating activities	30.4	26.0	40.6	-2.1
Cash flow used in investing activities	-2.5	-0.6	-2.0	-53.4
Cash flow used in financing activities	-41.0	-28.6	-41.2	51.3
Total free cash flow for the period	**-13.1**	**-3.2**	**-2.6**	**-4.2**
Effect of exchange rate differences	0.5	-0.2	0.8	-1.1
Cash and cash equivalents at the beginning of the period	37.8	39.7	39.6	45.0
Cash and cash equivalents at the end of the period	25.2	36.3	37.8	39.7

Key figures

	January-September		Full year	
	2013	**2012**	**2012**	**2011**
Gross profit margin	54.45%	61.00%	53.50%	57.42%
Operating profit (EBIT) margin	42.95%	51.24%	41.65%	18.30%
Net profit margin	neg.	neg.	neg.	neg.
Equity ratio	neg.	neg.	neg.	0.56%
Interest-bearing liabilities/equity ratio	neg.	neg.	neg.	156.5%
Basic and diluted loss per share (USD)	-0.023	-0.006	-0.04	-0.14
Dividend per share	-	-	-	-
Weighted average number of outstanding shares	205,746,419	199,743,024	201,268,477	184,511,956
Number of outstanding shares at period end	205,746,419	205,746,419	205,746,419	187,536,120
Number of employees at the end of the period	22	20	20	27

B.8	Selected pro forma financial information	Not applicable. The prospectus does not include pro forma financial information.
B.9	Profit forecast	**Revenue estimate and forecast**

USD million	**2013**	**2014**	**2015**
Italian platform			
Cassiopea	23.1	24.1	23.4
Centauro	8.3	8.2	8.2
Helios ITA-3	7.2	7.4	7.2
Helios ITA	6.3	6.1	6.1
Etrion Lazio	4.3	4.4	4.2
SVE	3.2	3.0	3.0
Sagittario	1.5	1.6	1.5
Total Italian platform	**53.9**	**54.8**	**53.6**

		Chilean platform

Chilean platform			
Aguas Blancas	-	-	1.4
Project Salvador	-	-	21.2
Total Chilean platform	**-**	**-**	**22.6**
Total revenue estimate / forecast	**53.9**	**54.8**	**76.2**

EBITDA estimate and forecast

USD million	2013	2014	2015
Italian platform			
Cassiopea	20.1	20.4	19.5
Centauro	6.6	6.9	6.8
Helios ITA-3	6.9	6.5	6.2
Helios ITA	5.3	5.1	5.1
Etrion Lazio	3.6	3.7	3.5
SVE	2.7	2.5	2.5
Sagittario	1.2	1.3	1.2
Total Italian platform	**46.4**	**46.4**	**44.8**
Chilean platform			
Aguas Blancas	-	-	1.0
Project Salvador	-	-	17.8
Total Chilean platform	**-**	**-**	**18.8**
Total EBITDA estimate / forecast	**46.4**	**46.4**	**63.6**

B.10	Remarks from auditors	Not applicable. The audit reports of the independent auditors on the audits of the consolidated financial statements of the Company for the financial years ended 31 December 2012 and 2011 do not contain qualifications or disclaimers.
B.11	Working capital	In the opinion of Etrion, working capital is sufficient to finance operations for the next 12 months as of the date of the prospectus.

SECTION C - SECURITIES

Item	**Information required**	**Information**
C.1	Type of securities	The issued shares admitted to trading are common shares (**"Shares"**) in the capital of Etrion and the Company's ticker symbol on NASDAQ OMX is ETX and the ISIN code for the shares is CA29786T1057.
C.2	Denomination	The Shares are not denominated in any currency.
C.3	Total number of shares in the company	On 30 November 2013, the Company's share capital amounted to USD 35.6 million distributed over 209,219,086 Shares. The Shares do not have a nominal or par value.
C.4	Rights associated with the securities	The Shares are all of the same class carrying the same voting rights and entitling shareholders to receive dividends as, if and when declared by the Board of Directors. There are no fixed dates for dividends. Entitlement to dividend belongs to anyone who is registered as a shareholder on the record date resolved by the

		Board of Directors. For shareholders holding Shares that are traded on the TSX, payment of dividends will be administered by the Company's transfer agent, Computershare Investor Services Inc. For shareholders holding Shares that are traded on NASDAQ OMX, the Company will administer payment of dividends through Euroclear. The holders of Shares are entitled to receive notice of, to attend and vote at any meetings of the shareholders, to receive such dividends declared by the Board and to receive the remaining property of Etrion on dissolution after creditors and holders of the preferred shares, outstanding at the time, have been satisfied. Etrion is authorised to issue an unlimited number of preferred shares issuable in one or more series. The directors of Etrion may fix from time to time, and before issue of a particular series of preferred shares, the number of shares which are to comprise the series (which may be a limited or unlimited number) and the designation, special rights and restrictions and conditions to be attached to such series of preferred shares, including, without limitation, the rate or amount of dividends or the method of calculating dividends, the date of payment for dividends, the redemption, purchase and/or conversion prices, and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provision. The preferred shares of each series shall, with respect to the payment of dividends, and the distribution of assets or return of capital in the event of liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, or any other return of capital or distribution of the assets of Etrion among its shareholders for the purpose of winding-up its affairs, rank on a parity with the preferred shares of every other series and be entitled to preference over the Shares and over any other shares of Etrion ranking junior to the preferred shares. The preferred shares of any series may also be given other preferences, not inconsistent with the Articles of the Company, over the shares and any other shares of Etrion ranking junior to the preferred shares. Unless otherwise provided by the provisions of the BCBCA, the holders of each series of preferred shares will not, as such, be entitled to receive notice of or vote at any meeting of the Company's shareholders.
C.5	Restriction on sale and transfers	Not applicable. Shares are not subject to any restriction on sale and transfer.
C.6	Admission to trading	The Company will apply for the New Shares to be admitted to trading on NASDAQ OMX and the TSX.
C.7	Dividend policy	Since incorporation, Etrion has not paid any cash dividends or made any distributions on its securities. Dividends and/or distributions on its securities will be paid solely at the discretion of the Board after taking into account the Company's financial position, results of operations, cash flows, the need for funds to finance ongoing operations, debt covenants and other business considerations. Under the terms of the agreement governing the Company's corporate bonds issued in April 2011 with a four-year maturity, the Company is unable to distribute dividends to its shareholders.

SECTION D - RISKS		
Item	**Information required**	**Information**
D.1	Key risks associated with the issuer or	Etrion's operations involves a significant degree of risk. These risks include, among others, company- and market-related risk factors such as risks related to: Dependence on key executives and management – The loss of services of one or

	its industry	more of these individuals could have a material adverse effect on the Company's business. Reliance on contractors and key employees – The loss of a key employee or difficulties in hiring and retaining replacement personnel and/or contractors could adversely affect the Company's business prospect. Talent and recruitment – The Company's operations and ability to expand will depend upon the availability of, and competition for, skilled labour. An inability to recruit new talented staff and retain high-quality and experienced staff could adversely impact the Company. Country risk – The Company's performance may be adversely affected by significant political and economic uncertainties in Italy, Chile and Japan. Licences and permits – Not obtaining all the necessary licences and permits to develop future renewable energy projects may result in projects being delayed or unachievable. Issuance of debt – The level of the Company's indebtedness could impair its ability to obtain additional financing, and breaches of a debt obligation could result in risk of forced sale of some of the Group's assets. Credit risk – Default by contracting parties may affect the Company's financial results and financial position. Risk relating to counterparties - The Group will be exposed to third party credit risk. In the event such credit risk crystallises it may materially adversely impact the Company's business and financial condition. Financing availability – The inability of the Company to access sufficient capital for its operations could have a material impact on the Company's business, financial position and performance. Cost uncertainty – The Company's current and future operations are exposed to cost fluctuations and other unanticipated expenditures that could have a material impact on the Company's financial results. Execution risk – Absence or unsuccessful integration of acquired businesses could have a negative impact on the Company. Risks related to the global capital market environment – An unstable global capital market could materially impact revenues, margins and earnings in certain markets which could affect the Company. Continued government incentives are critical to the development of the solar electricity industry – In the event that governmental support for solar electricity were to decline, it could have a material adverse effect on the Company. Failure to meet international regulatory requirements – Failure by the company to comply with HSE laws and regulations could result in the Company incurring costs and/or liabilities, which could adversely affect the Company's results or operation and financial position. Changes in the legal environment – Changes in policies, taxation policies and/or the regulatory environment could have a material adverse effect on Etrion's operations and financial performance. Foreign currency risks – Fluctuations in foreign currency could have a material adverse effect on the Company. Competition – If the Company is unable to successfully compete against its competitors, that could have a material adverse effect on the Company's

		business and results of operations. Ability to secure appropriate land – If the Company is unsuccessful in obtaining appropriate sites for new power generating facilities it could adversely affect the Company's business prospects. Interruption in the supply chain – If the Company cannot successfully secure equipment necessary for construction of solar energy projects, that could have a material adverse impact on the Company's business, financial condition and results of operations. Risks related to the development of the photovoltaic market – If photovoltaic technology proves unsuitable for widespread adoption, the Company may not be able to grow its business or generate sufficient revenue. Risks relating to the price of solar photovoltaic equipment – The price of solar photovoltaic equipment would generally be expected to lead to corresponding changes in the value of benefits available to new renewable power generation projects, which may have a material adverse effect on the results of operation of the Company. Prices and markets for electricity – A decline in the costs of other sources of electricity in Chile can affect the Company's business, financial position and results of operations for its business projects. There may also be risks to Etrion that are not known to Etrion at this time.
D.3	Key risks associated with the securities	Risks relating to the Shares include, among others: Limited operating history – The Company believes that its limited operating history makes it difficult for it to accurately forecast the level or source of the Company's revenues and its rate of growth. Dilution – The increase of Shares may have a negative impact on the price of Shares already outstanding, and the voting power of existing shareholders could be diluted. Risks related to the stock market in general – Risk and risk-taking are an inevitable part of investing in publicly traded companies in general and the Shares in particular. Risks related to dividends – There can be no guarantee that dividends will be paid to shareholders. Risk relating to the Shareholder Approval – In the event neither the Exemption nor the Shareholder Approval can be obtained, only part of the Equity Financing will be completed and the Company will need to seek alternative financing for the purpose of funding existing projects and further business development activities. The use of proceeds of the Equity Financing is subject to management's discretion – Management may use the net proceeds of the Equity Financing in ways that an investor may not consider desirable. The interest of holders of Shares may become subordinate to certain other interests – In the event of a bankruptcy, liquidation or reorganisation of the Company, creditors will generally be entitled to payment of their claims from the assets of the Company before any assets are made available for distribution to the holders of the shares. There may also be risks to the Shares that are not known to Etrion at this time.

SECTION E - THE OFFER		
Item	**Information required**	**Information**
E.1	Net proceeds and estimated costs of the offer	Not applicable. The prospectus does not contain any offer.
E.2a	Reasons for the offer and use of the issue proceeds	Not applicable. The prospectus does not contain any offer.
E.3	Terms and conditions of the offer	Not applicable. The prospectus does not contain any offer.
E.4	Interests affecting the offer	Not applicable. The prospectus does not contain any offer.
E.5	Seller of the securities and lock-up agreements	Not applicable. The prospectus does not contain any offer.
E.6	Dilution effect	Not applicable. The prospectus does not contain any offer.
E.7	Costs imposed on the investor	Not applicable. The prospectus does not contain any offer.

RISK FACTORS

An investment in securities involves a significant degree of risk. The Company's operations are affected by a number of factors which cannot be controlled by the Company. Below, factors deemed to be of particular significance to the future prospects of the Company are described. The summary of risk factors set forth below is not exhaustive. The Company's operations may also be materially adversely affected by other risks and uncertainties which are currently unknown to the Company, or which are currently not viewed as material. Not all risk factors are described in detail. Further, the risks are not ranked according to degree of importance, nor do they indicate how significant the impact could be on the Company's operations. Accordingly, a potential investor should not only carefully consider the risks described herein but also other information included in the prospectus as well as the macroeconomic environment. If any of the following risks, or any other unreferenced factor, actually occur, the business, financial conditions and/or operating results of the Company could be materially adversely affected. This could cause the trading price of the Shares to decline, and an investor could lose all or part of the investment in the Company. The following discussion highlights some of the risks and uncertainties facing the Company.

RISKS RELATED TO THE COMPANY

Dependence on key executives and management

The Group's business model is largely dependent on the services of certain key management personnel. In particular, Marco A. Northland has key industry relationships and Fernando Alvarez-Bolado has detailed technical knowledge. They have, together with Gioria Salita, been responsible for developing the Group's business development pipeline. Given their expertise in the industry in general, their knowledge of the Group's business processes and their relationships with the Group's local partners, the loss of the services of one or more of these individuals could have a material adverse effect on the Group's financial development, results of operations and financial condition.

Reliance on contractors and key employees

The Company's ability to conduct its operations is highly dependent on the availability of skilled workers and contractors who are engaged to build and operate the Company's solar projects. The price for contractors' services may impair the economic viability of the Group's projects. In addition, the success of the Group is largely dependent upon the performance of its management and key employees. The loss of any member of management or key employee could adversely affect the Company's business prospects. Difficulties in hiring and retaining replacement personnel and/or contractors could have a similar effect.

Talent and recruitment

The successful operation of Etrion's business and its ability to expand operations will depend upon the availability of, and competition for, skilled labour. There is a risk that Etrion may have difficulty sourcing the required labour for current and future operations. This risk could manifest itself primarily through an inability to recruit new staff without a dilution of talent, to train, develop and retain high-quality and experienced staff without unacceptably high attrition, and to satisfy an employee's work/life balance and desire for competitive compensation. Etrion's ability to operate safely and effectively and to compete in the renewable energy sector may be impacted by these risks.

Country risk

Renewable energy development and production activities are subject to significant political and economic uncertainties that may adversely affect the Company's performance. Uncertainties include, but are not limited to, the possibility of expropriation and/or nationalisation; invalidation or cancellation of, or delays in obtaining or the failure to obtain, governmental licences and/or permits; corruption; changes in energy laws or policies;

local currency fluctuations and/or devaluations; changes in taxation policies; inadequate infrastructure; uncertainty of the political and economic environments; civil disruptions; and changes in law and policies governing operations of foreign-based companies. The occurrence of one or more of these risks that are beyond the Company's control could have a material and adverse effect on the Company's business. In addition, if legal disputes arise relating to any of the Company's operations, it could be subject to legal claims and litigations within the jurisdiction in which it operates.

Most of Etrion's operating solar power projects are located in Italy and Etrion has expanded its business into Chile, and is beginning to expand its business in Japan. The Company is currently exposed to significant country risk relating to the Italian and Chilean solar power sector, which is not balanced through the existence of a diversified portfolio of assets. Significant concentration of investments in any one sector may result in greater volatility in the value of the Group's investments and may consequently materially and adversely affect the performance of the Company.

Licences and permits

The Company's operations require licences and permits from various governmental authorities that are subject to changes in regulation and operating circumstances. There is no assurance that the Company will be able to obtain all the necessary licences and permits required to develop future renewable energy projects which may result in projects being delayed or unachievable. At the date of this prospectus, to the best of the Company's knowledge, all necessary licences and permits have been obtained, and the Company is complying in all material respects with the terms of such licences and permits.

Issuance of debt

The Company anticipates financing a significant portion of the capital costs associated with the construction and development of its renewable energy projects by way of incurring external debt. The level of the Company's indebtedness from time to time could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise. Breaches of debt obligations by the Company or any of its subsidiaries could also subject the Company or its subsidiaries to the risk of seizure or forced sale of some or all of their assets.

Credit risk

Credit risk mainly arises from cash and cash equivalents and derivative financial instruments, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only high and medium rated institutions operating in local markets are accepted. In Italy, the sale of electricity is made to the state-owned utility companies, and therefore the credit risk associated with trade receivables is considered to be insignificant. In Japan, where sales would also be made to state-owned utility companies, such risk is also expected to be insignificant. In Chile, the sale of electricity, except for those projects when the electricity is sold on spot, will be made to the contracting party purchasing electricity (i.e., the PPA off-taker) under the PPA for each project. Default by any such contracting party may affect the Company's financial results and financial position.

Risks relating to counterparties

The Group will be exposed to third party credit risk in several instances, including, without limitation, with respect to contractors who may be engaged to construct or operate assets held by the Group, property owners who are leasing ground space to the Company for the locating of assets, banks which may provide guarantees of the obligations of other parties or which may commit to provide leverage to the Group at a future date, insurance companies which may pay provide coverage against various risks applicable to the Group's assets and other third parties who may owe sums to the Group. In the event that such credit risk crystallises in one or more instances, this may materially adversely impact the Company's business and financial condition.

Financing availability

Although the Company is currently generating significant cash flows from its operational projects, the construction and acquisition of additional projects will require significant external funding. Failure to obtain financing on a timely basis could cause the Company to miss certain business opportunities, reduce or terminate its operations or forfeit its direct or indirect interest in certain projects. There is no assurance that debt or equity financing, or cash generated from operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be available on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material impact on the Company's business, financial position and performance.

Cost uncertainty

The renewable energy projects in which the Company is currently involved or in which it may be involved in the future are subject to the risk of cost overruns or other unanticipated costs and expenses that could have a material adverse impact on the Company's financial performance. The Company's current and future operations are exposed to cost fluctuations and other unanticipated expenditures that could have a material impact on the Company's financial results and financial position.

Execution risk

At an early stage in the business process, the Company has to pursue the approval of various permits, such as building permits. Any delays in obtaining permits may threaten time-sensitive FiT guarantees. This could in turn result in cost overruns and have an adverse effect on projected returns.

Further, the Company's future growth strategy depends in part on the ability to acquire complementary or strategic businesses or assets. Any such acquisition could result in dilution, operating difficulties, difficulties in integrating acquired businesses and other harmful consequences.

The Company may acquire, and has in the past acquired, complementary or strategic businesses. The process of integrating any future acquired business, technology, services or products may result in unforeseen operating difficulties and expenditures. The integration of acquisitions, and the integration of any future acquisition, also requires significant management resources that would otherwise be available for operation, ongoing development and expansion of the Company's business. To the extent that the Company miscalculates its ability to integrate and properly manage acquired businesses, or it depends on the continued service of acquired personnel who choose to leave, the Company may have difficulty in achieving its operating and strategic objectives. In addition, the Company may not realise the anticipated benefits of any acquisition. Although the Company continues to seek acquisition opportunities, it may be unable to identify suitable acquisition opportunities or to negotiate and complete acquisitions on favourable terms, or at all. Furthermore, any future acquisitions may require substantial capital resources and the Company may need to obtain additional capital or financing from time to time to fund these activities. This could result in potentially dilutive issuances of the Company's securities or the incurrence of debt, contingent liabilities or amortisation expenses related to goodwill and other intangible assets, any of which could harm the business, financial condition and results of operation. Sufficient capital or financing for the Company's acquisition activities may not be available on satisfactory terms, or at all.

Risks related to the global capital market environment

In the fall of 2008, the world's industrial nations entered into a severe economic and liquidity crisis. This crisis is still having a broad impact on the world's economy, with unspecified results, and increases the risks outlined below. Due to the speed, size, scope, volatility and severity of the crisis, Etrion is unable to accurately predict the impact it will have on the Company. An unstable global capital market could materially impact revenues, margins and earnings in certain markets. The current economic conditions could further significantly impact governments' willingness to continue to subsidise the development of the renewable energy sector.

Continued government incentives are critical to the development of the solar electricity industry

Since renewable energy generation, such as solar power, often is more expensive than fossil fuels, it is frequently promoted through governmental support measures such as FiTs, capital subsidies and tax incentives. New solar power investments in Europe, the United States and numerous other countries are therefore dependent on such governmental support. This is likely to continue to be the case for the foreseeable future in many jurisdictions. In the event that political and governmental support for the generation of solar electricity were to decline, be withdrawn, change, or prove to be insufficient to offset any continuing competitive disadvantages, demand for the Company's products could decline, which would have a material adverse effect on the Company's business activities, results of operations and financial condition.

Failure to meet international regulatory requirements

The Company's operations are subject to numerous HSE requirements under the laws and regulations in the various jurisdictions in which the Company conducts its business. Many HSE laws and regulations are becoming increasingly stringent (and may contain "strict liability"), and the cost of compliance with these requirements can be expected to increase over time. The failure by the Company to comply with HSE laws and regulations could result in the Company incurring costs and/or liabilities including as a result of regulatory enforcement, personal injury, property damage and claims and litigation resulting from such events, which could adversely affect the Company's results of operation and financial position.

Changes in the legal environment

The renewable energy sector is subject to extensive government regulation. These regulations are subject to change based on the current and future economic and political conditions. The implementation of new regulations or the modification of existing regulations affecting the industries in which the Group operates could lead to delays in the construction or development of additional solar power projects and/or adversely impair its ability to acquire and develop economic projects, generate adequate internal returns from operating projects and to continue operating in current markets.

Uncertainties include, but are not limited to, change in renewable energy policies, changes in taxation policies and/or the regulatory environment. These uncertainties, all of which are beyond the Company's control, could have a material adverse effect on Etrion's operations and financial performance. In addition, if legal disputes arise related to any of the Company's operations, Etrion could be subject to the legal framework existing in the relevant jurisdiction.

Specifically, in May 2011, the Italian government approved a decree establishing new tariffs for solar PV plants entering into operation from 1 June 2011, through 31 December 2016. The decree provides for tariffs to be granted to solar parks based on the type of solar plant installed and the date of grid connection, with annual caps on installed solar capacity. In addition, on 3 March 2011, the Italian government approved a decree that includes land restrictions for solar PV plants installed on agricultural land after 29 March 2012. The reduced FiT impacted the Company's development pipeline in Italy that was fully impaired in 2011. However, the Company's operating solar power projects were not affected by the new decrees.

Then in April 2012, the Italian industry ministry approved the fifth "Conto Energia" renewable energy law to be implemented in the second half of 2012. The new scheme resulted in a reduction to the installation of ground-mounted solar PV projects, lower FiT for all PV systems installed and connected to the electricity grid after the implementation date and interim financial caps until the end of 2014 (i.e., half-year budgetary caps of EUR 100 million). The new law also includes an additional administrative fee charged to all operating solar PV systems (approximately EUR 0.0005 per kWh produced). This results in an additional expense to the Company of approximately EUR 0.1 million per year and may also have a negative impact on any future investments in Italy. However, apart from the additional administrative fee, the Company's operating solar power projects are not affected by the fifth "Conto Energia" renewable energy law.

In January, 2014, the Italian industry ministry approved the decree called "Destinazione Italia" where a change was introduced to the minimum guaranteed prices that applied to electricity production from solar power plants of up to 1 MW. The previous legislation had a minimum guarantee tariff of EUR 0.08 per kWh and from the date of application of the new decree, the selling price is now based on the higher of the spot market price and the new minimum guaranteed price of EUR 0.038 per kWh. Etrion's management has considered the impact of the price legislation change and concluded that it would be only applicable to the electricity produced by the solar plants of the Helios ITA and SVE projects, where revenue will be reduced by approximately EUR 0.3 million per year in aggregate. In addition, the decree introduced the option to maintain the current structure of FiT for 20 years or to accept to spread the FiT over 27 years with the possibility of changing the panels with new technology. In this regard, Etrion considers that the current term of the FiT is in accordance with Etrion's business plan and economic models and would not consider opting for a change in the FiT to a term of 27 years.

Although the recent changes to the FiT legislation in Italy has a limited impact on the Company there is no way to ascertain that future changes may not have a materially negative impact on the Company's results of operation and financial position.

Foreign currency risks

The Company operates internationally (mainly in Europe but also in the Americas) and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the EUR, CHF, USD, Chilean peso and JPY. The Company's foreign currency exposure is due primarily to intercompany borrowings made in EUR and USD to subsidiaries that have a different functional currency. The Company does not undertake hedging arrangements to mitigate the foreign currency exposure on its net investments in foreign operations or on income in foreign operations in order to hedge the risk of foreign currency variations.

Although Etrion considers foreign currency risk limited due to the fact that monetary assets and liabilities held by the Company's subsidiaries are primarily held in the individual subsidiaries' functional currency and that monetary assets and liabilities held in currencies other than the functional currencies of the individual subsidiaries are considered insignificant, foreign currency fluctuations could adversely affect the Company's results of operation and financial conditions.

Competition

The renewable energy industry is intensely competitive, and the Company will compete with a substantial number of other companies, many of which have greater financial and operational resources. There is no assurance that the Company will be able to acquire or develop future solar power projects on economic terms or at all. Etrion also competes with other companies in attempting to secure equipment necessary for the construction of solar energy projects. Such equipment may be in short supply from time to time. In addition, equipment and other materials necessary to construct production and transmission facilities may be in short supply from time to time. There is no assurance that the Company will be able to successfully compete against its competitors. The failure by Etrion to successfully compete against its competitors could have a material adverse effect on the Company's business and results of operations.

Ability to secure appropriate land

There is competition for appropriate sites for new power generating facilities. Optimal sites are difficult to identify and obtain given the geographical features, legal restrictions and ownership rights, which naturally limits the area available for site development. There can be no assurance that the Company will be successful in obtaining any particular site in the future. The failure by the Company to obtain appropriate sites for new power generating facilities could adversely affect the Company's business prospects.

Interruption in the supply chain

There is no assurance that the Company successfully will be able to secure equipment necessary for construction of solar energy projects. Because of interruptions in the supply chain, such equipment may be in short supply from time to time. Any interruptions in the supply chain could have a material adverse impact on the Company's business, financial condition and results of operations.

Risks related to the development of the photovoltaic market

The photovoltaic market is at a relatively early stage of development and the extent to which photovoltaic products will be widely adopted is uncertain. If photovoltaic technology proves unsuitable for widespread adoption or if demand for photovoltaic products fails to develop sufficiently, the Company may not be able to grow its business, or generate sufficient revenues. Demand for photovoltaic products in the Company's target markets may not develop or may develop to a lesser extent than anticipated. Many factors may affect the viability of photovoltaic technology and the widespread adoption and demand for photovoltaic products. There can be no assurance that such technology will succeed as an alternative to conventional or other new energy products. The continued development of a market for the Company's products is affected by many factors, including the emergence of newer, more successful, technologies and products, the cost and commercial availability of fuels, the cost of the Company's products, regulatory requirements, consumer perceptions of the reliability and cost-effectiveness of its products and the end products of which they form a part and potential consumer reluctance to buy products based on, or make major investments in, new technologies.

Risks relating to the price of solar photovoltaic equipment

The price of solar photovoltaic equipment can increase or decrease and it can be influenced by a number of factors, including the price and availability of raw materials, demand for photovoltaic equipment and any import duties that may be imposed on photovoltaic equipment. This would generally be expected to lead to corresponding changes in the value of benefits available to new renewable power generation projects, which may have a material adverse effect on the results of operations of the Company.

Furthermore, changes in the cost of solar photovoltaic equipment could have a material adverse effect on the Company's ability to source projects that meet its investment criteria and consequently its business, financial position, results of operations and business prospects.

Prices and markets for electricity

Etrion is not exposed to significant commodity price risk as the majority of its current revenues generated by the Company's solar power projects are secured by long-term contracts based on a FiT. However, in Chile, the Company is exposed to price risks associated with the electricity sold at the spot rate, which may be subject to change based on competition, economic, political and other conditions.

A decline in the costs of other sources of electricity, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity. A significant amount of new electricity generation capacity becoming available could also reduce the wholesale price of electricity. Broader regulatory changes to the electricity trading market (such as changes to integration of transmission allocation and changes to energy trading and transmission charging) could have an impact on electricity prices. A decline in the market price of electricity could materially adversely affect the price of electricity generated by renewable assets in Chile and thus the Company's business, financial position, results of operations and business prospects.

RISKS RELATED TO THE INVESTMENT IN SHARES

Limited operating history

The Company may experience significant fluctuations in its operating results and rate of growth. The Company believes that its limited operating history, the evolving business model and unpredictability of regulatory actions in the Company's industry make it difficult for it to accurately forecast the level or source of the Company's revenues and its rate of growth. Because of the described factors, historical trends and quarter-to-quarter comparison of its operating results are not necessarily meaningful and should not be relied upon as an indicator of the Company's future performance. In the past, the Company's operating results have sometimes been below the expectations of investors and securities analysts. In that event, the price of the Shares may fall substantially and investors may lose all or part of their investments.

Dilution

The Company has the authority to issue an unlimited number of common shares and preferred shares. The Company may undertake additional offerings or issuances of securities in the future. The increase in the number of Shares outstanding and the possibility of sales or issuances of such Shares may have a negative impact on the price of Shares already outstanding. In addition, in the event of an issuance of additional Shares, the voting power of existing shareholders would be diluted.

Risks related to the stock market in general

Risk and risk-taking are an inevitable part of investing in publicly traded companies in general and the Shares in particular. In addition to the Company's performance and the risk factors outlined in this prospectus, the price performance of the Shares depends on a number of factors, some of which are related to the market in general. Such factors may include the economic climate, market interest rates, capital flows, political uncertainties and market and behavioural psychology. The liquidity of the Shares may vary depending on investor interest and trading activity. The Company is unable to predict or exercise control over these factors. Thus, a potential investor should be aware of the risk that the trading price and the liquidity of the Shares can decline, and an investor could lose all of the investment in the Company.

Risks related to dividends

There can be no guarantees that dividends will be paid to shareholders, as such dividends are dependent on the Company's business and financial position as well as other factors. The Company has no current intention to pay dividends. Moreover, under the terms of the agreement governing the Company's corporate bonds issued in April 2011 with a four-year maturity, the Company is not permitted to distribute dividends to its shareholders. Euroclear acts as a local central securities depository for the Shares on NASDAQ OMX. In the event the Company pays dividends, for holders of Shares on NASDAQ OMX, the Company will administer any payment of dividends through Euroclear. However, the methodology for providing payment of dividends through Euroclear has not yet been fully established and no agreement with Euroclear regarding administration of dividends has been entered into. The lack of agreement with Euroclear does not deprive holders of Shares of the right to receive dividends, but may cause delays and other problems in relation to the administration of the dividends.

Risk relating to the Shareholder Approval

Under the rules of the TSX, in the absence of an exemption, an issuer is limited to issuing 25 per cent of its currently outstanding shares at a discount to market price without obtaining shareholder approval. The Company has applied for such an exemption and if it is not granted, the Company has made arrangements with certain of its shareholders under which such shareholders have agreed to sell to investors under the Equity Financing, at the Subscription Price, such number of common shares of the Company as may be required to satisfy subscriptions. In such event, the issuance of 72,328,800 New Shares will consequently be conditional upon Shareholder Approval which is expected to be obtained on or about 10 March 2014. There is no assurance that such Shareholder Approval will be obtained, failing which the Company will need to seek alternative financing for the purpose of funding existing projects and the Company's further business development activities.

The use of proceeds of the Equity Financing is subject to management's discretion

Management will have discretion concerning the use of the net proceeds of the Equity Financing as well as the timing of expenditures. As a result, investors will be relying on the judgement of management as to the application of the proceeds of the Equity Financing. Management may use the net proceeds of the Equity Financing in ways that an investor may not consider desirable. The results and effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the results of the Company's operations and its financial condition may suffer.

The interest of holders of Shares may become subordinate to certain other interests

In the event of a bankruptcy, liquidation or reorganisation of the Company, creditors will generally be entitled to payment of their claims from the assets of the Company before any assets are made available for distribution to the holders of Shares. The interest of holders of Shares will be effectively subordinated to most of the other indebtedness and liabilities of the Company. Moreover, the holders of Shares will only be entitled to receive the remaining property of the Company on dissolution after the holders of preferred shares, if any.

BACKGROUND AND REASONS

This prospectus has been prepared in conjunction with the application for admission to trading on NASDAQ OMX of 124,633,571 New Shares of Etrion.

Etrion is an independent power producer that owns and operates renewable assets. The Group currently owns approximately 60 MW of operational, ground-based solar photovoltaic (**"PV"**) power plants in Italy. In addition, Etrion is pursuing opportunities in Chile to complement its existing business by developing solar projects with long-term PPAs or spot market (**"merchant"**) revenues as well as in Japan, a relatively low risk jurisdiction with an attractive solar FiT-regime.

Etrion's Board of Directors has decided to carry out a new directed issue of 124,633,571 Shares for gross proceeds of approximately USD 80 million to certain investors as further described in the section "The Equity Financing" for the purpose of funding Project Salvador and the Company's further business development activities. Net proceeds to Etrion are equal to the total amount raised less transaction-related costs, which will amount to approximately USD 77.3 million (i.e. after costs associated with the Admission of USD 2.7 million).

In addition to financing the remaining of Etrion's equity portion of Project Salvador of USD 27 million discussed below, Etrion intends to repay approximately USD 18 million owing to Lorito Guernsey under a shareholder loan. Approximately USD 32.3 million will be used to strengthen the business development organisation and for general corporate and working capital purposes. Etrion's working capital need is principally linked to the Company's business development initiatives and investments in solar power plants in Chile and Japan.

The Company's intended use of the net proceeds of the Equity Financing is consistent with the Company's strategy to focus on markets with high solar irradiation, large energy demand and high electricity prices and to develop and acquire additional renewable power facilities, and enter into PPAs with industrial clients and others operating in the resources sector, in those markets. Project Salvador and Aguas Blancas are located in Chile, a country with abundant renewable resources (i.e., high solar irradiation), high wholesale electricity prices and a large demand for energy, making it an ideal country in which Etrion can grow and diversify through these and other opportunities. Following the construction of Project Salvador and Aguas Blancas, which are expected to be operational by the first quarter of 2015 and third quarter of 2015 respectively, the Company will have installed an additional 57.8 MW (net) of solar energy capacity, increasing the Company's total installed capacity to approximately 118 MW. The Company believes that the completion of Project Salvador and the PPA entered into with Atacama Minerals will enable the Company to meet its business objectives, while diversifying in terms of both geography (operating in both Europe and South America) and contract regime (complementing FiT revenues with revenues derived from PPA and merchant revenues).

In addition to the proceeds from the Equity Financing, non-recourse project financing will also be required. Please refer to "Business Overview - Development Activities" below for further information relating to the expected amounts and sources of such additional project financing. The construction of Aguas Blancas and completion of Project Salvador are subject to arranging the necessary debt and equity financing and is, as for the construction of Aguas Blancas, subject to other conditions customary for transactions of this nature, including relevant regulatory approvals. Debt financing has already been secured for Project Salvador.

The Company intends to use the net proceeds of the Equity Financing available to it as stated above; however, the Company's actual use of the net proceeds may vary depending on the Company's operating and capital needs from time to time and, as such, there may be circumstances where, for business reasons, a reallocation of the use of proceeds may be deemed prudent or necessary. See "Risk Factors".

The Company's business model focuses on six key drivers for success: stable revenues, abundant renewable resources, high wholesale electricity prices, low equipment prices, available long-term financing and low cost of debt. Etrion has initially focused on countries with government incentives for solar power production, specifically FiT environments like Italy. All the Company's current operating assets are successfully and profitably operating under the Italian FiT regime.

In the last few years, however, solar technology cost has dropped dramatically and has reached grid parity in certain parts of the world where solar irradiation and electricity prices are high. This provides an exciting opportunity for Etrion where future growth can be driven by the development and acquisition of additional renewable power facilities under long-term contracts, independent of subsidies. In Chile, for example, high solar irradiation, high wholesale electricity prices and a large demand for energy make solar power competitive with traditional sources of electricity without the need for governmental subsidies. Etrion is therefore now focusing on such markets, and the Company has entered into a PPA as well as a binding agreement in respect of Project Salvador (both further described below).

During the second quarter of 2012, Etrion opened an office in Santiago, Chile, to support its development plans in the Americas.

In July 2013, Etrion signed its first PPA in Chile with Atacama Minerals, to provide up to 23 GWh of solar electricity per year to the Aguas Blancas Mine to meet its incremental needs due to its planned expansion of their mine. The Company plans to build, own and operate Aguas Blancas to meet approximately 35 per cent of the Aguas Blancas Mine's total projected power requirements. The solar park is expected to be operational in the third quarter of 2015 provided the mine proceeds with its expansion plans in early 2015. The cost for Aguas Blancas, including costs related to the licences, permits, development and construction, is estimated to be USD 24 million, a portion of which is expected to be financed through non-recourse debt with international financial institutions, with the remaining equity portion to be funded by Etrion.

In September 2013, Etrion partnered with Total and Solventus on Project Salvador, a 70 MW solar photovoltaic power plant in Chile that will initially operate on a merchant basis. Etrion, Total and Solventus will own 70 per cent, 20 per cent and 10 per cent interests, respectively, in the project. The total project cost of approximately USD 200 million is being financed 70 per cent through non-recourse project debt from the Overseas Private Investment Corporation, the US Government's development finance institution. The remaining 30 per cent equity portion is being funded by Etrion, Total and Solventus, based on their respective ownership interests.

Etrion has a USD 42 million credit facility from its major shareholder, the Lundin family, to fund its equity commitment and as of today it has drawn USD 18 million from this credit facility, of which USD 15 million have been used to make the first Etrion equity contribution to Project Salvador. Following initial payback of Etrion's equity investment of USD 42 million, Etrion's ownership in Project Salvador will decrease from 70 per cent to 50.01 per cent. After 20 years of operations, Etrion's ownership will decrease to zero.

Project Salvador will be built by Total's affiliate, SunPower Corporation (**"SunPower"**), a US solar panel manufacturer and engineering, procurement and construction (**"EPC"**) contractor. Project Salvador will also enter into a long-term fixed-price operation and maintenance agreement with SunPower.

Project Salvador is expected to be operational by the first quarter of 2015. Once operational, Project Salvador is expected to produce approximately 200 GWh of solar electricity per year, enough to supply electricity to approximately 80,000 households in Chile.

The Board of Directors wishes to draw the attention of any potential investors and other stakeholders to the fact that all forms of investment in shares are associated with risks and would therefore encourage all potential investors to read the section "Risk Factors" above.

The Board of Directors of Etrion is responsible for the contents of this prospectus. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus is, to the best of the knowledge of the Board of Directors, in accordance with the facts and contains no omission likely to affect its import.

21 January 2014

Ian H. Lundin Chairman	Ashley Heppenstall Director	Marco A. Northland Chief Executive Officer and Director
Garrett Soden Chief Financial Officer and Director	Aksel Azrac Director	Tom Dinwoodie Director

THE EQUITY FINANCING

This is not an offering to purchase or to subscribe for the New Shares or any other securities.

TRADING OF SHARES

The Shares are currently traded in Sweden on NASDAQ OMX and in Canada on the TSX under the ticker symbol ETX. The ISIN code for the Shares is CA29786T1057. The Shares do not have a nominal or par value and are not denominated in any currency.

THE EQUITY FINANCING RESOLUTION

On 20 January 2014 the Board of Directors of the Company approved the issuance of up to 124,633,571 New Shares to certain investors, at an issue price of SEK 4.15 (approximately CAD 0.70) per New Share (the "Subscription Price"). Gross proceeds amounted to approximately USD 80 million (the **"Share Issue"** or the **"Equity Financing"**).

In the event an exemption as described under the Section "Conditions" below is not granted, certain shareholders of the Company have agreed to sell to investors who have subscribed to New Shares under the Share Issue, at the Subscription Price, such number of common shares of the Company as may be required to satisfy subscriptions, and to use the proceeds to subscribe for an equivalent number of New Shares, in addition to the New Shares initially subscribed for by them, upon the Shareholders' Approval.

The shares to be issued pursuant to the Equity Financing are collectively referred to as New Shares.

CONDITIONS

Under the rules of the TSX, in the absence of an exemption an issuer is limited to issuing 25 per cent of its currently outstanding shares at a discount to market price without obtaining shareholder approval. The Company has applied for such an exemption (the **"Exemption"**) and if it is not granted, the Company has made arrangements with certain of its shareholders under which such shareholders have agreed to sell to investors under the Equity Financing, at the Subscription Price, such number of common shares of the Company as may be required to satisfy subscriptions. In such event, the issuance of 72,328,800 New Shares will consequently be conditional upon shareholders' approval which is expected to be obtained on or about 10 March 2014 (the **"Shareholders' Approval"**).

In addition, the Share Issue and the Admittance is conditional upon:

(i) approval by the TSX; and

(ii) that, in the reasonable opinion of the Board of Directors of Etrion, during the period between the investors' commitment to subscribe in the Equity Financing and the settlement thereof, there has been no event which could not reasonably have been foreseen at the time of the Board of Director's resolution, that has a material adverse effect on the Company.

The Equity Financing may further be cancelled by the Company in its sole discretion for any reason.

ADMITTANCE

The Company has decided to apply for admission to trading on NASDAQ OMX and the TSX of the New Shares (the **"Admittance"**). The New Shares to be issued pursuant to the Share Issue are expected to be admitted to trading on NASDAQ OMX on or about 31 January 2014. If the Exemption is not granted, only a maximum of 52,304,771 New Shares (corresponding to 25 per cent of the currently issues Shares) is expected to be admitted to trading on NASDAQ OMX on or about 31 January 2014 and the remaining New Shares, being 72,328,800, will be subject to the Shareholder Approval and expected to be admitted to trading on NASDAQ OMX on or about 12 March 2014.

CUSTODY OF NEW SHARES TO BE LISTED ON NASDAQ OMX

As for the already issued Shares, the New Shares will be kept in custody in Canada by a global custodian with Euroclear as the registered holder. Euroclear will act as a local central securities depository enabling trading and safekeeping for the New Shares. The Company is responsible, in accordance with Canadian securities laws, for providing the holders of Shares (including New Shares) with information on the following items, among others:

- general and special meetings of shareholders of the Company;
- procedures of exercising voting rights by proxy; and
- terms and conditions governing dividends and their payment, if any.

The Company's responsibilities include mailing meeting materials, including instructions on how to exercise voting rights by proxy, to its shareholders at least 21 calendar days prior to the meeting or making such materials available to shareholders at least 30 calendar days in advance of the meeting in accordance with applicable securities laws. In order to facilitate the receipt of such materials and the exercise of voting rights by proxy by shareholders, the Company has engaged Euroclear for administrating its services for such purposes.

REGISTRATION OF NEW SHARES WITH EUROCLEAR FOR TRADING ON NASDAQ OMX

Only Shares (including New Shares) registered in the LCSD system with Euroclear are/will be traded on NASDAQ OMX.

Holders of the Company's Canadian listed Shares are entitled to register their Shares in the LCSD system with Euroclear in order to trade their Shares on NASDAQ OMX and vice versa. In order to proceed with such registration, the holders of Shares are requested to contact their nominees or their bank. The nominee or the bank may likely charge a fee per each registration of Canadian listed Shares in the LCSD system with Euroclear and vice versa. For more information regarding such charges, any prospective investor in the Shares is urged to contact his or her nominee or bank.

OTHER

The estimated total costs associated with the Admission (including the Equity Financing) amount to approximately USD 2.7 million.

The Shares (including the New Shares) are not subject to mandatory bid obligations, redemption rights or redemption obligations nor have the Shares during the current or subsequent fiscal year been subject to any public tender offer.

MARKET OVERVIEW

This section presents an overview of the solar power market in which Etrion operates.

RENEWABLE ENERGY

The market for renewable energy sources, including solar, biomass, wind, hydro and biofuels, is driven by a variety of factors, such as legislative and policy support, technology, macroeconomic conditions, pricing and environmental concerns. The overall goal for the solar energy market is to reach grid parity, whereby the price of solar energy is competitive with traditional sources of electricity, such as coal, natural gas and nuclear energy. Solar technology cost has dropped dramatically and continues to decrease. In addition, solar energy has reached grid parity in certain parts of the world where solar irradiation and electricity prices are high. As the cost of solar technology continues to drop, new potential markets are expected to develop in areas where solar electricity is price-competitive with other sources of energy. Solar power plants are an important source of renewable energy. They have very low operating and maintenance costs with minimal moving parts. The technology is essentially silent, emission-free and scalable to meet multiple distributed power requirements. Energy generated from the sun consists of both energy from PV cells (i.e. PV energy) and energy generated from solar collectors (i.e. thermal energy or heat).

DRIVERS OF THE RENEWABLE ENERGY MARKET

The Company's management has identified the following key drivers of success for renewable energy operations:

1. Stable revenues

- Premium price for solar electricity generation under long-term contracts
- Abundant renewable resources
- Economic growth increasing power demand and wholesale electricity prices combined with finite oil and gas reserves

2. Low equipment and operating costs

- Cost reduction through increased supply, competition and technology improvements
- Fixed price O&M contracts, including preventive and corrective maintenance

3. Available long-term financing with low cost of debt

- Project financing up to 80 per cent using non-recourse project loans
- Long-term hedging arrangements to minimise interest rate risk

4. Increased concern about long-term climate change and focus on reducing carbon emissions from energy generation using fossil fuels

5. Political commitment at global, national and regional levels to support the development and use of renewable energy sources

6. Attractive government incentives, such as FiTs, capital subsidies and tax incentives in markets that have not yet reached grid parity

THE ITALIAN SOLAR POWER MARKET

In 2005, the Italian government introduced a FiT system in order to encourage expansion of solar energy. This, combined with the strong solar irradiation and high electricity prices, has led to a significant growth in the installed capacity of solar-generating facilities since 2005. The Italian state-owned company, Gestore Servizi Energetici (**"GSE"**), is responsible for managing the subsidy program. However, the actual cost of the subsidy is paid by the ultimate consumer through a small tax on utility bills.

The Italian FiT program is a 20-year commitment from the government to purchase 100 per cent of the solar electricity production at a premium constant rate based on the connection date. Since 2005, the Italian FiT for new projects has been revised to account for the decreasing cost of building solar power plants. A summary of the actual FiT received by the Group for its ground-mounted solar PV power projects connected in 2009, 2010 and 2011 is as follows (no plants were connected during 2012 or 2013):

	2011	**2010**	**2009**
FiT (EUR/kWh)	EUR 0.250	EUR 0.346	EUR 0.353
Duration	20 years	20 years	20 years

In addition to the FiT, solar power generators receive the spot market rate on a per kWh basis. The market price (the **"Market Price"**) during the three and nine months ended 30 September 2013 was approximately EUR 0.06 (USD 0.08) per kWh of electricity produced.

On 5 May 2011, the Italian government approved a decree establishing new tariffs for solar PV plants entering into operation from 1 June 2011, through 31 December 2016. The decree provides for tariffs to be granted to solar parks based on the type of solar plant installed and the date of grid connection, with annual caps on installed solar capacity. In addition, on 3 March 2011, the Italian government approved a decree that includes land restrictions for solar PV plants installed on agricultural land after 29 March 2012. The reduced FiT impacted the Group's development pipeline in Italy, which was fully impaired in 2011. However, the Group's operating solar power projects were not affected by the new decrees.

In April 2012, the Italian industry ministry approved the fifth "Conto Energia" renewable energy law. The new scheme will result in a reduction of the installation of ground-mounted solar PV projects, lower FiTs for all PV systems installed and connected to the electricity grid after the implementation date and interim financial caps until the end of 2014 (i.e. half-year budgetary caps of EUR 100 million). The new law also includes an additional administrative fee that will be charged to all solar PV systems (approximately EUR 0.0005 per kWh produced) including the Group's existing operating solar power projects. This will result in an additional expense to the Group of approximately EUR 0.1 million per year. Apart from the additional administrative fee, the Group's operating solar power projects are not affected by the fifth "Conto Energia" renewable energy law.

THE CHILEAN SOLAR POWER MARKET

Chile's energy demand has been growing rapidly since 1990, a result of increased power consumption by the mining sector, the country's single largest industry, and large urban areas such as the capital city, Santiago. The increased demand combined with scarce fossil fuel resources has made the country a net importer of energy and module prices are at an all-time low, with continued drop in price due to technology improvements and scale. The energy sector is largely privatised which enables energy producers to enter into bilateral agreements directly with industrial clients. In addition, the mining growth in Chile is to reach USD 66.4 billion of investment by 2020 with very limited sources of energy to meet demand.[1]

Due to the size of Chile's economy and well-established capital markets, manufacturers and finance providers are available to support the growing demands for energy consumption. Today, mini-hydro is Chile's primary source of renewable energy. However, there is a large opportunity for growth in the solar sector, especially in the northern part of the country where more than 90 per cent of the electricity consumption is by industrial users, such as mining operations. In September 2013, the Chilean government passed the 20/25 law, requiring 20 per cent of electricity to be generated from renewable sources by 2025 (an increase from the previous "clean energy" law requiring 10 per cent of electricity to be generated from renewable sources by 2024) demonstrating strong support for the development and use of renewable energy sources.

There are two ways in which a solar producer, like Etrion, can operate in Chile:

- Through PPAs: solar power producers can sell the electricity produced through a long-term fixed-price take-or-pay USD-denominated contract with industrial users (such as mining companies). For example, the Group has entered into a 15-year PPA for its Aguas Blancas solar project in the north of Chile.

- Through spot market/merchant basis: solar power producers can sell the electricity produced on the spot market, delivered to the relevant electricity network, with the ability to secure future PPAs. For example, Project Salvador will initially operate on a merchant basis with the ability to secure future PPAs.

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[1] According to Sociedad Nacional de Mineria de Chile (SONAMI) (2012/2013 report).

Chile's electricity network is divided into four independent non-connected networks:

- SING (Sistema Interconectado del Norte Grande), the northern grid, accounts for approximately 20 per cent of total electricity production in Chile. The SING is primarily served by thermo-electric plants and the long-term price forecast for the sale of electricity to this grid is between USD 0.10 and USD 0.12 per kWh. Aguas Blancas is located along the SING with a 15-year PPA with Atacama Minerals for USD 0.114 per kWh produced.

- SIC (Sistema Interconectado Central), the central grid, accounts for approximately 70 per cent of the total electricity production in Chile and serves approximately 90 per cent of its population. The SIC is primarily served by hydro-electric plants, in addition to diesel and thermo-electricity. Currently, electricity prices are between USD 0.18 and USD 0.28 per kWh, with a long-term price forecast of approximately USD 0.12 per kWh. Project Salvador, which will initially operate on a spot market/merchant basis, is located along the SIC.

- Aysen, located in the south of Chile, this network accounts for approximately 0.03 per cent of total electricity production in Chile.

- Magallanes, located in the most southern part of Chile, this network accounts for approximately 0.8 per cent of total electricity production in Chile.

THE JAPANESE SOLAR POWER MARKET

Solar power in Japan has been expanding since the late 1990s. Japan is the world's fourth largest energy consumer, leading manufacturer of solar panels and is in the top five ranking for countries with the most solar PV installed, making the solar power an important national project. The use of solar power in Japan has accelerated since the FiT scheme for renewable energy was introduced in July 2012 to help offset the loss of nuclear power caused by the repercussions of the Fukushima disaster, which has led to nearly all of the nation's 50 reactors to be idled over nuclear safety concerns.

Japan is a relatively low-risk jurisdiction with an attractive solar FiT program and low financing costs. The government has instituted a strong mandate to increase the use of renewable energy in its energy mix in order to reduce the country's reliance on nuclear power. The government plans to increase power supply from renewable sources from 10 per cent in 2011 to 25-35 per cent by 2030. Japan has a national solar power target of 28 GW by 2020. In order to encourage solar power generation, Japan has implemented an attractive 20-year FiT program of JPY 40 per kWh (USD 0.38 per kWh) for projects secured by 31 March 2013, and JPY 36 per kWh (USD 0.34 per kWh) for projects secured the following year. The government has also announced various other policy actions including regulatory easing, tax incentives and energy sector reforms.

OTHER SOLAR POWER MARKETS

Incentive structures for solar power generation currently exist in many markets (including Europe, Japan and North America) and are a key driver for market growth. The objective of these incentives is to increase investment in renewable energy generation in order to deliver greater efficiency and cost reductions. Etrion will continue to evaluate new markets with attractive government incentives where it can develop and/or acquire additional renewable projects and will remain opportunistic for solar power projects in Europe.

In addition, as the cost of renewable power generation continues to drop, Etrion will be able to compete with traditional sources of electricity in new markets with abundant renewable resources and high electricity prices. Specifically, the Group is currently evaluating opportunities to expand into other regions of South America, where it will enter into long-term PPAs with industrial users or operate on a spot market/merchant basis.

THE SOLAR MARKET VALUE CHAIN

The value chain for constructing and eventually operating a fully operational solar power plant producing on-grid electricity can be divided into several steps starting with the raw material (e.g. polysilicon) required to make wafers and ingots which in turn are utilised for the construction of solar cells. These cells are then assembled and packaged in order to form solar panels, which are used in the construction of the solar plant. Third parties provide different services to the project sponsor such as EPC.

At the top of the value chain is the independent power producer (**"IPP"**) which functions as project leader, owner and operator of the solar power plant. Other performers, which also are part of the value chain, provide different services to the IPP in connection with the erection of the plant. Such services include, among other things, construction work, financing and/or other development-related matters. On the upstream, including raw material and solar module manufacturing, a great investment in innovation continues to deliver reduced production cost, increase efficiency and improve supply chain. Technological advances continue to translate into net cost savings further increasing the potential for growth. The industry continues to feed on a positive cycle as it continues to achieve lower cost of solar resulting in reduced cost per kWh that translates into higher demand. New markets are being created every day and prices reach new lows. Chile, where Etrion operates, is one typical example. By 2012, there was just over 1 MWp installed, 2013 likely to reach over 100 MW and by 2014 likely to surpass over 300 MW, all motivated by the reduced cost of raw materials and components making solar more competitive to other sources of energy. On the downstream, companies such as Etrion benefit from this positive cycle since it acts in ever expanding markets and opportunistically select those that deliver the highest returns with lowest risk. As an IPP, also known as downstream, Etrion can continue to look into expanding markets where solar can compete with other sources of energy. The value chain characteristics are: (i) accelerated cost reductions upstream resulting in new markets reaching grid parity; (ii) continued improvement on costs and scalability of the supply chain; and (iii) predictable returns downstream for IPPs like Etrion.

Solar market value chain

Source: Compiled by the Company.

Etrion is active in the stages of development, financing and as an IPP.

COMPETITION

There are different sources of competition in the value chain. On the upstream, there are many solar panel suppliers, with significant financial strength and production capacity. The upstream continues to go through adjustments to better plan their capacity to match the demand. 2011 was particularly harsh for the module suppliers as they saw their manufacturing capacity to expand way beyond the demand side. Today, we see more rational expansion with continued strong competition for market share. Some of these upstream suppliers are present in the downstream while others looking to expand in the downstream to increase their ability to place their panels. On the downstream, companies like Etrion find competition at different levels. In some cases, competition for financing, other cases for land or even competition for human resources. As this market continues to expand, we believe competition will become strong as more establish utilities and infrastructure funds realize the opportunities ahead for solar. Etrion, as downstream player, would only deploy capital to build new solar parks if such investments meet its investment criteria. Otherwise, investment may be delayed, for prices to drop further, or abandon them with minimum financial impact. There is no assurance that the Group will be able to acquire new renewable energy projects in order to grow in accordance with the Company's strategy. Etrion also competes in securing the equipment necessary for the construction of solar energy projects. Equipment and other materials necessary to construct production and transmission facilities may be in short supply, causing project delays or cost fluctuations. Depending on the financial climate, the Company may also face competition when seeking to raise equity and/or external debt for planned projects.

BUSINESS OVERVIEW

This section presents an overview of Etrion. It includes the Company's history, strategies and main activities and a description of the Company's operating structure.

BUSINESS CONCEPT

Etrion is an independent power producer that builds, owns and operates utility-scale power generation plants. The Company currently owns and operates 17 solar photovoltaic (**"PV"**) power plants in Italy with approximately 60 MW of installed capacity. Etrion is also developing solar power projects in Chile, and expects to start the construction of two additional solar power projects in the north of Chile with a combined net capacity of approximately 58 MW in the fourth quarter of 2013 and first quarter 2015 respectively. Once these projects are connected, Etrion will have a diversified solar power generation platform, in terms of both revenues (i.e. revenues generated pursuant to Feed-in-Tariff (**"FiT"**) contracts complemented by revenues from long-term PPAs and revenues from projects operating on a spot market/merchant basis) and geography (i.e. expansion into South America), complementing Etrion's current 60 MW operating platform in Italy and providing counter-seasonal revenues.

Furthermore, Etrion is exploring opportunities in Japan and has entered into a development agreement with HHT, a subsidiary of Hitachi, Ltd, for the development, finance, construction, ownership and operation of utility-scale solar power plants in Japan. Etrion and HHT have worked closely together for more than a year to form a joint development team. Etrion and HHT are developing a pipeline that is expected to reach at least 100 MWp of solar power generation facilities under construction or shovel-ready in Japan by 2015. Both parties have been providing the key functions required to successfully execute projects, such as local content, relationships with utilities and banks, engineering, procurement and construction, non-recourse project finance as well as operation, maintenance and asset management services. Etrion and HHT plan to start construction of the first solar power plant in late 2014.

The Company's business model focuses on six key drivers for success:

- Stable revenues
- Abundant renewable resources
- High wholesale electricity prices
- Low equipment cost and operating expenses
- Available long-term financing
- Low cost of debt

Etrion's strategy is focused on:

- **Geographic Diversity** - Entering new regions with high electricity prices, large energy demand and abundant renewable resources or strong mandates to diversify energy mix with attractive government incentives.
- **Contract Diversity** - Complementing FiT revenues with revenues derived from long-term PPAs or spot (merchant) pricing.
- **Yield** - Creating a platform for dividends to shareholders by 2015.
- **Growth** - Building a large pipeline of renewable energy development projects through key partnerships.

BUSINESS MODEL

General - solar energy

Etrion initially focused on countries with government incentives for solar power production, specifically FiT environments like Italy. The Italian FiT is a 20-year commitment from the government to purchase 100 per cent of the solar electricity production at a premium constant rate. However, as a result of the accelerated cost reductions of solar-generating facilities and certain markets evolving beyond the need for government incentives, the Company is pursuing opportunities to diversify in terms of geography, contract regime and technology, including focusing on markets with high solar irradiation and large energy demand where the Group expects to enter into PPAs with industrial clients. The Group has made progress in the Americas, with two projects being developed in Chile. Future growth will be driven by the development and acquisition of additional renewable power facilities in markets with high electricity prices, attractive solar irradiation and/or robust government incentives. The Company is also exploring opportunities in Japan and has entered into a development agreement with HHT for the development, financing, construction, ownership and operation of utility-scale solar power plants in Japan, a relatively low-risk jurisdiction with an attractive solar FiT program and low financing costs.

To initiate new projects or acquire current facilities in different markets, the Company builds partnerships with local companies. The Company works closely with its business partners to secure desirable land, with local authorities to obtain the necessary permits and with utilities to identify appropriate locations for optimal integration. Because the Company's business strategy is based on long-term ownership and operation of these assets, the Company strives to ensure that its projects have strong local support and provide immediate benefits to these communities.

Solar energy business process

The development of a solar power plant can be described as going through four different phases: (1) site development, (2) project financing, (3) construction and (4) operations.

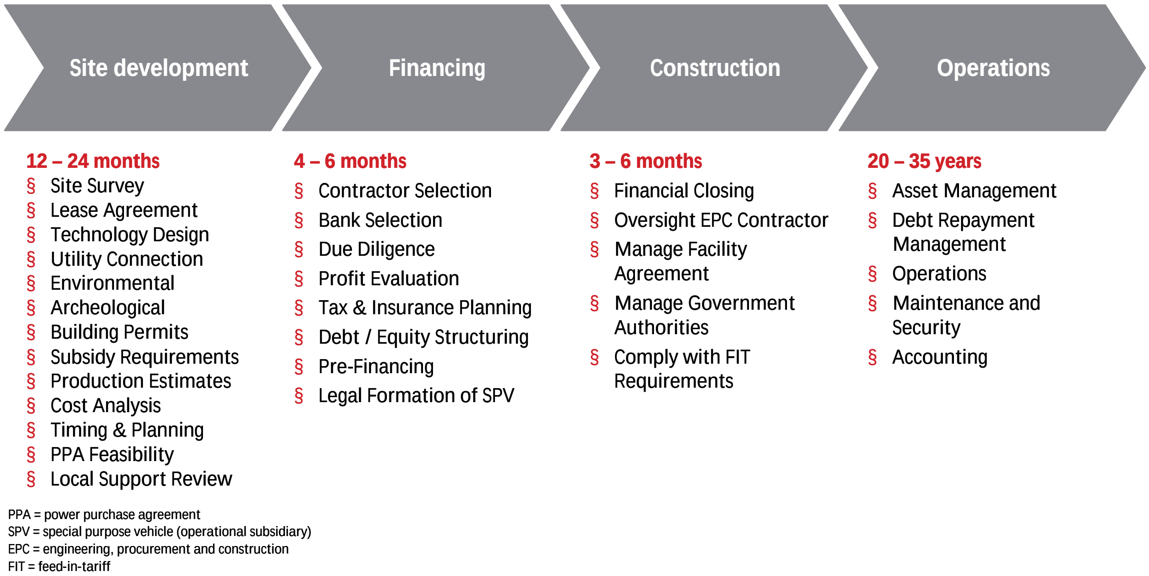
Phase 1 represents the period in which a project secures all requires permits, authorizations and utility interconnection agreements to build a solar power plant. Depending on the jurisdiction where we are operating this process may vary between 18 to 24 months. In the cases when projects are developed from its infancy, also called "Greenfields", the development time will be generally close to 2 years. However, in Etrion 's case, it also enters into co-development agreement with local development companies to reduce development time and reduce development risk. The company may also acquire permits in advance stages from local developers to further reduce the time to market. In all cases, whether the projects in the pipeline are Greenfield, co-development or acquired, they go through a rigorous development process to de-risk the projects before any investments are allocated to them. In addition to evaluating permitting risk, we continuously update the project economics to ensure it meets our investment criteria.

In phase 2, which generally requires four to six months, the Company assesses and selects various partners, including EPCs (i.e. contractors responsible for the engineering, procurement and construction of the solar power plant), to be involved in the project. The Company also analyses the financial aspects of the project, assessing pre-financing, debt/equity structuring, vendor financing and the selection of lenders. Furthermore, in phase 2, the Company evaluates potential revenue levels and the legal structure of the special purpose entity which will function as the local operational subsidiary. This process may be shortened when the projects are pre-financed directly by the Company and then refinanced once construction and grid connection is complete.

Phase 3 generally requires six to nine months of work. During this phase, the Company enters into an EPC contract, and the projects are built ensuring that the local operational subsidiary complies with the FiT requirements. Under an EPC contract, the contractor is generally hired on a fixed-price basis and obliged to, at its own risk, design the installation, procure the necessary materials and construct the project by a certain date. The contractor consequently carries the project risk for schedule as well as budget in return for a fixed price.

During a minimum period of 20 years constituting phase 4, it is intended that the Company's local operational subsidiary be engaged in the operation of the solar power plant and the repayment of existing debt facilities established in connection with the project. In this phase, the Company usually retains the EPC contractor on a 20-year O&M contract.

Business Process – Solar Energy



Source: Compiled by the Company.

VISION

The Company's vision is to leverage renewable energy sources to serve the world's ever increasing energy demands.

HISTORY AND IMPORTANT EVENTS

The Company was incorporated in Ontario, Canada, on 27 July 1993 under the name "Agents of Change Inc.". In February 1996, the Company continued under the laws of Alberta, Canada, and the Company's name was changed to "VisuaLabs Inc." to reflect the Company's research and development work on three-dimensional display devices. VisuaLabs Inc. was listed on the Alberta Stock Exchange (a predecessor of the TSX Venture Exchange) on 15 February 1996. In November 2002, the name of the Company was changed to "Pretium Industries Inc.".

In 2003, the Company shifted its business focus to the exploration of natural resources and as a result acquired Vinccler, a company engaged in the exploration, development and production of oil and gas assets in Venezuela which later became the owner of 40 per cent of the shares in PetroCumarebo, a joint venture between Vinccler and the Venezuelan state-owned oil and gas company Petróleos de Venezuela (**"PDVSA"**). Concurrent with the acquisition of Vinccler, the Company changed its name to "PetroFalcon Corporation". Furthermore, in October 2003, the Company moved its listing from the TSX Venture Exchange to the TSX.

In 2005, the Company reached an agreement with the IFC, the commercial arm of the World Bank Group, pursuant to which the IFC would lend up to USD 36 million to the Company's wholly-owned Venezuelan subsidiary PFC for the development of the Company's oil and gas assets. During the second quarter of 2005, the IFC disbursed USD 12 million. Pursuant to the loan agreement with the Company, IFC had, by the end of 2006, converted the entire outstanding USD 12 million disbursed in 2005 into Shares.

On 1 February 2008, the Company acquired Lundin Venezuela, the owner of a five per cent interest in Baripetrol S.A. (**"Baripetrol"**), a joint venture between PDVSA, Tecpetrol and Perenco. The Company acquired Lundin Venezuela from Lundin Petroleum BV, a wholly-owned subsidiary of Lundin Petroleum. As consideration, the Company issued 57,254,505 Shares at a price of CAD 0.80 per Share. Parallel with the acquisition of Lundin Venezuela, Lundin Petroleum BV subscribed for 6,665,995 units of the Company at a purchase price of CAD 0.80 per unit, which resulted in additional proceeds to the Company of approximately USD 5,110,000. Each unit consisted of one Share and approximately 0.75 warrants. Each whole warrant expired unexercised on 1 February 2010.

On 7 April 2008, the Company announced the signing of a sale and purchase agreement for the acquisition of 100 per cent of the issued and outstanding shares of Anadarko Venezuela from an affiliate of Anadarko Petroleum for USD 200 million in cash. The agreement was subject to the approval of the Venezuelan Ministry of Energy and Petroleum, which was subsequently denied. Lundin Petroleum provided a guarantee to Anadarko Petroleum for the full purchase price. In consideration for the guarantee, the Company agreed to issue 17.1 million Shares to Lundin Petroleum or one of its subsidiaries, subject to regulatory approval. On 11 April 2008, the Company issued 7.1 million Shares to Lundin Petroleum. These Shares were expensed by the Company as stock-based financing fees over the effective period of the sale and purchase agreement. The remaining 10 million Shares that would have been due at closing were not issued, in accordance with the agreement with Lundin Petroleum.

In September 2009, management of the Company conducted a review of its oil and gas investments and concluded that, due to the lack of significant cash flow generation and the political risk in Venezuela, the carrying amounts of the investments in PetroCumarebo and Baripetrol exceeded their fair value. Consequently, a write-down of USD 38.7 million of the PetroCumarebo investment was recorded and a write-down of USD 5.3 million was made in respect of Baripetrol and recorded in 2009.

On 11 September 2009, the Company acquired 90 per cent of the outstanding shares in Solar (the sole owner of Etrion S.A., a start-up renewable energy company based in Geneva, Switzerland) from Lorito and other parties for cash consideration of approximately EUR 2.3 million. Etrion also assumed approximately EUR 1.35 million in debt (see "Legal Matters and Supplementary Information - Transactions with Related Parties"). The acquisition was in line with the Company's aim to diversify its existing oil and gas business. Following the acquisition, the Company continued under the laws of British Columbia, Canada, such continuation having taken effect on 10 September 2009, and changed its name to its current name, "Etrion Corporation".

On 5 November 2009, the Company closed the financing for the construction of four solar power plants in the Puglia region in southern Italy, each with an aggregate capacity of approximately 1 MW. The Company subsequently decided to proceed with the development of three of the plants. The construction of the three solar power plants, Oria, Matino and Ruffano, was completed in December 2010. On 15 February 2010, the Company obtained approval for the "Visco Sud" tax credit from the Italian tax authorities for these projects. The tax credit is EUR 4.1 million and may be credited against income taxes arising from future taxable income following connection of the solar power plants to the Italian electricity grid.

On 2 April 2010, the Company and Deutsche Bank entered into a sale and purchase agreement pursuant to which the Company acquired all of Deutsche Bank's PV assets in Italy on 24 June 2010 including, inter alia, Helios ITA. Helios ITA is an Italian entity with 6.4 MW of operating assets and the non-controlling interest (two per cent) in Energy Service Provider S.r.l. for an aggregate purchase price of EUR 4.0 million, including a price adjustment at the date of acquisition.

On 10 June 2010, the Company's subsidiary Solar purchased 40 per cent of the outstanding shares and permits of the Italian entity Etrion Lazio for an aggregate purchase price of EUR 0.9 million, including contingent consideration. Etrion Lazio owns the required permits for the construction of the Borgo Piave 3.5 MW project in the Lazio region of southern Italy.

On 5 August 2010, the Company entered into two sale and purchase agreements with SunRay pursuant to which the Company acquired 24 MW of operating solar PV assets in Lazio, Italy, and agreed to acquire a further 9 MW of near-operating photovoltaic assets in Lazio, Italy. The acquisition of the 9 MW project was completed on 1 October 2010.

On 23 August 2010, the Company completed an equity financing (private placement) to satisfy the continued listing requirements of the TSX. The Company raised gross proceeds of CAD 15,750,000 (approximately USD 14.8 million).

On 5 October 2010, the Company entered a new agreement to build a 1.7 MW solar power plant in Rio Martino, Italy, to be designed, constructed, operated and maintained by Phoenix Solar.

On 12 November 2010, the Company started trading with a secondary listing on the main market of NASDAQ OMX in Sweden under the ticker symbol, "ETX". Concurrent with the secondary listing, Lundin Petroleum, Etrion's former major shareholder, distributed its 40 per cent ownership in Etrion to Lundin Petroleum shareholders.

In late 2010 (November-December) the Company completed several solar projects in Italy. Etrion and SunPower announced an agreement to build two solar power plants, totalling 10 MW, in the Puglia region of Italy. Etrion would own the power plants, and SunPower design, construct and provide operations and maintenance services for the plants.

In December 2010, Etrion closed project financing with Natixis S.A. (**"Natixis"**), WestLB AG (**"WestLB"**) and Mediocreval S.p.A. (**"Mediocreval"**) for the construction of four solar power plants in Italy with a total capacity of 15 MW. In August 2011, the Company closed an additional tranche of project financing to include the 2.6 MW Nettuno project within the same facility. The non-recourse senior loan facility is for approximately EUR 60 million and includes a total of 17.8 MW in operation or under construction in Italy. After a drawdown of the facility in November 2011, Etrion repaid in full the previously announced bridge loan of EUR 28 million from Lorito and Zebra ("**Bridge Loan**"), investment companies wholly-owned by the Lundin family trusts.

On 13 April 2011, the Company completed the issue of EUR 60 million of corporate bonds in the Norwegian bond market at nine per cent annual interest with a four-year maturity.

On 8 June 2011, the Company announced an agreement with ABB S.p.A. (**"ABB"**) to complete Etrion's 10 MW Helios ITA-3 solar project under construction in the Puglia region of Italy. Pursuant to the agreement, Etrion would own the power plants, and ABB design, construct and provide operations and maintenance services for the plants. The project was completed in August 2011.

On 16 June 2011, the Company announced an agreement whereby Yingli Green Energy Holding Company Limited (**"Yingli Green Energy"**) would supply PV modules for Etrion's 10 MW Helios ITA-3 solar project under construction in Puglia, Italy.

On 20 June 2011, the Company entered a new agreement to build a 2.6 MW solar power plant near Nettuno in the Lazio region of Italy. Pursuant to the agreement, Etrion would own the power plant, and Phoenix Solar design, construct and provide operations and maintenance services for the plant. The project was completed in August 2011.

On 30 March 2012, the Company announced that Marco A. Northland, the Company's CEO, exercised his conversion right in respect of his 10 per cent equity interest in the Company's subsidiary, SRH, for an equivalent value of Shares (the **"Conversion"**). The purpose of the Conversion was to enable the Company to own 100 per cent of SRH. As a result of the Conversion, an additional 18,210,299 Shares were issued to Marco A. Northland.

During the second quarter of 2012, Etrion opened an office in Santiago, Chile, to support its development plans in the Americas. On 20 June 2012, the Company announced it is negotiating its first PPA to construct a 5 MW solar power project in Chile with expected project realisation in 2013.

In July 2013, Etrion entered into a long-term take-or-pay PPA to sell electricity to the Aguas Blancas Mine located in the north of Chile. The Company plans to build, own and operate the Aguas Blancas to meet approximately 35 per cent of the Aguas Blancas Mine's total projected power requirements. The solar park is expected to be operational third quarter of 2015 provided the mine proceeds with its planned expansion of its production in early 2015.

In September 2013, the planned construction of Project Salvador, the world's largest solar power project based on spot market electricity (**"merchant"**) revenues was announced. Pursuant to the terms of the related purchase agreement, Etrion, Total and Solventus will own 70 per cent, 20 per cent and 10 per cent interests, respectively, in the project. Project Salvador will be built by Total's affiliate, SunPower. Project Salvador will also enter into a long-term fixed-price operation and maintenance agreement with SunPower. In connection with the signing of the purchase agreement for Project Salvador, a company affiliated with the Lundin family has issued a USD 42 million letter of credit to Total on behalf of Etrion for total consideration of 2,500,000 common shares in Etrion. As a result, the Lundin family owns 25.4 per cent of the issued and outstanding shares of Etrion directly and through various trusts.

In October 2013, Etrion sold all of its shares in PFC for USD 5 million in cash. USD 3 million was paid at closing, and the balance of USD 2 million is expected to be received in March 2014. PFC owns 40 per cent of PetroCumarebo and five per cent of Baripetrol, two Venezuelan oil and gas companies controlled by Petróleos de Venezuela, the national oil company.

In January 2014, Etrion announced a strategic partnership with HHT for the development, finance, construction, ownership and operation of utility-scale solar power plants in Japan.

(See below under "Operating Projects" and "Development Activities" for more information on Etrion's projects.)

OPERATING PROJECTS

The following is a summary of the Company's current operating solar power projects:

Project	Region	Sites	Capacity (MW)	Technology	Contractor	Panels	Inverters	Connection date	FiT(1)
Cassiopea Lazio	Lazio	1	23.9	Single axis	SunPower	SunPower	SMA	Nov-09	€ 0.353
Helios ITA-3 (Brindisi, Mesagne)	Puglia	2	10.0	Single axis	ABB	Yingli	Bonfiglioli	Aug-11	€ 0.250
Centauro Lazio	Lazio	1	8.7	Single axis	SunPower	SunPower	SMA	Jul-10	€ 0.346
Helios ITA (Brindisi, Mesagne)(2)	Puglia	7	6.4	Single axis	Solon	Solon	Santerno	Dec-09	€ 0.353
Etrion Lazio (Borgo Piave, Rio Martino)(3)	Lazio	2	5.2	Fixed-tilt	Phoenix Solar	Trina	SMA	Apr-11	€ 0.346
SVE (Oria, Matino, Ruffano)	Puglia	3	3.0	Single axis	SunPower	SunPower	Siemens	Dec-10	€ 0.346
Sagittario (Nettuno)	Lazio	1	2.6	Fixed-tilt	Phoenix Solar	Trina	SMA	Aug-11	€ 0.250
Total		**17**	**59.8**						

Notes:
(1) FiT per kWh, based on connection date. In Italy, revenues are derived from the FiT and Market Price, both received for each kWh of electricity produced. The weighted average remaining contract life is approximately 17 years.
(2) Six of the Helios ITA solar parks benefit from the 2009 FiT of EUR 0.353 per kWh, and the last park built benefits from the 2010 FiT of EUR 0.346 per kWh.
(3) Etrion Lazio was installed at the end of 2010. However, the project was not connected to the electricity grid until April 2011.

The Company made its first market entry in Italy on 5 November 2009, when the Company announced the acquisition of permits in the Puglia region in southern Italy for solar parks with an aggregate capacity of 3 MW. As at the date of this prospectus, the Company's projects in operation or under construction include the following:

Cassiopea

The Cassiopea project in Montalto di Castro in the Lazio region of Italy consists of one ground-mounted solar PV park with a total capacity of 23.9 MW. The solar park was connected to the electricity grid in November 2009. The Cassiopea solar park was built by SunPower, a US-based solar panel manufacturer and installer, using high-efficiency SunPower modules mounted on single-axis trackers with power conversion completed through SMA inverters. Cassiopea has an O&M contract with SunPower, including preventive and corrective maintenance.

The solar park benefits from the 2009 FiT of EUR 0.353 per kWh plus the Market Price, which is subject to fluctuations as it is based on the spot market price in Italy.

Helios ITA-3

The Helios ITA-3 project in Puglia, Italy, consists of two ground-mounted solar PV parks: Brindisi (5 MW) and Mesagne (5 MW). Both parks were completed and connected to the electricity grid in August 2011. The Helios ITA-3 solar parks were built by ABB, the Swiss power and automation technology group, using Yingli poly-crystalline PV modules mounted on SunPower single-axis trackers with power conversion completed through Bonfiglioli inverters. Helios ITA-3 has an O&M contract with ABB, including preventive and corrective maintenance.

Both solar parks benefit from the August 2011 FiT of EUR 0.250 per kWh plus the Market Price, which is subject to fluctuations as it is based on the spot market price in Italy.

Centauro

The Centauro project in Montalto di Castro in the Lazio region of Italy consists of one ground-mounted solar PV park with a total capacity of 8.7 MW. The solar park was connected to the electricity grid in July 2010. The Centauro solar park was built by SunPower using high-efficiency SunPower modules mounted on single-axis trackers with power conversion completed through SMA inverters. Centauro has an O&M contract with SunPower, including preventive and corrective maintenance.

The solar park benefits from the 2010 FiT of EUR 0.346 per kWh plus the Market Price, which is subject to fluctuations as it is based on the spot market price in Italy.

Helios ITA

The Helios ITA project in Puglia, Italy, consists of seven ground-mounted solar PV parks with a total capacity of 6.4 MW. Six of the solar parks were connected to the electricity grid in December 2009 and the last park built was connected in December 2010. The Helios ITA solar parks were built by Solon S.p.A. (**"Solon"**), a German solar panel manufacturer and installer, using single-axis trackers with Solon poly-crystalline modules and Santerno inverters. In July 2012, the Group entered into a new O&M contract, including preventive and corrective maintenance, with ABB; the previous O&M contract was with Solon.

Six of the Helios ITA solar parks, just under 1 MW each for a total of 5.8 MW, benefit from the 2009 FiT of EUR 0.353 per kWh plus the market price of approximately EUR 0.07 per kWh. The last park built (0.6 MW) benefits from the 2010 FiT of EUR 0.346 per kWh plus the Market Price, which is subject to fluctuations as it is based on the spot market price in Italy.

Etrion Lazio

The Etrion Lazio project in Lazio, Italy, consists of two ground-mounted solar PV parks: Borgo Piave (3.5 MW) and Rio Martino (1.7 MW). Both solar parks were completed in December 2010 and were connected to the electricity grid in April 2011. The Etrion Lazio solar parks were built by Phoenix Solar, a German PV system integrator, using Trina poly-crystalline PV modules installed on fixed-tilt structures with power conversion completed through SMA inverters. Etrion Lazio has an O&M contract with Phoenix Solar, including preventive and corrective maintenance. Both solar parks benefit from the 2010 FiT of EUR 0.346 per kWh plus the Market Price, which is subject to fluctuations as it is based on the spot market price in Italy.

SVE

The SVE project in Puglia, Italy, consists of three ground-mounted solar PV parks: Oria (1 MW), Matino (1 MW) and Ruffano (1 MW). All three solar parks were connected to the electricity grid in December 2010. The SVE solar parks were built by SunPower using high-efficiency SunPower modules mounted on single-axis trackers with power conversion completed through Siemens inverters. SVE has an O&M contract with SunPower, including preventive and corrective maintenance. All three solar parks benefit from the 2010 FiT of EUR 0.346 per kWh plus the Market Price, which is subject to fluctuations as it is based on the spot market price in Italy.

Sagittario

The Sagittario project in Lazio, Italy, consists of one ground-mounted solar PV park with a total capacity of 2.6 MW. The solar park was completed and connected to the electricity grid in August 2011. The Sagittario solar park was built by Phoenix Solar using Trina poly-crystalline PV modules installed on fixed-tilt structures with power conversion completed through SMA inverters. Sagittario has an O&M contract with Phoenix Solar, including preventive and corrective maintenance. The solar park benefits from the August 2011 FiT of EUR 0.250 per kWh plus the Market Price, which is subject to fluctuations as it is based on the spot market price in Italy.

For further information regarding the financing arrangements relating to each specific project, please see below under "Legal Matters and Supplementary Information - Financial Agreements".





DEVELOPMENT ACTIVITIES

Etrion is pursuing renewable energy projects in Chile and Japan. Solar has reached levelised cost of energy and the cost of solar generation has dropped significantly, enabling Etrion to provide competitive electricity solutions, particularly in areas of high solar irradiation without the need for government subsidies. Chile, a country with an investment grade AA-rating (per Standard & Poor's), has abundant renewable resources (i.e., strong solar irradiation), high wholesale electricity prices and a large energy demand making it an ideal country for Etrion to grow and diversify through new opportunities.

Chile

Etrion's business development activities in Chile are focused on solar power generation that is carried along the electricity networks SING and SIC, where industrial users are particularly concerned with electricity shortages, as a result of high growth in energy demand. Together the SING and SIC account for approximately 90 per cent of Chile's total electricity production. Northern Chile has among the highest solar irradiation in the world (25 per cent above Nevada, USA / 50 per cent above Spain). A summary of the Group's most notable projects under development in Chile at 30 September 2013, is as follows:

Project	Region	Sites	Capacity (MW)	Technology	Contractor	Panels	Expected start of construction	Expected start of operations	Contract regime
Project Salvador	Atacama	1	49.0(1)	Single axis	(2)	(2)	Q4-2013(3)	Q1-2015	Spot market/ merchant (4)
Aguas Blancas	Antofagasta	1	8.8	Single axis	(2)	(2)	Q1-2015	Q3-2015(5)	PPA (USD 0.114 per kWh)(6)
Total		**2**	**57.8**						

Notes:
(1) Etrion will initially own a 70 per cent interest in Project Salvador, a 70 MW solar power project, resulting in a net capacity of 49 MW to Etrion. Following payback of the original equity contribution (of approximately USD 42 million), Etrion's ownership will decrease to 50.01 per cent.
(2) Under negotiations.
(3) Construction commenced in December 2013.
(4) Project Salvador will initially operate on a merchant basis where the electricity produced will be sold on the spot market and delivered to the SIC electricity network, with the ability to secure future PPAs.
(5) Timing is subject to confirmation by customer it is proceeding with expansion of their mine by early 2015.
(6) Electricity produced by Aguas Blancas will be sold to Atacama Minerals through a 15-year PPA denominated in USD.

Project Salvador (70 MW)

In September 2013, Etrion Chile signed a purchase agreement with Total and Solventus to build, own and operate a 70 MW (49 MW net to Etrion) solar project in the Atacama region in the north of Chile. Pursuant to the purchase agreement, Etrion Chile, Total and Solventus will own 70 per cent, 20 per cent, and 10 per cent interests, respectively, in the project company, which holds the licences, land rights and permits necessary to build, own and operate Project Salvador.

Project Salvador will initially operate on a merchant basis where the electricity produced will be sold on the spot market and delivered to the SIC electricity network, with the ability to secure future PPAs. The solar power plant will be built on 133 hectares leased from the Chilean government through a long-term concession. Once operational, Project Salvador is expected to produce approximately 200 million kWh of solar electricity per year (approximately 140 million kWh net to Etrion's initial 70 per cent ownership interest).

The total project cost of approximately USD 200 million will be financed 70 per cent through non-recourse project debt financing provided by OPIC, the US government's development finance institution, with a 19.5-year tenor with all-in interest rate of approximately seven per cent and the remaining 30 per cent equity portion will be funded by Etrion Chile, Total and Solventus, based on their respective ownership interests, resulting in a total capital commitment for Etrion Chile of approximately USD 42 million. Etrion Chile's ownership is expected to decrease to 50.01 per cent after payback of its equity investment, expected in September 2018. After 20 years of operation, Etrion Chile's ownership will decrease to zero. Please refer to "Legal Matters and Supplementary Information - Material Agreements" for more information.

Project Salvador will be built using SunPower high-efficiency, single-axis tracker technology. Construction of Project Salvador commenced in December 2013, and the solar project is expected to be operational by the first quarter of 2015.

Aguas Blancas (8.8 MW)

Etrion has entered into a long-term take-or-pay PPA with Atacama Minerals Chile S.C.M. to provide electricity to its iodine mine located in northern Chile. Etrion plans to build, own and operate a solar park, Aguas Blancas, with a total capacity of 8.8 MW in the Antofagasta region in northern Chile to meet approximately 35 per cent of the mine's total projected power requirements. The electricity will be sold through a 15-year fixed-price take-or-pay USD-denominated PPA that was signed in July 2013 with Atacama Minerals, a wholly-owned subsidiary of Sirocco Mining Inc., in order to supply electricity to the Aguas Blancas Mine. Per the PPA, all electricity produced by Aguas Blancas will be sold to Atacama Minerals for USD 0.114 per kWh. Once operational, Aguas Blancas is expected to produce approximately 23.5 million kWh of solar electricity per year. Construction of Aguas Blancas is expected to commence in the first quarter of 2015, subject to Etrion arranging the necessary debt financing, and the solar project is expected to be operational in the third quarter of 2015 provided the mine proceeds with expansion of their production facility by early 2015.

The total project cost, including costs related to the licences, permits, development and construction, is estimated to be USD 24 million, which is expected to be financed with up to 80 per cent of non-recourse project debt.

In addition to the above, the Company's project pipeline in Chile includes the two projects described in the table below.

Country	Region	Project name	Contract regime	Projects	MW	Status	Probability	Ownership	Construction date
Chile	SING (North)	Aguas Blancas 2	Merchant + PPA	4	72	Application for land filed in April 2013 Following confirmation of land, environmental studies will be prepared and filed	P10	100 %	Q1-2015
Chile	SIC (Central)	Las Luces	Merchant + PPA	1	22	Application for land filed in April 2013 Following confirmation of land, environmental studies will be prepared and filed	P10	100 %	Q1-2015
Total				**5**	**94**				

Japan

Japan is one of the largest solar photovoltaic markets in the world today with over 15 GW of installed capacity. It is a relatively low-risk jurisdiction with an attractive solar FiT program and low financing costs. The Japanese government has instituted a strong mandate to increase the use of renewable energy in Japan's energy mix in order to reduce the country's dependence on nuclear power. The government plans to increase the share of renewable energy as a percentage of total power supply from 10 per cent in 2011 to 25-35 per cent by 2030. Japan has a national solar power target of 28 GW by 2020. In order to encourage solar power generation, Japan has implemented an attractive 20-year FiT program of JPY 40 per kWh (USD 0.38 per kWh) for projects secured by 31 March 2013, and JPY 36 per kWh (USD 0.34 per kWh) for projects secured the following year. The government has also announced various other policy actions, including regulatory easing, tax incentives and energy sector reforms.

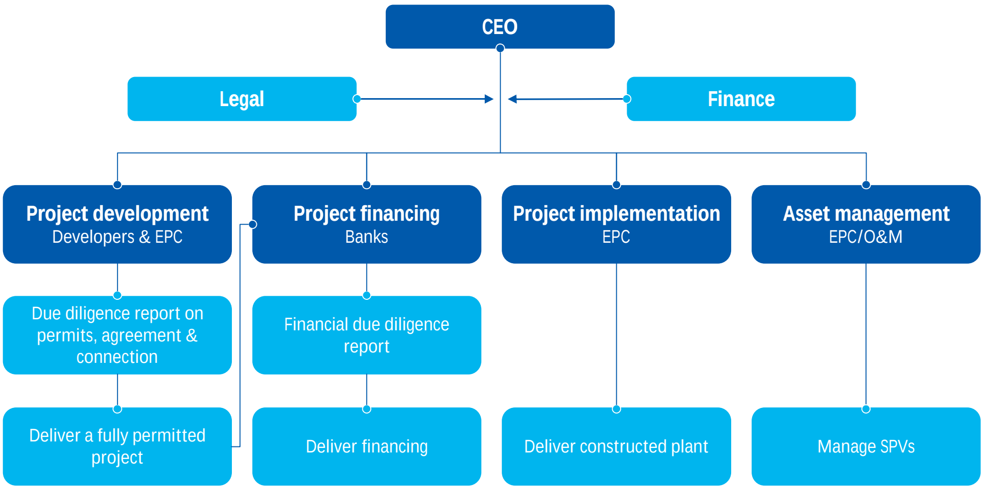
Etrion and HHT have signed a development agreement and have been working closely together for more than one year to form a joint development team. The partnership is developing a pipeline that is expected to reach at least 100 MWp of solar power generation facilities under construction or shovel-ready in Japan by 2015. Both parties have been providing the key functions required to successfully execute projects, such as local content, relationships with utilities and banks, engineering, procurement and construction, non-recourse project finance as well as operations, maintenance and asset management services. Etrion and HHT plan to start construction of the first solar power plant in 2014.

OIL AND GAS

The Company shifted its business focus from oil and gas to renewable power generation following the acquisition of Solar Resources Holding S.à r.l. in September 2009. Since that acquisition, the Company's holdings in PetroCumarebo and Baripetrol were considered passive investments and were consequently sold when Etrion divested all of its shares in PFC in October 2013. All of Etrion's remaining assets are focused on renewable energy power generation.

ORGANISATIONAL AND LEGAL STRUCTURE

The Company's head office is located in Geneva, Switzerland, and is responsible for the oversight, finance, corporate development, investor relations and regulatory activities of the Company, whereas the local branches in Italy and Chile solely manage the Company's operations in the solar energy sector. The Company is organised to efficiently operate its business and has offices in Rome, Italy and Santiago, Chile. The Company is incorporated under the laws of British Columbia, Canada, and is governed by the BCBCA, and is subject to applicable Canadian securities laws.



EPC = engineering, procurement and construction
O&M = operations and maintenance
SPVs = special purpose vehicles (operational subsidiaries)

The Company has one material directly wholly-owned subsidiary, Solar, a Luxembourg company, which is functioning as a holding company for all of the Company's renewable energy assets. In addition the Company has another material directly but 70 per cent owned subsidiary, PV Salvador, a Chilean company, which holds the permits and contracts to build a 70 MW solar park in Chile.

Etrion S.A., a Swiss company, is functioning as a management services company for the Group. Consequently, the Company's senior management are all employed by Etrion S.A. Etrion S.A. has 11 employees.

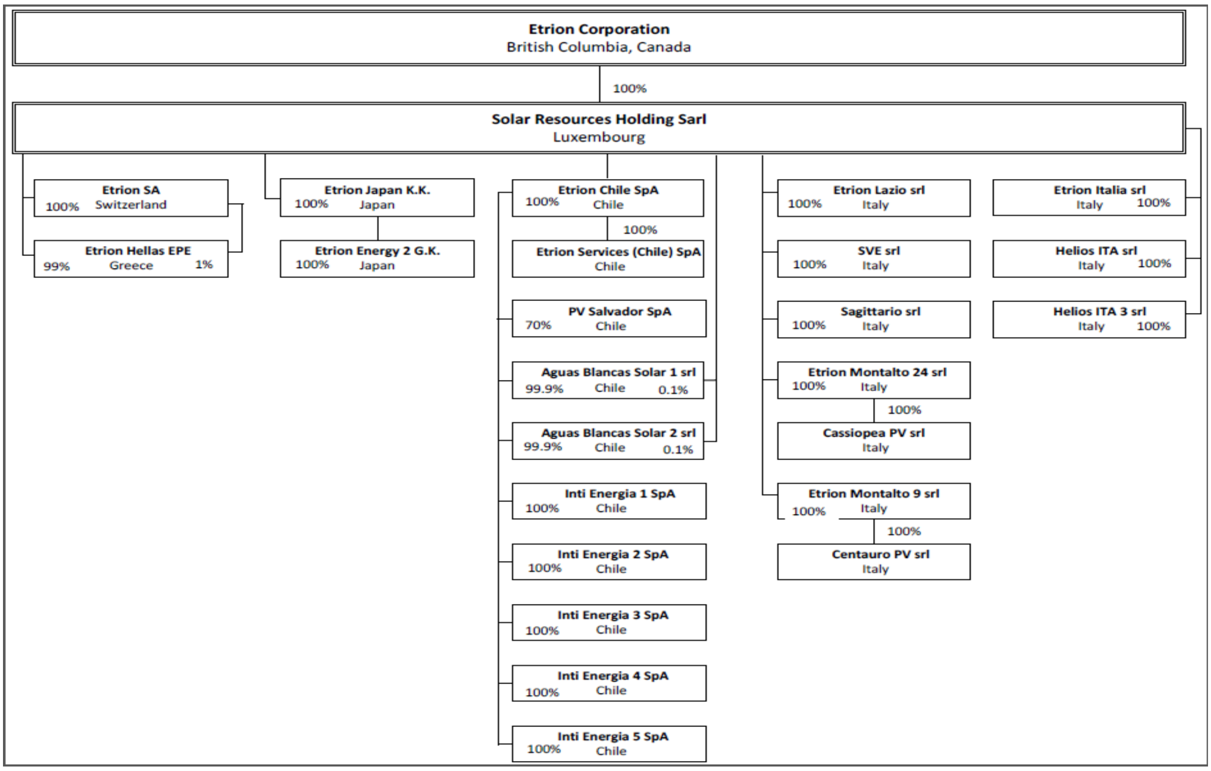
Etrion Italia S.r.l. is an Italian company, which is functioning as the Italian management company responsible for the Company's renewable energy projects in Italy. Etrion Italia S.r.l. has seven employees.

Etrion Chile, S.p.A. is a Chilean company, which is functioning as the Chilean management and holding company responsible for the Company's renewable energy projects in Chile. Etrion Chile, S.p.A. has four employees.

Etrion Japan is a Japanese company, which is functioning as the Japanese management company responsible for the Company's renewable energy projects in Japan. Etrion Japan has three employees relocated from Etrion European operations.

As of the date of this prospectus the Group has 22 employees, of which 11 are located in Switzerland, four employees are located in Chile and seven are located in Italy.

Etrion Corporation - corporate structure



SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2013

In October 2013, the Group borrowed USD 3 million under a loan facility from Lorito Guernsey, a company affiliated with the Lundin family, Etrion's largest shareholder, at an annual interest rate of 12 per cent with a 12-month maturity.

In October 2013, in connection with the purchase agreement for Project Salvador, Lorito Guernsey issued a USD 42 million letter of credit to Total on behalf of Etrion for total consideration of 2,500,000 Shares in Etrion. As Etrion funds its equity portion of Project Salvador, the availability under the letter of credit will be reduced accordingly. As a result, the Lundin family now owns approximately 25.4 per cent of the Company, collectively held through various trusts. For further information see section "Legal Matters and Supplementary Information - Material Agreements".

In October 2013, Etrion sold all of its shares in its previously wholly-owned subsidiary, PFC, for total cash consideration of USD 5 million, of which USD 3 million was paid at closing and the balance of USD 2 million is expected to be received in March 2014. PFC owns 40 per cent of PetroCumarebo and five per cent of Baripetrol, two Venezuelan oil and gas companies controlled by Petróleos de Venezuela, the national oil company. The Company's holdings in PetroCumarebo and Baripetrol were considered passive investments classified as available for sale. The non-core assets were carried on Etrion's balance sheet at USD 1 million at 30 September 2013, comprising available for sale investments of USD 2.1 million, offset by trade and other payables of USD 1.1 million (relating to advance dividends received). For further information see section "Legal Matters and Supplementary Information - Material Agreements".

In October 2013, the Group received the USD 11.7 million VAT reimbursement from the Italian tax authorities associated with one of its solar power projects, increasing the Group's restricted cash and cash equivalents by USD 11.7 million.

In December 2013, the Group borrowed an additional USD 15 million under the loan facility from Lorito Guernsey, at an annual interest rate of 12 per cent with a 12-month maturity.

In December 2013, Etrion announced the signing of the project finance facility agreement for the 70 MWp Project Salvador in Chile with the Overseas Private Investment Corporation (**"OPIC"**), the US government's development finance institution and on 23 December 2013, the first drawdawn of USD 50 million was made from OPIC. For further information see section "Legal Matters and Supplementary Information - Material Agreements".

In January 2014, Etrion announced the delay of construction of the Aguas Blancas project. This delay was the result of the mine's decision to delay expansion of their production facility due to iodine prices.

In January 2014, Etrion announced a development agreement with HHT for the development, financing, construction, ownership and operation of utility-scale solar power plants in Japan.

TRENDS

Solar technology cost has dropped dramatically and continues to decrease. In addition, solar energy has reached grid parity in certain parts of the world where solar irradiation and electricity prices are high (for example Chile, where the Company is competing with traditional sources of electricity without government subsidies). As the cost of solar technology continues to drop, new potential markets are expected to develop in areas where solar electricity is price-competitive with other sources of energy.

To the best of the Company's knowledge, no other known trends or uncertainty factors exist beyond those described in the section "Risk Factors".

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF ETRION

Etrion's financial year ends on 31 December. The Company prepares its consolidated financial statements in accordance with IFRS. The financial information in the following tables has been extracted or derived from the audited consolidated financial statements for the financial years 2011 and 2012, incorporated by reference into this document, and the unaudited condensed consolidated interim financial statements for the three and nine months ended 30 September 2013, included elsewhere in this document. The financial information for the interim periods is unaudited.

This section should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended 30 September 2013 incorporated in this document and the financial information incorporated into this document by reference: see "Financial Information".

INCOME STATEMENTS IN SUMMARY

	January-September		Full year	
USD million	**2013**	**2012**	**2012**	**2011**
Revenue	**46.1**	**48.3**	**55.7**	**51.9**
Operating expenses	-21.0	-18.8	-25.9	-22.1
Gross profit	**25.1**	**29.5**	**29.8**	**29.8**
General and administrative expenses	-4.7	-6.7	-8.5	-13.7
Other (expenses)/income	-0.6	2.0	1.9	-6.6
Operating profit	**19.8**	**24.8**	**23.2**	**9.5**
Net finance costs	-20.0	-21.1	-27.6	-30.3
(Loss) / Income before tax	**-0.2**	**3.7**	**-4.4**	**-20.8**
Income tax expense	-4.4	-4.8	-4.0	-5.5
Loss for the period	**-4.6**	**-1.1**	**-8.4**	**-26.3**
Other comprehensive gain/(loss)	9.7	-10.9	-13.6	-13.2
Total comprehensive gain / (loss) for the period	**5.1**	**-12.0**	**-22.0**	**-39.5**

BALANCE SHEETS IN SUMMARY

	30 September		31 December	
USD million	**2013**	**2012**	**2012**	**2011**
Property, plant and equipment	345.5	349.7	352.2	364.1
Other non-current assets	32.2	31.0	33.0	44.0
Total non-current assets	**377.7**	**380.7**	**385.2**	**408.1**
Trade and other receivables	38.6	45.1	29.8	19.8
Cash and cash equivalents	25.2	36.3	37.8	39.7
Total current assets	**63.8**	**81.4**	**67.6**	**59.5**
TOTAL ASSETS	**441.5**	**462.1**	**452.8**	**467.6**
Total equity	**-8.8**	**-5.0**	**-14.6**	**2.6**
Non-current interest-bearing liabilities	364.7	365.8	369.7	390.8
Other non-current liabilities	35.4	43.7	47.8	34.9
Total non-current liabilities	**400.1**	**409.5**	**417.5**	**425.7**
Current interest-bearing liabilities	23.7	32.7	30.0	16.0
Other current liabilities	26.5	24.9	19.9	23.3
Total current liabilities	**50.2**	**57.6**	**49.9**	**39.3**
TOTAL EQUITY AND LIABILITIES	**441.5**	**462.1**	**452.8**	**467.6**

CASH FLOW STATEMENTS IN SUMMARY

	January-September		Full year	
USD million	**2013**	**2012**	**2012**	**2011**
Cash flow from operating activities	30.4	26.0	40.6	-2.1
Cash flow used in investing activities	-2.5	-0.6	-2.0	-53.4
Cash flow used in financing activities	-41.0	-28.6	-41.2	51.3
Total free cash flow for the period	**-13.1**	**-3.2**	**-2.6**	**-4.2**
Effect of exchange rate differences	0.5	-0.2	0.8	-1.1
Cash and cash equivalents at the beginning of the period	37.8	39.7	39.6	45.0
Cash and cash equivalents at the end of the period	25.2	36.3	37.8	39.7

KEY FIGURES

	January-September		Full year	
	2013	**2012**	**2012**	**2011**
Gross profit margin	54.45%	61.00%	53.50%	57.42%
Operating profit (EBIT) margin	42.95%	51.24%	41.65%	18.30%
Equity ratio	neg.	neg.	neg.	0.56%
Interest-bearing liabilities/equity ratio	neg.	neg.	neg.	156.5%
Basic and diluted loss per share (USD)	-0.023	-0.006	-0.04	-0.14
Dividend per share	-	-	-	-
Weighted average number of outstanding shares	205,746,419	199,743,024	201,268,477	184,511,956
Number of outstanding shares at period end	205,746,419	205,746,419	205,746,419	187,536,120
Number of employees at the end of the period	22	20	20	27

RATIO DEFINITIONS

Gross profit margin	Electricity sales less operating costs in relation to sales
EBIT	Earnings before net interest income and tax expense
EBIT margin	EBIT in relation to sales
Equity ratio	Net equity in relation to total assets
Debt/Equity ratio	Interest-bearing liabilities in relation to net equity
Basic and diluted loss per share	Net loss attributable to shareholders holding ordinary shares divided by numbers of shares issued and outstanding The calculation of diluted loss per common share excludes options, warrants and exchange rights outstanding, as the effect would be anti-dilutive

COMMENTS ON THE FINANCIAL INFORMATION

Income statement

Revenue from energy sales

Nine months ended 30 September 2013 and 30 September 2012

During the nine months ended 30 September 2013 and 2012, the Group recognised revenues from seven solar power projects all located in Italy (Cassiopea, Helios ITA-3, Centauro, Helios ITA, Etrion Lazio, SVE and Sagittario), comprising 17 solar power plants. During the nine months ended 30 September 2013, the Group produced approximately two per cent less electricity and generated approximately four per cent less revenues, compared to the same period of 2012, due primarily to lower solar irradiation in the first half of 2013, while the weather conditions in 2012 were significantly better than expected. The Group's revenue, during the nine months ended 30 September 2013 was also adversely impacted by a two per cent reduction to the average price per kWh, due to a reduction in the spot market price in Italy (as the Group received an average of USD 0.08 per kWh during the nine months ended 30 September 2013, compared to USD 0.10 per kWh during the same period of 2012), which was only slightly offset by a strengthening of the EUR against the USD during the period.

Financial years ended 31 December 2012 and 2011

During 2012 and 2011, the Group recognised revenues from seven solar power projects in Italy (Cassiopea, Helios ITA-3, Centauro, Helios ITA, Etrion Lazio, SVE and Sagittario), comprising 17 solar power plants. Compared to 2011, the Group produced 22 per cent more electricity and generated seven per cent more revenues, primarily attributable to three additional solar power projects (Helios ITA-3, Etrion Lazio and Sagittario) being connected during 2011 and accordingly not being in operation for the full year, which increased the Group's total installed capacity. However, the 2012 revenues were negatively impacted by a drop in the average price per kWh, USD 0.51 compared to USD 0.59 in 2011, a result of foreign exchange rate variations (i.e. a weakening of the EUR against the USD), new projects being connected in 2011 with a lower FiT and a reduction in the spot market price in Italy. Accordingly, although production increased by 22 per cent in 2012, this led to only a seven per cent increase in revenues compared to 2011.

Operating expenses and general and administrative expenses

Nine months ended 30 September 2013 and 30 September 2012

Operating expenses increased by USD 2.2 million (12 per cent) during the nine months ended 30 September 2013, compared to the same period in 2012, primarily due to additional O&M expenses associated with three of the Group's solar power projects that commenced after the second year of operations, higher property taxes associated with the Group's solar power projects due to a change in the Italian property tax legislation and foreign exchange rate differences (due to a strengthening of the EUR against the USD). General and administrative expenses decreased by USD 2.1 million (31 per cent) during the nine months ended 30 September 2013, compared to the same period in 2012, due primarily to the capitalisation of internally generated costs within intangible assets, directly attributable to the Group's business development activities, a lower headcount, a reduction to fees paid to the Company's Board of Directors, a reduction in corporate and professional fees and a reduction in office, travel and other general and administrative expenses, offset by foreign exchange rate differences (due to a strengthening of the EUR against the USD) and an increase in share-based payment expenses during the nine months ended 30 September 2013.

Financial years ended 31 December 2012 and 2011

Operating expenses increased by USD 3.8 million (17 per cent) in 2012 in comparison with 2011, due to additional O&M, depreciation and amortisation expenses related to three solar power projects being connected to the electricity grid throughout 2011 (Helios ITA-3, Etrion Lazio and Sagittario) and accordingly not being in operation for the full year, additional O&M expenses associated with two of the Group's solar power projects (Cassiopea and Centauro) that commenced after the second year of operations and higher property taxes associated with the Group's solar power projects due to changes in the Italian property tax legislation, offset by foreign exchange rate fluctuations due to a weakening of the EUR against the USD. General and administrative expenses decreased by USD 5.3 million (39 per cent), due to a reduction in the number of employees at 31 December 2012 in order to streamline operations, lower share-based payment expenses and foreign exchange rate fluctuations, due to a weakening of the EUR against the USD.

Net finance costs

Nine months ended 30 September 2013 and 30 September 2012

Finance costs decreased by USD 1.0 million (five per cent) during the nine months ended 30 September 2013, compared to the same period in 2012, due to a reduction of interest expenses at the project level due to the self-amortising nature of the Group's non-recourse project loans, the recognition of fair value gains associated with the Group's derivative financial instruments and the recognition of other finance income (due to interest income recognised on an outstanding VAT reimbursement in Italy), offset by an increase to the foreign exchange loss recognised during the period and foreign exchange rate differences (due to a strengthening of the EUR against the USD).

Financial years ended 31 December 2012 and 2011

Finance costs decreased by USD 2.6 million (nine per cent) in 2012 in comparison with 2011, due to a reduction of USD 3.6 million in interest expenses associated with the Group's corporate borrowings (as the EUR 28 million bridge loan obtained in 2011 to accelerate construction of two of the Group's solar power projects was fully repaid in November 2011), a reduction of USD 0.4 million associated with foreign exchange rate movements and a reduction of USD 0.4 million associated with other finance costs (due to no construction activity taking place in 2012), offset by an increase of USD 1.8 million in interest expenses associated with the Group's non-recourse project debt (due to two additional projects being financed in the second half of 2011).

Net loss of the period

Nine months ended 30 September 2013 and 30 September 2012

During the nine months ended 30 September 2013, the Company reported a net loss of USD 4.6 million (loss per share of USD 0.023), compared to a net loss of USD 1.2 million (loss per share of USD 0.006) during the comparable period in 2012. The increase in the net loss of the period was mainly due to approximately two per cent less electricity production and approximately four per cent less revenues compared to the same period in 2012 due primarily to lower solar irradiation in the first half of 2013 and a drop in the electricity spot market price in Italy. In addition, weather conditions in 2012 were significantly better than expected. The net results for the nine months ended 30 September 2013 were adversely affected by non-recurring items of USD 0.6 million related to an impairment loss associated with the Company's business development activities of USD 0.4 million and other expenses of USD 0.2 million plus non-cash items of USD 15.4 million, including depreciation and amortisation of USD 15.1 million and stock-based compensation of USD 0.4 million, offset by unrealised fair value gains associated with derivative financial instruments of USD 0.1 million. Excluding these non-recurring and non-cash items, the Company's net income for the nine months ended 30 September 2013 would have been USD 11.4 million.

Financial years ended 31 December 2012 and 2011

During 2012, Etrion reported a net loss of USD 8.5 million (loss per share of USD 0.04) compared to a net loss of USD 26.3 million (loss per share of USD 0.14) during 2011. The main reason for the decrease in comparison with 2011 was that the Group produced 22 per cent more electricity and generated seven per cent more revenues, primarily attributable to three additional solar power projects (Helios ITA-3, Etrion Lazio and Sagittario) being connected during 2011 and accordingly not being in operation for the full year. The net results for 2012 were also positively impacted by non-recurring items of USD 1.6 million, including other income of USD 1.4 million related to the conversion of the Chief Executive Officer's previously held 10 per cent equity interest in one of the Company's subsidiaries and other income of USD 0.2 million related to liquidation damages and insurance proceeds received during the year and were adversely impacted by non-cash items of USD 20.8 million, including depreciation and amortisation of USD 20 million, share-based compensation of USD 0.5 million, unrealised fair value losses associated with derivative financial instruments of USD 0.2 million and severance payments of USD 0.1 million. Excluding these non-recurring and non-cash items, the Company's consolidated net income for 2012 would have been USD 10.6 million.

Balance sheet

Group's assets and liabilities

30 September 2013 and 31 December 2012

The Group's assets decreased by USD 11.2 million (2.5 per cent) during the nine months of 2013, primarily attributable to depreciation of the Group's solar power projects and a reduction to cash due to the temporary use of USD 11.7 million of restricted cash to repay the Cassiopea project VAT facility. This USD 11.7 million was collected in October 2013. The decrease in the third quarter was partially offset by an increase to trade and other receivables due to the outstanding collection of the higher revenue summer months, an increase to the Group's deferred income tax assets and development costs capitalised during the period. Total liabilities decreased by USD 17.0 million (3.6 per cent) during the first nine months of 2013, due to the amortising nature of the Group's non-recourse project loans, a reduction in the fair value of the Group's derivative financial instruments at 30 September 2013 (due to the higher than forecasted Euribor curve) and the payment of certain accounts payable outstanding at year-end. The decrease in liabilities was partially offset by an increase to income tax payable due to the higher tax rate applicable to five of the seven Italian projects.

31 December 2012 and 2011

The Group's assets decreased by USD 14.8 million in 2012, primarily attributable to depreciation of the Group's solar power projects, lower trade receivables outstanding at year-end and a net cash outflow during the year. Also that during 2012, a portion of the Group's VAT receivables was reclassified from non-current to current assets. Total liabilities increased by USD 2.4 million, compared to 2012, primarily attributable to unrealised fair value losses associated with the Group's interest rate swap contracts due to a lower than forecasted Euribor curve increasing the liability position of derivative financial instruments at 31 December 2012, offset by the release to equity of the previously recognised financial liability of USD 5.3 million upon the conversion by our Chief Executive Officer of his previously held exchange right and the net repayment of the Group's non-recourse project loans. During 2012, a portion of the Group's VAT facilities was also reclassified from non-current to current liabilities.

Group's net equity

30 September 2013 and 31 December 2012

During the first nine months of 2013, the Group's total equity position increased by USD 5.7 million (39 per cent) from a net liability position of USD 14.6 million at 31 December 2012, to a net liability position of USD 8.9 million at 30 September 2013. This was due to the unrealised fair value gains of USD 10.2 million recognised within other reserves associated with the Group's derivative financial instruments (i.e. interest rate swap contracts) and share-based payment expenses of USD 0.5 million, offset by foreign currency translation adjustments of USD 0.4 million and the USD 4.6 million net loss recognised by the Group during the period. The Group's total equity at 30 September 2013 was adversely impacted by unrealised fair value losses of USD 12.4 million recognised within other reserves associated with the Group's derivative financial instruments that are not expected to be realised (i.e. the interest rate swap contracts will be held until the maturity of the associated non-recourse project loans). Excluding these fair value losses, the Group's total equity at 30 September 2013 would have been positive USD 3.5 million.

Financial years ended 31 December 2012 and 2011

During 2012, the Group's total equity decreased by USD 17.2 million from a net asset position of USD 2.6 million at 31 December 2011, to a net liability position of USD 14.6 million at 31 December 2012, primarily due to the USD 8.5 million loss reported during the year and unrealised fair value losses of USD 13.4 million associated with the Group's interest rate swap contracts, offset by an increase to equity related to the shares issued to our Chief Executive Officer in respect of his previously held 10 per cent equity interest in the Company's subsidiary, SRH. Excluding the accumulated unrealised fair value losses associated with the Group's interest rate swap contracts that we are not expecting to settle (as they will remain outstanding for the duration of the associated loans), the Group's total equity at 31 December 2012 would have been positive USD 8 million.

Liquidity and financing

30 September 2013 and 31 December 2012

At 30 September 2013, the Group had cash and cash equivalents of USD 25.2 million (31 December 2012: USD 37.8 million) and positive working capital (i.e. current assets less current liabilities) of USD 13.6 million (31 December 2012: USD 17.7 million). The Group's cash and cash equivalents at 30 September 2013 included restricted cash of USD 20.9 million (31 December 2012: USD 30.8 million), which relates to cash and cash equivalents held at the project level that is restricted by the lending banks for future repayment of interest and principal and working capital requirements related to the specific project. Restricted cash and cash equivalents can be distributed from the project companies, subject to approval from the lending banks, either through repayment of shareholder loans, payment of interest on shareholder loans or dividend distributions. During the nine months ended 30 September 2013, the Group repaid the USD 12.3 million VAT facility associated with one of its solar power projects, which matured on 30 September 2013, using USD 11.7 million of restricted cash that was replaced upon receipt of the associated VAT reimbursement from the Italian tax authorities in October

2013. This resulted in a temporary reduction of USD 11.7 million to the Group's cash and cash equivalents at 30 September 2013. In October 2013, Etrion sold all of its shares in its previously wholly-owned subsidiary, PFC, for total cash consideration of USD 5 million, of which USD 3 million was paid at closing and the balance of USD 2 million is expected to be received in March 2014. The proceeds from the sale of these non-core assets have provided an upside that has improved the unrestricted cash balances.

31 December 2012 and 2011

At 31 December 2012, the Group had cash and cash equivalents of USD 37.8 million (2011: USD 39.7 million) and positive working capital (i.e. current assets less current liabilities) of USD 17.7 million (2011: USD 20.1 million).

Cash flow statement

Nine months ended 30 September 2013 and 30 September 2012

During the nine months ended 30 September 2013, the Group had a positive operating cash flow of USD 30.4 million and increased USD 4.4 million (17 per cent) in comparison with the same period in 2012, mainly due to favorable changes in the working capital and cash management. Cash flow used in investing activities was USD 2.5 million and increased by USD 1.9 million (32 per cent) in comparison with the same period in 2012, mainly due to costs incurred by management in the Chilean market evaluation and development. Cash used in financing activities was USD 41 million and increased by USD 12.4 mainly due to the repayment of a USD 12.3 million VAT facility associated with one of the Group's solar power projects, which matured on 30 September 2013.

Financial years ended 31 December 2012 and 2011

During 2012, the Group had a positive operating cash flow of USD 40.6 million in comparison with a negative operating cash flow of USD 2.2 million in the same period in 2011, mainly due to the income generated by the new plants connected through 2011, and as a consequence fully operational during 2012, and favourable changes in the working capital, due to the end of construction activities in 2011. During 2012, cash flow used in investing activities was USD 2.0 million, in comparison with USD 53.4 million in the same period in 2011, due mainly to costs incurred in the construction of three solar power projects in 2011. During 2012, cash used in financing activities was USD 41.2 million and related mainly to repayment of debt principal and interest while in 2011 the Group had a positive cash flow from financing activities due to corporate and project-related borrowings obtained to finance the construction of three solar power projects in 2011.

INVESTMENTS

Etrion Chile has entered into a long-term take-or-pay PPA with Atacama Minerals, a wholly-owned subsidiary of Sirocco Mining Inc., to provide electricity to Aguas Blancas Mine to meet its incremental needs due to its planned expansion of their mine. Etrion Chile plans to build, own and operate Aguas Blancas to meet approximately 35 per cent of the mine's total projected power requirements. The electricity will be sold through a 15-year fixed-price take-or-pay USD-denominated PPA that was signed in July 2013. Construction of Aguas Blancas is expected to commence in the first quarter of 2015, subject to Etrion Chile arranging the necessary debt financing, and the solar project is expected to be operational in the third quarter of 2015 provided the mine proceeds with its expansion plans in early 2015.

In September 2013, Etrion Chile signed a purchase agreement with Total and Solventus to build, own and operate Project Salvador. Pursuant to the purchase agreement, Etrion Chile, Total and Solventus will own 70 per cent, 20 per cent, and 10 per cent interests, respectively, in the project company PV Salvador, which holds the licences, land rights and permits necessary to build, own and operate the solar project. Project Salvador will be built on 133 hectares leased from the Chilean government through a long-term concession. Construction is expected to commence in the fourth quarter of 2013, and the project is expected to be operational by the first quarter of 2015. During the nine months ended 30 September 2013, general and administrative expenses of USD 2.3 million (2012: USD nil) representing internally-generated costs (USD 1.4 million) and third-party costs (USD 0.9 million) were capitalised during the period within intangible assets, as they directly related to the Group's business development activities.

In 2012, the Company invested USD 0.7 million in tangible fixed assets. In 2011, the Company invested USD 52.7 million in tangible fixed assets. For further details regarding the Company's historical investments, please see the annual reports for 2012 and 2011, incorporated by reference. In addition, during 2012, the Group capitalized, within intangible assets general and administrative expenses of USD 1.4 million (2011: USD nil), including USD 1.1 million of internally-generated costs and USD 0.3 million of third-party expenses, directly attributable to obtaining and securing licences and permits for the construction and operation of solar power projects in the pipeline.

The Helios ITA-3 and Nettuno solar power projects were completed and connected to the electricity grid in August 2011 at which time the total capital investment of USD 46.0 million and USD 8.6 million, respectively, associated with these solar power projects were transferred from assets under construction to solar power projects. The Etrion Lazio solar power project was completed in December 2010. However, it was not connected to the electricity grid until April 2011. Upon connection to the electricity grid, the accumulated capital investment of USD 22.5 million associated with this solar power project was transferred from assets under construction to solar power projects.

No significant ongoing or planned future investments, for which clear commitments have been given, exist in addition to the investments described above.

ESTIMATE AND FORECAST

REVENUE ESTIMATE AND FORECAST

USD million	2013	2014	2015
Italian platform			
Cassiopea	23.1	24.1	23.4
Centauro	8.3	8.2	8.2
Helios ITA-3	7.2	7.4	7.2
Helios ITA	6.3	6.1	6.1
Etrion Lazio	4.3	4.4	4.2
SVE	3.2	3.0	3.0
Sagittario	1.5	1.6	1.5
Total Italian platform	**53.9**	**54.8**	**53.6**
Chilean platform			
Aguas Blancas	-	-	1.4
Project Salvador	-	-	21.2
Total Chilean platform	**-**	**-**	**22.6**
Total revenue estimate / forecast	**53.9**	**54.8**	**76.2**

EBITDA ESTIMATE AND FORECAST

USD million	2013	2014	2015
Italian platform			
Cassiopea	20.1	20.4	19.5
Centauro	6.6	6.9	6.8
Helios ITA-3	6.9	6.5	6.2
Helios ITA	5.3	5.1	5.1
Etrion Lazio	3.6	3.7	3.5
SVE	2.7	2.5	2.5
Sagittario	1.2	1.3	1.2
Total Italian platform	**46.4**	**46.4**	**44.8**
Chilean platform			
Aguas Blancas	-	-	1.0
Project Salvador	-	-	17.8
Total Chilean platform	**-**	**-**	**18.8**
Total EBITDA estimate / forecast	**46.4**	**46.4**	**63.6**

The information included in the above tables represents an estimate for the year ended 31 December 2013 and forecasts for the years ending 31 December 2014 and 2015. The Company believes that the estimate and forecasts are correct at the date of this document.

1 Project economics estimate and forecasts

Etrion has estimated revenue and EBITDA at the project level for the fiscal year ending on 31 December 2013 and forecasted revenue and EBITDA figures at the project level for the fiscal years to be ended on 31 December 2014 and 2015 based on the basis and assumptions set out below in sections 2 and 3. This estimate and forecast include measures not defined under IFRS, specifically EBITDA. Non-IFRS measures have no standardised meaning prescribed under IFRS and therefore such measures may not be comparable with those used by other companies. Such estimated and forecasted financial information provides a financial outlook on the basis and for the years described above and this information may not be appropriate for any other purposes.

2 Basis of preparation

The revenue estimate and forecasts have been prepared on a basis consistent with the accounting policies that are expected to be used in the Group's consolidated financial statements for the years to be then ended. These policies are consistent with those set out in the accounting policies set out in the Group's consolidated financial statements for the years ended 31 December 2012 and 2011.

The EBITDA estimate and forecast have been prepared using a non-IFRS widely accepted methodology. EBITDA is essentially net income with interest, taxes, depreciation and amortisation added back to it, and can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

Revenue and EBITDA forecasts have been prepared using the project currency and translated, where applicable, to the USD using the prevailing exchange rate at the date of the projection of EUR/USD of 1:1.36 which is not a reflection of future exchange rates. Revenue and EBITDA estimates for 2013 have been prepared using the 2013 average exchange rate of EUR/USD of 1:1.33.

3 Assumptions

Factors outside the influence or control of the directors

a. There will be no major event or other circumstances which would cause a significant delay in the construction, completion and connection to the grid of new solar power plants.

b. There will be no material change in the current management team, ownership of and control over the project level companies.

c. There will be no material change in legislation or regulatory requirements impacting the Group's operations or its accounting policies.

d. There will be no material differences between the actual or past recent weather and irradiation conditions and those anticipated or projected by the director.

e. There will be no material changes to general trading and economic conditions and no downturn in economic activity in Italy or in Chile, in each case, from that which is currently prevailing and/or anticipated by the Directors which would cause a material change in levels of energy production and demand.

f. There will be no major or international natural disasters, outbreaks of hostilities, terrorist attacks or other circumstances which would cause a material change in levels of energy production and demand.

g. There will be no business interruptions that materially affect the Group, its major suppliers or its major customers.

h. There will be no material change in interest rates from those currently prevailing, hedged and/or anticipated by the Directors.

i. There will be no material changes to the prices of energy electricity forecasted by the Group's projects.

Factors within the influence or control of the directors

a. There will be no loss of revenue risk due to underperformance of the solar projects which will have a material impact on the forecasts.

b. There will be no acquisitions and disposals by the Group which will have a material impact on the forecasts.

Independent Assurance Report

21 January 2014

The Board of Directors of Etrion Corporation
1600 - 925 West Georgia Street
Vancouver, British Columbia
V6C 3L2
Canada

We have examined profit estimate and forecasts of Etrion Corporation at project level, comprising:
- estimate of revenue and EBITDA for the year ended 31 December 2013 and
- forecasts of revenue and EBITDA for the years ending 31 December 2014 and 2015,

set out on pages 48 to 50 of the prospectus of the company dated 21 January 2014, in accordance with the International Standard on Assurance Engagements.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and presentation of the prospective financial information, including the assumptions set out on pages 49 to 50 of the prospectus on which it is based, in accordance with items 13.1 and 13.3 of Annex XXV of Regulation (EC) No 809/2004.

Practitioner's Responsibility

It is our responsibility to provide the opinion required by item 13.2 of Annex XXV of Regulation (EC) No 809/2004.

Opinion

In our opinion, the profit estimate and forecasts have been properly compiled on the basis of the assumptions set out on pages 49 to 50 of the prospectus and the basis of accounting used is consistent with the accounting policies of the company.

Actual results are likely to be different from the estimate and forecasts since anticipated events frequently do not occur as expected and the variation may be material. Further, we emphasise that the estimate and forecast information is not intended to, and does not, provide all the information and disclosures necessary to give a fair presentation of the results of the estimate and forecast financial performance of the company in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

PricewaterhouseCoopers SA

Luc Schulthess Dondu Ipek

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BOARD OF DIRECTORS, SENIOR EXECUTIVES AND INDEPENDENT AUDITORS

BOARD OF DIRECTORS

Ian H. Lundin
Director and Chairman of the Board of Directors since 10 September 2009
Education: The University of Tulsa, Bachelor of Science in Petroleum Engineering.
Other assignments: Chairman of the Board of Directors of Lundin Petroleum AB since 2002.
Previous assignments in the past five years: N/A
Holdings: 4,248,494 Shares and 253,000 options.

Ashley Heppenstall
Director since 1 February 2008
Education: The University of Durham, Bachelor's degree in Mathematics.
Other assignments: President and Chief Executive Officer of Lundin Petroleum AB since 2001; Director in Gateway Storage Company Limited since April 2007.
Previous assignments in the past five years: Director of Vostok Gas (resigned in June 2009), Matrix RM Fund (resigned in 2009) and Vostok Nafta Investment Ltd (resigned in May 2013).
Holdings: 3,317,629 Shares and 373,000 options.

Marco A. Northland
Chief Executive Officer since 11 September 2009 and Director since 10 September 2009
Education: The George Washington University, Bachelor's degree in Electrical/Biomedical Engineering and Master's degree in Computer Sciences; The University of Chicago, MBA in Finance and Administration.
Other assignments: Chairman of Retinagenix LLC since 2004.
Previous assignments in the past five years: Chief Executive Officer and Vice Chairman of Etrion S.A. from October 2008 to September 2009.
Holdings: 18,812,582 Shares and 955,000 options.

Garrett Soden
Interim Chief Financial Officer since 7 November 2013 and Director since 4 November 2013
Education: The London School of Economics, BSc (Econ) honours degree; Columbia Business School, MBA.
Other assignments: Chairman of the Board of Directors of RusForest AB since July 2013.
Previous assignments in the past five years: Chief Executive Officer of RusForest AB from August 2012 until July 2013; Chief Financial Officer of Etrion from December 2006 until March 2012.
Holdings: N/A.

Aksel Azrac
Director since 22 September 2010
Education: Ecole Polytechnique Fédérale de Lausanne, degree in Mechanical Engineering; HEC Lausanne, degree in Business Administration.
Other assignments: Co-Founder and Senior Partner of 1875 Finance SA since 2006.
Previous assignments in the past five years: N/A
Holdings: 100,000 Shares and 278,000 options.

Tom Dinwoodie
Director since 22 October 2012
Education: Cornell University, B.S. in Environmental Engineering; The Massachusetts Institute of Technology, School of Mechanical Engineering, M.S.; The University of California, Berkeley, School of Architecture, M.Arch.
Other assignments: Lead Trustee of the Rocky Mountain Institute (a non-profit research and educational foundation) since 2009 and Chairman since 2012 and serving on the Sierra Club's Climate Cabinet and Scientific Advisory Panel (an environmental organisation).
Previous assignments in the past five years: Chief Technology Officer (resigned in October 2012) of SunPower Corporation's Systems division.
Holdings: 188,000 options.

In addition, Zebra, Lorito and Lorito Guernsey, companies wholly-owned by the Lundin family trust, hold 20,541,433 Shares, 25,599,834 Shares and 2,500,000 Shares respectively (in aggregate 48,641,267 Shares, representing approximately 23.2 per cent of the Shares).

The Board of Directors, which is responsible for supervising the management of the business and affairs of the Company, currently comprises six directors, of whom four are independent within the meaning of applicable

Canadian securities laws. As such, Marco A. Northland and Garrett Soden are not considered independent as they are the Chief Executive Officer and interim Chief Financial Officer of the Company, respectively.

SENIOR EXECUTIVES

Marco A. Northland
Chief Executive Officer
Employed and in his current position since 11 September 2009.
For more information see above, "Board of Directors".

Garrett Soden
Interim Chief Financial Officer
Employed and in his current position since 7 November 2013.[2]
For more information see above, "Board of Directors".

Giora Salita
Executive Vice President of Business Development and M&A
Employed and in his current position since 3 July 2012.
Education: Business School at the University of Warwick, Bachelor's degree in Management Science; INSEAD Business School, development programs for owners/directors.
Other assignments: N/A
Previous assignments in the past five years: Vice President Business Development Utility Power Plants International at SunPower Corporation (resigned in 2011); Head of Business Development at SunRay Renewable Energy Ltd. (resigned in 2010) (subsequently acquired by SunPower Corporation in 2010).
Holdings: 1,300,000 options.

Fernando Alvarez-Bolado
Vice President of Engineering and Construction
Employed and in his current position since 4 January 2010.
Education: IESE Business School at the University of Navarra, PDD (Management Development Program); the University of Valladolid, Escuela Técnica Superior de Ingenieros Industriales, Bachelor's degree in Electrical Engineering.
Other assignments: N/A
Previous assignments in the past five years: Head of Construction Department at SunPower Energy Systems Spain (resigned in January 2010).
Holdings: 348,960 options.

Cheryl Eversden
Chief Financial Officer (on maternity leave until 1 June 2014)
Employed since 10 January 2011 and in her current position since 1 December 2012.
Education: Bachelor of Commerce and Accounting & Finance from the University of Calgary; Chartered Accountant (Institute of Chartered Accountants of Alberta, Canada).
Other assignments: N/A
Previous assignments in the past five years: Group Financial Controller at Cadogan Petroleum plc (resigned in March 2010); Group Financial Controller at ShaMaran Petroleum Corp. (resigned in December 2010).
Holdings: 500,000 options.

INDEPENDENT AUDITORS

On 30 November 2011, PricewaterhouseCoopers SA, Avenue Giuseppe-Motta 50, CH-1211 Geneva 2, Switzerland, was appointed as auditors of the Company and the shareholders of the Company approved such appointment at the annual meeting of shareholders held on 14 June 2012 and reappointment PricewaterhouseCoopers SA at the annual meeting held on 13 June 2013. The Audit Committee and the Board of Directors of Etrion approved the appointment. PricewaterhouseCoopers SA is a member of the Swiss Institute of Certified Accountants and Tax Consultants (Treuhand Kammer) and is registered with the Canadian Public Accountability Board.

PricewaterhouseCoopers SA has audited the consolidated financial statements of the Company for the years ended 31 December 2012 and 2011 (each including prior year information) and issued its audit opinion thereon on 11 March 2013 and 29 March 2012, respectively. These audit opinions are incorporated by reference into this document. Also, PricewaterhouseCoopers SA has reviewed the condensed consolidated interim financial statements of the Company for the three and nine months ended 30 September 2013 and issued its review

[2] Garrett Soden previously served as Chief Financial Officer of the Company from December 2006 until March 2012.

report thereon on 6 November 2013. This review report is included elsewhere in this document. Furthermore, PricewaterhouseCoopers SA has examined the estimated revenue and EBITDA information of the Company at project level for the year ended 31 December 2013 and the forecasted revenue and EBITDA information of the Company at project level for the years ending 31 December 2014 and 2015 and issued its assurance report thereon on 21 January 2014. This report is also included elsewhere in this document.

OTHER INFORMATION REGARDING THE BOARD OF DIRECTORS AND EXECUTIVE TEAM

All members of the Board of Directors and senior executives have an office address at Etrion Corporation, 60-62 rue du Stand, 1204 Geneva, Switzerland.

There are no family relations as regards the Directors and senior executives of the Company.

No Director or senior executive has been convicted in relation to any fraudulent offences for the previous five years. None of these persons has, in the capacity of a director or member of the management of a company, been involved in any bankruptcy, receiverships or liquidation for the previous five years. No Director or senior executive has been subject to any official public incrimination and/or sanction by a statutory or regulatory authority (including designated professional bodies) for the previous five years. Nor has any of these persons been disqualified by a court from acting as a member of the administrative, management or supervisory body of a company or from acting in the management or conduct of the affairs of a company for the previous five years.

None of the Directors or senior executives has any private interests that could conflict with the interests of the Company other than interests arising from the current holdings of Shares and/or options in the Company or what has been presented in respect of Marco A. Northland under "Legal Matters and Supplementary Information - Transactions with Related Parties" and in respect of Ian H. Lundin and Ashley Heppenstall by virtue of their respective directorships in Lundin Petroleum.

COMPENSATION, PENSIONS AND BENEFITS

Board of Directors

The following table sets out the compensation paid to each of the non-executive Directors in the financial year ended 31 December 2013.[3]

Name of Director	Fees earned (USD)	Share-based awards (USD)	Option-based awards (USD)	Non-equity incentive plan compensation (USD)	Pension Value (USD)	All other compensation (USD)	Total (USD)
Ian H. Lundin	75,000	-	-	-	-	-	75,000
Ashley Heppenstall	75,000	-	-	-	-	-	75,000
John H. Craig[4]	59,792	-	-	-	-	-	59,792
Aksel Azrac	75,000	-	-	-	-	-	75,000
Tom Dinwoodie	75,000	-	-	-	-	-	75,000

[3] Please refer to the section "Executive Team" below for information regarding the compensation paid to the Directors Garrett Soden and Marco A. Northland. Neither Marco A. Northland nor Garrett Soden is paid any remuneration for their services as directors of the Company in addition to their remuneration relating to their executive positions.
[4] John H. Craig is a former member of the Board of Directors.

Executive Team

As for the financial year ended 31 December 2013, the senior officials of the Group were compensated as described in the table below.

Name and principal position	Salary[5] (CHF)	Share-based awards (CHF)	Option-based awards (CHF)[6]	Securities under options granted	Non-equity incentive plan compensation on Annual Incentive Plan (CHF)[7]	Pension Value (CHF)	All other compensation (CHF)	Total compen-sation (CHF)
Marco A. Northland Chief Executive Officer and President	418,661	-	-	-	-	46,948	-	465,609
Cheryl Eversden Chief Financial Officer (on maternity leave)	279,125	-	-	-	-	11,076	-	290,201
Garrett Soden Interim Chief Financial Officer	164,000[8]	-	-	-	-	-	-	164,000
Fernando Alvarez-Bolado Vice President of Engineering and Construction	228,801	-	-	-	-	18,057	49,085	295,943
Giora Salita Executive Vice President of Business Development and M&A	289,871	-	-	-	-	-	-	289,871

The Group has a compensation program for its senior officers. The compensation program is designed to ensure that the compensation provided to the senior officers is determined with regard to the Group's business strategy and objectives, such that the financial interests of the senior officers are matched with the financial interests of the shareholders. The standard compensation arrangements for the Group's senior officers consist of the following elements: base salary, annual incentives and stock options. The Group provides senior officers with base salaries and/or consulting fees, which represent their minimum compensation for services rendered during the financial year. Base salaries and fees are reviewed annually by the Compensation Committee (as described below in "Corporate Governance").

The Group has formalised an annual bonus program in order to ensure that compensation is competitive from a total remuneration standpoint and to provide it with the ability to recognise outstanding senior officer performance.

[5] The senior officials of the Group received their salaries from Etrion S.A., an operating subsidiary of the Company located in Switzerland.
[6] For option-based awards, the grant date fair value was calculated in accordance with the Black-Scholes-Merton model, which the Company determined to be the most accurate measure of value, using the Share price on the date of grant, with the key valuation assumptions being stock price volatility, risk-free interest rate, dividend yield and expected option life.
[7] Non-equity incentive plan compensation includes cash bonus payments relating to the relevant year paid in the following year. The Company does not have any non-equity long-term compensation incentive plans.
8 The compensation paid to Garrett Soden is defined as "consulting fees".

Pension plans

The table below presents the benefits accumulated by the executives under the defined contribution plan of Etrion S.A., one of the operating subsidiaries of the Company, during the year ended 31 December 2013. The actual benefits payable upon retirement will be determined by the size of each participant's account values (based on the amount of actual contribution and by the realised investment returns), interest rates at the time benefits commence and the type of retirement vehicle selected (life income fund, life annuity, joint annuity etc.).

Defined contribution plans				
Name	**Accumulated value at start of year (USD)**	**Compensatory (USD)[9]**	**Non-compensatory (USD)[10]**	**Accumulated value at year end (USD)**
Marco A. Northland	274,297	46,948	30,135	351,380
Cheryl Eversden[11]	38,366	11,076	-35,741	13,701
Garrett Soden[12]	-	-	-	-
Fernando Alvarez-Bolado	92,747	18,058	13,430	124,235
Giora Salita	-	-	-	-

Etrion S.A.'s funded defined contribution plan is managed through a private fund. The cost of the defined contribution plan is determined annually by independent actuaries, and Etrion S.A. pays an annual insurance premium. The fund provides benefits coverage to the employees in the event of retirement, death or disability. Etrion S.A. and its employees jointly finance retirement and risk benefit contributions. As per the agreement, Etrion S.A. contributes between 60 per cent and 67 per cent of the monthly pension costs, and the remaining balance is deducted from the employee's payroll. The investment risk is borne by the fund. According to articles of the pension fund regulations, the fund is responsible for remediating any technical underfunding that may exist at any given time. However, in the event of a shortfall, the Company, together with the employees, could be required to fund any shortfall.

Termination and change of control benefits

Marco A. Northland

Marco A. Northland, the Chief Executive Officer of Etrion, entered into an employment agreement with Etrion S.A. on 11 September 2009, for an indefinite term (the **"Northland Agreement"**).

The Northland Agreement may be terminated for any cause whatsoever by either party upon six months' prior notice. The Northland Agreement may also be terminated with immediate effect by either party for "justified cause" as defined by article 337 of the CO or by Marco A. Northland for Good Reason (as defined below).

Under the Northland Agreement, **"Good Reason"** means the occurrence of any of the following without Marco A. Northland's express prior written consent: (i) a material reduction in Marco A. Northland's position or duties, (ii) a reduction in Marco A. Northland's annual base salary (iii) a relocation of Marco A. Northland's primary place of business for the performance of his duties to Etrion S.A. to a location that is more than 35 miles from the Etrion S.A.'s current business location in Geneva, Switzerland, or (iv) Etrion's S.A.'s material breach of the Northland Agreement that is not cured by Etrion S.A. within 30 days of Marco A. Northland providing written notice of such material breach.

[9] Compensatory represents the Company's direct contribution to the employee's defined contribution plan and non-compensatory represents the employee's own contribution to the defined contribution plan as well as the interest earned during the year on the accumulated balance at the end of the relevant year.
[10] See footnote 9 above.
[11] Cheryl Eversden is on maternity leave since 6 November 2013 and is expected to return as CFO on 1 June 2014.
[12] Garrett Soden was appointed interim Chief Financial Officer of the Company on 7 November 2013.

In the event that the Northland Agreement is terminated by Etrion S.A. for justified cause, Marco A. Northland shall not be entitled to any compensation or benefits other than those he has earned as of the date of termination.

In the event that the Northland Agreement is terminated by Etrion S.A. for any reason other than for justified cause, Etrion S.A. shall pay CHF 826,200 to Marco A. Northland in a lump sum promptly following such termination.

In the event that the Northland Agreement is terminated by Marco A. Northland for justified cause due to Etrion S.A.'s action within the meaning of article 337 of the CO or for Good Reason, then Etrion S.A. shall pay to Marco A. Northland the amount of CHF 2,295,000 in a lump sum promptly following Marco A. Northland's termination.

In the event of a "change of control" as defined in the Northland Agreement, Marco A. Northland may elect to terminate his employment at any time within a 180-day period following a change of control and Marco A. Northland will receive subject to compliance with the applicable provisions of the Northland Agreement, in a lump sum, the greater of (a) payment equivalent to 24 months' base salary then in effect or (b) CHF 826,200.

The Northland Agreement also provides for non-competition provisions during Marco A. Northland's employment with Etrion S.A. and after the termination of the Northland Agreement subject to the conditions and during the term stated below. Marco A. Northland will not, directly or indirectly, commence employment with, provide any service or advice to, own any interest in, directly or indirectly, or become affiliated with any other person, partnership, firm, corporation, or any other business or organisation, in any manner (whether as an officer, director, stockholder, partner, consultant, adviser or in any other capacity) in any other business competitive in the relevant market segments and territories with, or similar to, the business of Etrion S.A., Solar or any corporation, partnership or other entity which is directly or indirectly controlled by Solar (collectively, the **"Solar Entities"**), or for any reason whatsoever engage in or contribute his knowledge to the development, sale, promotion, or distribution of any products or services which compete in the relevant market segments and territories with the products or services being developed or offered by the Solar Entities, it being understood that nothing shall prevent Marco A. Northland investing in any publicly listed company up to a maximum of five per cent of the voting rights of such company (the **"Non-Compete Undertaking"**). The Non-Compete Undertaking does not apply in the event Marco A. Northland terminates the Northland Agreement for justified cause or for Good Reason.

If the Northland Agreement is terminated by Etrion S.A. for justified cause, Marco A. Northland shall be bound by the Non-Compete Undertaking for a period of 12 months after the termination of the Northland Agreement, provided that Etrion S.A. pays to Marco A. Northland an indemnity of CHF 38,300.

If the Northland Agreement is terminated by Marco A. Northland at any time for any reason other than for justified cause or for Good Reason, Marco A. Northland shall be bound by the Non-Compete Undertaking for a period of 24 months after the termination of the Northland Agreement, provided that Etrion S.A. pays to Marco A. Northland an indemnity equivalent to Marco A. Northland's salary and fringe benefits under the Northland Agreement as at the time of the employment termination, excluding the performance-related bonus, for 24 months. The employment agreement also contains customary indemnification and confidentiality provisions.

In addition to the rights provided under the Northland Agreement, under the Company's stock option plan, in the event of a change of control in the Company, all options outstanding will vest and will become fully exercisable (regardless of the provisions of the option agreement specifying a certain vesting period). For this purpose, a **"change of control"** means the occurrence of the acquisition by any person who was not, immediately prior to the effective time of a transaction or series of related transactions, a registered or a beneficial shareholder in the Company holding 10 per cent or more of the outstanding Shares or rights or options to acquire Shares or securities which are convertible into Shares or any combination thereof, such that, after the completion of the aforementioned transaction or series of related transactions, such person would be entitled to cast votes equal to 40 per cent or more of the votes which may be cast at a meeting of the shareholders of the Company, and they or their representatives become a majority of the Board of Directors or assume control or direction over the management or day-to-day operations of the Company; or an amalgamation, merger, consolidation or other reorganisation of the Company with another entity as a result of which the Company ceases to exist or to be publicly traded and the management or Board of Directors do not comprise substantially all of the management or a majority of the Board of Directors, respectively, of the resulting entity.

Cheryl Eversden

Cheryl Eversden was first engaged by Etrion S.A. in January 2011 in the capacity of Director of Finance and Accounting. As a result of her subsequent appointment as CFO, she entered into a new contract dated as of 1 January 2013, for an indefinite term (the **"Eversden Agreement"**).

The Eversden Agreement may be terminated for any cause whatsoever by either party upon six months' prior notice. The Eversden Agreement may also be terminated with immediate effect by either party for "justified cause" as defined by article 337 of the CO.

Under the Eversden Agreement, in the event that Etrion S.A.'s executive offices are moved to a location that is more than 35 miles from Etrion S.A.'s current business location in Geneva, and Cheryl Eversden does not consent to such move, she may be eligible to receive remuneration as per the Eversden Agreement.

In the event that the Eversden Agreement is terminated by Etrion S.A. for justified cause, Cheryl Eversden shall not be entitled to any compensation or benefits other than those she has earned as of the date of termination.

In the event that the Eversden Agreement is terminated by Etrion S.A. for any reason other than for justified cause, Etrion S.A. shall pay to Cheryl Eversden a lump sum payment equivalent to the difference between 12 months' base salary and any amounts paid or payable pursuant to or in lieu of notice promptly following such termination.

In the event that the Eversden Agreement is terminated by Cheryl Eversden for justified cause due to Etrion S.A.'s action within the meaning of article 337 of the CO, Etrion S.A. shall pay to Cheryl Eversden a severance payment equal to the difference between 12 months' base salary and any amounts paid or payable pursuant to or in lieu of the notice requirement by way of complete severance.

In the event of a "change of control" as defined in the Eversden Agreement, Cheryl Eversden may elect to terminate her employment at any time within a 180-day period following such change of control and Cheryl Eversden will receive, subject to compliance with the applicable provisions of the Eversden Agreement, a lump sum payment equivalent to 12 months' base salary then in effect.

In addition to the rights provided under the Eversden Agreement, under the Company's stock option plan, in the event of a **"change of control"** of the Company, all options outstanding will vest and will become fully exercisable (regardless of the provisions of the option agreement specifying a certain vesting period). For this purpose, a "change of control" means the occurrence of the acquisition by any person who was not, immediately prior to the effective time of a transaction or series of related transactions, a registered or a beneficial shareholder in the Company holding 10 per cent or more of the outstanding Shares or rights or options to acquire Shares or securities which are convertible into Shares or any combination thereof, such that, after the completion of the aforementioned transaction or series of related transactions, such person would be entitled to cast votes equal to 40 per cent or more of the votes which may be cast at a meeting of the shareholders of the Company, and they or their representatives become a majority of the Board of Directors or assume control or direction over the management or day-to-day operations of the Company; or an amalgamation, merger, consolidation or other reorganisation of the Company with another entity as a result of which the Company ceases to exist or to be publicly traded and the management or Board of Directors do not comprise substantially all of the management or a majority of the Board of Directors, respectively, of the resulting entity.

On 6 November 2013, Cheryl Eversden went on maternity leave and is expected to return to her duties as CFO on 1 June 2014 at the latest.

Bonuses

The Group has historically paid annual cash bonuses to senior officers. The Group has formalised the Bonus Plan in order to ensure that compensation is competitive from a total remuneration standpoint and to provide it with the ability to recognise outstanding senior officer performance. Consistent with the flexible nature of the Bonus Plan, the Compensation Committee does not assign any specific weight to any particular performance factor. Instead, the Compensation Committee considers not only the Group's performance during the year, but also considers market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstances.

The Compensation Committee has been provided with the discretion to award annual bonuses up to a specified percentage of each non-executive's salary. In particular, each of the CEO and the CFO may be awarded annual bonuses of up to 125 and 100 per cent, respectively, of their base compensation.[13] Such award may be made in cash, through the grant of stock options or through a combination of cash and stock options. For further information on stock options see "Share Capital, Dividend and Ownership Structure" below.

[13] In the event the Equity Financing is completed while Garrett Soden is interim CFO, Mr. Soden will receive a cash bonus equal to six times his monthly compensation.

FINANCIAL INFORMATION

CAPITALISATION AND INDEBTEDNESS

The following tables set out the Company's capitalisation and net indebtedness as at 30 November 2013 (being the latest practicable date prior to the date of this document), on an actual basis based on the Company's unaudited interim management accounts for the period 1 January 2013 to 30 November 2013, which have been prepared in accordance with IFRS.

The information below has not been audited or reviewed by the Company's auditors and should be read together with the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended 30 September 2013, which are included elsewhere in this document, and the Company's audited consolidated financial statement for the financial years 2012 and 2011, which all have been incorporated in this prospectus by reference, see "Documents Incorporated by Reference" above.

Etrion's interest-bearing liabilities amounted to USD 392.2 million and secured commitments amounted to USD 309.9 million. The secured commitments comprise customary security arrangements supporting the respective project loan. These security arrangements consist of pledges over the shares in the relevant SPV, assignments of receivables, pledges over project accounts, mortgages and assignments of receivables towards GSE.

After 30 November 2013, there have been the following changes in the Company's indebtedness; (a) reduction of USD 5.1 million of secured current debt, following the regular repayment schedule of senior debt principal and VAT credit facilities for five out of seven Italian operating companies and, (b) increase of USD 48 million (net of transactions costs) of secured non-current debt due to the first drawdown from the OPIC credit facility made in December 2013 to fund the construction of Project Salvador. Transactions with related parties such as loans and other credit facilities are not included in this capitalisation table, but disclosed in the section "Transactions with related parties". After 30 November 2013, there have been no significant and/or unusual changes in the Company's shareholders' equity.

As at 30 November 2013, Etrion had USD 43.2 million in cash and short-term deposits.

Capitalisation

USD thousands	30 November 2013
Total Current Debt	**24,622**
Guaranteed	-
Secured[14]	23,744
Unguaranteed/Unsecured[15]	878
Total Non-Current Debt (excluding current portion of long-term debt)	**367,568**
Guaranteed	-
Secured[16]	286,237
Unguaranteed/Unsecured[17]	81,331
Shareholders' equity	
Share capital	35,583
Legal Reserve	-
Other Reserves	(5,070)
Total	**422,703**

[14] In order to secure the Group's non-recourse project loans, the Group pledged as collateral the fixed assets (i.e. solar power projects and land) associated with the solar power projects financed by these facilities.
[15] Unguaranteed/Unsecured debt relate to the corporate EUR 60 million bond issued by the Company in April 2011.
[16] Please see footnote 14 above.
[17] Please see footnote 15 above.

Net financial indebtedness

	USD million	30 November 2013
		Unaudited
A	Cash	43,225
B	Cash equivalents	-
C	Trading securities	-
D	**Liquidity (A)+(B)+(C)**	**43,225**
E	**Current Financial Receivables**	**13,006**
F	Current bank debt	23,744
G	Current portion of non-current debt	878
H	Other current financial debt	-
I	**Current Financial Debt (F)+(G)+(H)**	**24,622**
J	**Net Current Financial Indebtedness (I)-(E)-(D)**	**-31,609**
K	Non-current bank loans	286,237
L	Bonds issued	81,331
M	Other non-current loans	-
N	**Non-current Financial Indebtedness (K)+(L)+(M)**	**367,568**
O	**Net Financial Indebtedness (J) + (N)**	**335,959**

LONG-LIVED ASSETS

Long-lived assets, primarily photovoltaic solar power plants, are reviewed for impairment if facts and circumstances indicate that impairment may exist. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

GOODWILL AND INTANGIBLE ASSETS

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of the acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Intangible assets, primarily project permits and licences acquired in a business combination are recognised at fair value at the date of acquisition. Licences and project permits also result from the acquisition of a project company accounted for as an asset acquisition. Project permits and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the permits and licences over their estimated useful lives, which are usually determined according to the term of the applicable energy supply contract signed with the local grid operator for the solar power projects.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials, direct labour and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Borrowing costs related to the acquisition or construction of qualifying assets are capitalised. Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The material tangible fixed assets of the Company comprise the following solar park projects in Italy, namely; Cassiopea (23.9 MW), Helios ITA-3 (10.0 MW), Centauro (8.7 MW), Helios ITA (6.4 MW), Etrion Lazio (5.2 MW), SVE (3.0 MW) and Sagittario (2.6 MW). Each project is subject to mortgages pursuant to non-recourse loans.

For further information regarding the solar park projects please see the section "Business Overview - Operating Projects".

OPERATIONAL LEASES

The Group has operating leases for land associated with three of its solar power projects (Etrion Lazio, SVE and Sagittario) and for its offices in both Geneva, Rome and Santiago.

RESTRICTED CASH

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Restricted cash relates to cash and cash equivalents held at the project level that is restricted by the lending banks for future repayment of interest and principal and working capital requirements related to the specific project. Restricted cash and cash equivalents can be distributed from the Group's projects, subject to approval from the lending banks, either through repayment of shareholder loans or through dividend distributions. The table sets out restricted cash and cash equivalents restricted to solar power projects as at 30 November 2013.

	November 30, 2013 USD ’000
Unrestricted cash and cash equivalents	8,404
Cash and cash equivalents restricted to solar power projects	34,821
Total	**43,225**

STATEMENT OF WORKING CAPITAL AND CAPITAL REQUIREMENTS

In the opinion of Etrion, working capital is sufficient to finance operations for the next 12 months as of the date of the prospectus.

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, foreign currency and commodity price risk) and other risks. Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors (for more information see "Corporate Governance - Audit Committee"). The Board of Directors also provides regular guidance for overall risk management.

INTEREST RATE RISK

The Company's exposure to interest rate risk arises both from the interest rate impact on its cash and cash equivalents as well as on its debt facilities. The Group is exposed to interest rate risks associated with its non-recourse project loans as these are floating rate instruments. The Group is not exposed to interest rate risks associated with the corporate bond as it is a fixed rate instrument. Etrion has significant cash balances and short-term investments, with the latter having a variable annual interest rate from 0.5 per cent to 1.0 per cent in 2013. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has floating rate debt instruments but the exposure to interest risk has been mitigated by interest hedge agreements.

FOREIGN CURRENCY EXCHANGE RATE RISK

The functional currency of Etrion Corporation is EUR. The Company operates internationally (mainly in Europe and the Americas) and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the CHF and USD. The Company's foreign currency exposure is due primarily to intercompany borrowings made in EUR to subsidiaries that have a different functional currency. The Group does not undertake hedging arrangements to mitigate the foreign currency exposure on its net investments in foreign operations or on income in foreign operations in order to hedge the risk of foreign currency variations. The Company considers foreign currency risk limited due to the fact that monetary assets and liabilities held by the Group's subsidiaries are primarily held in the individual subsidiaries' functional currency. Further, monetary assets and liabilities held in currencies other than the functional currencies of the individual subsidiaries are considered insignificant.

FINANCING AND LIQUIDITY RISK

At 30 September 2013, the Company had sufficient funds to settle current liabilities. All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days, except for severance employee benefits, and other provisions, and are subject to normal trade terms. The Italian operating projects and expected Chilean projects have been or are expected to be financed with non-recourse credit facilities that will be repaid in an average of 20 years' time. The liquidity risk of the Company is limited as the Company has an open credit facility with its major shareholder and will receive free cash distributions from its operating subsidiaries.

SHARE CAPITAL, DIVIDEND AND OWNERSHIP STRUCTURE

SHARE CAPITAL

Etrion is authorised to issue an unlimited number of Shares, of which 209,219,086 are issued and outstanding at the date of this prospectus, and an unlimited number of preferred shares, in series, of which none have been issued at the date of this prospectus. The following is a general description of the material rights, privileges, restrictions and conditions attached to each class of shares.

Common shares

The holders of Shares are entitled to receive notice of, to attend and vote at any meetings of the shareholders, to receive such dividends declared by the Board and to receive the remaining property of Etrion on dissolution after creditors and holders of the preferred shares, outstanding at the time, have been satisfied.

Preferred shares

Etrion is authorised to issue an unlimited number of preferred shares issuable in one or more series. The directors of Etrion may fix from time to time, and before issue of a particular series of preferred shares, the number of shares which are to constitute the series (which may be a limited or unlimited number) and the designation, special rights and restrictions and conditions to be attached to such series of preferred shares, including, without limitation, the rate or amount of dividends or the method of calculating dividends, the date of payment for dividends, the redemption, purchase and/or conversion prices, and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provision.

The preferred shares of each series shall, with respect to the payment of dividends, and the distribution of assets or return of capital in the event of liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, or any other return of capital or distribution of the assets of Etrion among its shareholders for the purpose of winding up its affairs, rank on a parity with the preferred shares of every other series and be entitled to preference over the Shares and over any other shares of Etrion ranking junior to the preferred shares. The preferred shares of any series may also be given other preferences, not inconsistent with the Articles of the Company, over the shares and any other shares of Etrion ranking junior to the preferred shares.

Unless otherwise provided by the provisions of the BCBCA, the holders of each series of preferred shares will not, as such, be entitled to receive notice of or vote at any meeting of the Company's shareholders.

There are no constraints imposed on the ownership of Etrion's securities. To the best of the Company's knowledge, no ratings have been received from any rating organisation regarding the Company's securities.

No preferred shares have been issued. Following the completion of the Equity Financing, the Company's share capital will increase by USD 80 million to a maximum of USD 115,583,000 through subscription of 124,633,571 New Shares.

CHANGES IN THE SHARE CAPITAL

The following table sets forth the changes in the share capital of Etrion since 1 January 2010.

Year	Event	Change in share capital (USD 000's)	Total share capital (USD 000's)	Change in number of Shares	Total number of Shares
1 January 2010	Balance, beginning of year		107,557		158,501,120
Changes in share capital	Private placement	15,051		21,000,000	
	Issued on exercise of options	143		265,000	
	Reduction of share capital	(106,010)[18]		-	

[18] At an extraordinary general meeting held in October 2010, the shareholders of the Company approved a resolution to reduce the Company's stated capital effective 31 December 2010, by an amount equal to the Company's accumulated deficit at 31 December 2010, to better reflect the Company's actual and expected capitalisation and shareholder's equity.

Year	Event	Change in share capital (USD 000's)	Total share capital (USD 000's)	Change in number of Shares	Total number of Shares
31 December 2010	Balance, end of period		16,741		179,766,120
1 January 2011	Balance, beginning of year		16,741		179,766,120
Changes in share capital	Equity-based financing fee	5,596		6,500,000	
	Issued on exercise of options	956		1,270,000	
31 December 2011	Balance, end of year		23,293		187,536,120
1 January 2012	Balance, beginning of year		23,293		187,536,120
Changes in share capital	Issued in consideration of Marco A. Northland's 10 per cent interest in SRH	9,977		18,210,299	
31 December 2012	Balance, end of year		33,270		205,746,419
1 January 2013	Balance, beginning of year		33,270		205,746,419
Changes in share capital		N/A		N/A	
30 September 2013	Balance, end of period		33,270		205,746,419
30 September 2013	Balance, beginning of period		33,270		205,746,419
Changes in share capital	Exercise of stock options[19]	856		972,667	
	Consideration[20]	1,457		2,500,000	
30 November 2013	Balance, end of period		35,583		209,219,086

As at 30 November 2013, the issued and outstanding share capital amounts to USD 35.6 million and is divided into 209,219,086 common shares.

SHAREHOLDERS

The Company's stock is publicly traded on the TSX and NASDAQ OMX, and consequently share ownership of individuals changes regularly. Generally under Canadian securities laws, holdings of persons representing 10 per cent or more of the securities of a public company and holdings of such securities held by other insiders of the company must be disclosed. In addition, acquisitions of two per cent or more of the issued and outstanding securities of a public company by holders of 10 per cent or more of such securities also have to be disclosed. Under Swedish law, acquisitions and disposals of shares or securities resulting in a holder's ownership reaching, exceeding or falling below 5, 10, 15, 20, 25, 30, 50, 66.66 or 90 per cent of the number of votes or shares in the company are notifiable (see also "Major Shareholders" below). Moreover, based on publicly available information and/or information provided by the relevant Director or executive officer, the Company is aware of the share ownership balances of members of the Board of Directors and executive officers (for more information see "Board of Directors, Senior Executives and Independent Auditors" above).

[19] On 7 October 2013 and 1 November 2013, 825,000 and 147,667 stock options, respectively, were exercised, resulting in a corresponding number of Shares being issued by the Company.
[20] On 18 October 2013 the Company issued 2,500,000 Shares at a deemed price of CAD 0.60 per Share to Lorito Guernsey in consideration for the provision by Lorito Guernsey's bank of a USD 42 million letter of credit issued on behalf of the Company in connection with the entering into a purchase agreement with Total and Solventus to acquire a 70 per cent interest in a 70 MWp solar photovoltaic power plant in the Atacama region of Chile.

Major Shareholders

The ultimate major shareholder of the Company is the Lundin family, which holds, as of 6 November 2013, in the aggregate approximately 25.4 per cent of the Shares directly and through, inter alia, Zebra, Lorito and Lorito Guernsey, companies owned by the trusts whose beneficiaries are members of the family of the late Adolf Lundin.

By virtue of its holdings, a Major Shareholder may have a significant influence over the Company and may thus affect issues which are subject to voting at a shareholders' meeting, such as the election of the Board of Directors. A Major Shareholder may also, in certain circumstances, be able to prevent or obstruct the Company from being acquired through a public take-over offering. Apart from the table below, the Company is not certain of the number of Shares held by any shareholders other than the Major Shareholders.

Major Shareholders[21]		
Name and municipality of residence	Number of Shares held	Percentage of Shares held
Lundin family trusts through:		
Lorito Holdings S.à r.l. (Luxembourg)	25,599,834	12.2
Zebra Holdings and Investments S.à r.l. (Luxembourg)	20,541,433	9.8
Lorito Holdings (Guernsey) Limited	2,500,000	1.2
Ian M. Lundin	4,248,494	2.0
Total	**52,889,761**	**25.4**

DIVIDENDS

Dividends are declared and paid at any time at the discretion of the Board of Directors. There are no fixed dates for dividends. For shareholders holding Shares that are traded on the TSX, payment of dividends will be administered by the Company's transfer agent Computershare Investor Services Inc. For shareholders holding Shares that are traded on NASDAQ OMX, the Company will administer payment of dividends through Euroclear. However, the methodology for providing payment of dividends through Euroclear has not yet been established and no agreement with Euroclear regarding administration of dividend has been entered into. The lack of agreement with Euroclear does not deprive holders of Shares of the right to receive dividend, but may cause delays and other problems in relation to the administration of the dividend.

Under the terms of the agreement governing the Company's corporate bonds issued in April 2011 with a four-year maturity, the Company is not permitted to distribute dividends to its shareholders.

Dividend policy

The Company has not declared or paid dividends since the date of its incorporation and there can be no assurance that it will be able to pay dividends in the future. The payment of any cash dividend to shareholders of the Company in the future will be at the discretion of the Board of Directors of the Company and will depend on, among other things, the Company's financial position, results of operations, cash flows, the need for funds to finance ongoing operations, debt covenants and any other factors, including business considerations, that the Board of Directors of the Company may consider relevant. For more information see "Risk Factors" above.

Other information regarding dividends

If a holder of Shares cannot be reached, the shareholder's claim on the Company regarding the dividend amount remains and is restricted only by rules on the period of limitation. The period of limitation is six years. When the period of limitation ends, the dividend amount will pass to the Company. There are currently no fixed dates regarding any dividends and any such date will be determined by the Board of Directors. There are no restrictions on payments of dividends or special procedures for shareholders resident in Sweden or Canada or, as far as the Company is aware, in any other country. Dividends may be paid in any currency or in kind. Under

[21] The Company is at the time of this prospectus not aware of any agreements or similar understandings that would materially affect the ownership structure of the Company.

Canadian law, the Company is not required to declare dividends and, therefore, the Company's profits may be accumulated and used for the purposes of the Company. Under the laws of British Columbia, Canada, the payment of dividends is prohibited if there are reasonable grounds for believing that: (i) the company is insolvent or (ii) the payment of the dividend would render the company insolvent. For this purpose a company is "insolvent" if it is unable to pay its debts as they become due in the ordinary course of its business.

STOCK OPTION PLANS

General information on equity compensation plan

The Company maintains a stock option awards scheme, which comprises two incentive stock option plans, namely the 2011 Option Plan (as defined below) and the 2005 Option Plan (as defined below) (see "Option Plans" below). The 2005 Option Plan is only active for the purposes of governing previously issued stock options under that plan. No new stock options may be granted under the 2005 Option Plan. Under the 2011 Option Plan options may only be granted to directors, officers, consultants and employees. Currently, outstanding stock options have a term of up to 10 years. Most stock options vest over three years and are exercisable at the market prices for the shares on the date that the stock options were granted. In certain circumstances, the Company's board may authorise different vesting periods. Options are conditional on the employee being employed during the vesting period.

The stock option plans are so-called equity-settled, share-based compensation plans, under which the entity receives services from employees and non-employees as consideration for equity instruments (options) of the Company. The total amount to be expensed is determined by reference to the fair value of the options granted. The fair value of share-based compensation is determined using the Black-Scholes option-pricing model. When a stock option is exercised, the Company recognises an increase in its share capital equivalent to the consideration paid by the option holder and the amount previously recognised in contributed surplus. The fair value of any stock options granted to directors, officers, consultants and employees of the Company is recorded as an expense over the vesting period of the options granted with a corresponding increase in equity within contributed surplus.

Full exercise of the stock options will entail the issuance of a further 6,415,333 common shares representing a dilution of approximately 2.98 per cent. The options expire at various dates between 13 May 2014 and 28 April 2018, with exercise prices ranging between CAD 0.24 and CAD 1.59 per share. Upon full exercise of the stock options the Company will be paid a total of CAD 3,255,253.

As at 30 September 2013 there were in total 4,388,002 share options exercisable at the weighted average exercise price CAD 0.58. As at 6 November 2013 there were in total 3,529,669 share options exercisable at the weighted average exercise price CAD 0.51. The following table summarises information about the Company's share purchase options outstanding as at 6 November 2013:

Outstanding stock options				Exercisable stock options
Exercise Price (CAD)	Number	Expiry Date	Weighted average remaining contractual life[22]	Quantity
0.24	160,000	24-Apr-18	4.47	-
0.34	1,524,000	24-Sep-17	3.88	508,000
0.34	188,000	21-Oct-17	3.96	62,667
0.35	170,000	13-May-14	0.52	170,000
0.36	1,300,000	05-Jul-17	3.66	433,333
0.52	564,000	19-Mar-17	3.37	188,001
0.52	55,333	16-Nov-13	0.03	-
0.55	200,000	10-Sep-14	0.84	200,000
0.55	440,000	11-Sep-14	0.85	440,000
0.61	580,000	06-Jan-15	1.17	580,000
0.66	789,000	07-Dec-15	2.08	526,001
0.66	70,000	16-Nov-13	0.03	46,667
0.86	125,000	18-Oct-15	1.95	125,000
1.59	150,000	28-Apr-18	4.48	150,000

[22] The weighted average contractual life represents the weighted average remaining life of the options to expiration.

Exercise Price (CAD)	Outstanding stock options Number	Expiry Date	Weighted average remaining contractual life[22]	Exercisable stock options Quantity
1.59	100,000	16-Nov-13	0.03	100,000
Total	**6,415,333**			**3,529,669**

On 19 March 2012, Etrion granted to Marco A. Northland and the non-executive Directors an aggregate of 647,000 options exercisable to acquire up to 647,000 Shares at a price of CAD 0.52 per Share until 19 March 2017.

On 5 July 2012, Etrion granted to Giora Salita 1,300,000 options exercisable to acquire up to 1,300,000 Shares at a price of CAD 0.36 per Share until 5 July 2017.

On 24 September 2012, Etrion granted to Tom Dinwoodie, Marco A. Northland and certain non-executive Directors an aggregate of 1,734,000 options exercisable to acquire up to 1,734,000 Shares at a price of CAD 0.34 per Share until 24 September 2017 (except that options provided to Tom Dinwoodie (188,000) are effective as of 21 October 2012 (i.e. the date of his appointment as Director) and exercisable until 21 October 2017).

Option Plans

As of the date hereof, the Company maintains two option plans: an incentive stock option plan approved by the Company's shareholders on 17 June 2011 (the **"2011 Option Plan"**) and an incentive stock option plan approved by the Company's shareholders on 14 June 2005 (the **"2005 Option Plan"**).

Since the adoption of the 2011 Option Plan, no further options have been, or may be, granted pursuant to the 2005 Option Plan. However, the options previously granted under the 2005 Option Plan continue to be governed by the terms and provisions thereof, including as regards the applicable vesting dates.

A summary of the material terms of the 2011 Option Plan follows below.

2011 Option Plan

Under the 2011 Option Plan, options may be granted to Eligible Persons. The term **"Eligible Person"** includes, subject to all applicable laws, directors, officers, employees and consultants of the Company or of an Affiliated Entity (as defined below), and a person to whom a director, officer, employee or consultant is married. Upon written notice from an Eligible Person and subject to applicable law, any option that might otherwise be granted to that Eligible Person will be granted to a Savings Plan (as defined in the 2011 Option Plan) or a holding company established by and for the sole benefit of the Eligible Person. Options may also be transferred to certain **"Permitted Assigns"** of the foregoing persons, including: (a) a trustee, custodian, or administrator acting on behalf of, or for the benefit of, such person; (b) a holding entity of such a person; (c) a Savings Plan of such person; (d) a spouse of such a person; (e) a trustee, custodian, or administrator acting on behalf of, or for the benefit of, the spouse of such a person; (f) a holding entity of the spouse of such a person; or (g) a Savings Plan of the spouse of such person. An **"Affiliated Entity"** means, with respect to the Company, a person or company that controls or that is controlled by the same person or company that controls the Company.

The number of the Company's Shares: (a) issued to insiders of the Company, within any one-year period; and (b) issuable to insiders of the Company, at any time, under the 2011 Option Plan, or when combined with all of the Company's other security-based compensation arrangements including the 2011 Option Plan and the 2005 Option Plan, shall not exceed 10 per cent of the Company's total issued and outstanding Shares, respectively (the **"Participation Limit"**).

The 2011 Option Plan must be administered by the Board, provided that the Board may, by resolution, delegate such administration to the Compensation Committee. The aggregate number of Shares which may be issued under the 2011 Option Plan over and above any Shares which may be issued pursuant to options that remain outstanding pursuant to the 2005 Option Plan shall not exceed 10 per cent of the aggregate number of Shares issued and outstanding (calculated on a non-diluted basis) from time to time. Any option granted under the 2011 Option Plan which has been exercised or which has been cancelled, repurchased, expired or terminated in accordance with the 2011 Option Plan without having been exercised shall again be available for subsequent grant under the 2011 Option Plan, effectively resulting in a re-loading of the number of Shares available for grant under the 2011 Option Plan (but not under the 2005 Option Plan). Except for the Participation Limit, the 2011 Option

Plan does not provide for a maximum number of Shares which may be issued to an individual pursuant to the 2011 Option Plan and any other share compensation arrangement (expressed as a percentage or otherwise).

The purchase or exercise price (the **"Price"**) per Share subject to each option shall be determined by the Board (or the Compensation Committee). To the extent the Shares continue to trade on the TSX and the NASDAQ OMX, the Price shall not be lower than the closing sale price on the TSX and NASDAQ OMX on the last trading day immediately preceding the date of the grant.

Options shall not be granted for a term exceeding five years and are subject to a vesting schedule as set forth in the 2011 Option Plan (i.e., one-third vesting on each of the first, second and third anniversary of the date of grant), unless the Board determines otherwise. Generally, options granted under the 2011 Option Plan may not be transferred by an Eligible Person other than to Permitted Assigns. However, pursuant to the amendment provision of the 2011 Option Plan, the Board has the authority to amend the assignability and transferability of any options granted to any Eligible Person.

If the expiring date of an option falls during or within three business days of any period during which a policy of Etrion prevents certain persons designated by the said policy from trading in the securities of Etrion (a **"Blackout Period"**), the expiry date for the option will be extended for an additional period expiring on the tenth trading day following the end of the Blackout Period.

By its terms, the 2011 Option Plan may be amended by the Board without further approval of Etrion shareholders, to the extent that such amendments relate to: (a) minor changes of a "housekeeping nature"; (b) amending options under the 2011 Option Plan, including, with respect to the term of the option (provided that the period during which an option is exercisable does not exceed 10 years from the date the option is granted and that such option is not held by an insider), vesting period, exercise method and frequency, exercise price (provided that such option is not held by an insider) and method of determining the exercise price, assignability and effect of termination of a participant's employment or cessation of the participant's directorship; (c) changing the class of participants eligible to participate under the 2011 Option Plan; (d) accelerating vesting, or extending the expiration of any option (provided that such option is not held by an insider and that the period during which an option is exercisable does not exceed 10 years from the date the option is granted); (e) changing the terms and conditions of any financial assistance which may be provided by Etrion to participants to facilitate the purchase of Shares under the 2011 Option Plan; and (f) adding a cashless exercise feature, payable in cash or securities, whether or not providing for a full deduction of the number of underlying Shares from the 2011 Option Plan reserve.

Notwithstanding the above, in accordance with the rules of the TSX, shareholder approval would be required with respect to amendments that relate to any of the following: (a) a reduction in the exercise price or extension of the term of options granted to an insider of Etrion; (b) an increase to the maximum number of securities issuable, either as a fixed number or a fixed percentage of the issued and outstanding Shares issuable under the 2011 Option Plan; (c) any amendment to remove or to exceed the Participation Limit; and (d) changes to the amendment provisions of the 2011 Option Plan.

The Board may terminate the 2011 Option Plan at any time.

In the event of the termination with cause of a participant, each option held by the participant, the participant's Savings Plan or the participant's holding company will cease to be exercisable on the earlier of the expiry of its term and the termination date, or such longer or shorter period as determined by the Board. In the event of the termination or retirement of a participant, each option held by the participant, the participant's Savings Plan or the participant's holding company will cease to be exercisable within a period of 90 days after the termination date or retirement date, as the case may be, or such longer or shorter period as determined by the Board. For greater certainty, such determination of a longer or shorter period may be made at any time subsequent to the date of grant of the options, provided that no option shall remain outstanding for any period which exceeds the earlier of: (a) the expiry date of such option; and (b) 36 months following the termination date or retirement date, as the case may be, of the participants. If any portion of an option has not vested on the termination date or retirement date, as the case may be, the participant, the participant's Savings Plan or the participant's holding company may not, after the termination date or retirement date, as the case may be, exercise such portion of the option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the options, that such portion of the option vests automatically or pursuant to a vesting schedule determined by the Board. Without limitation, and for greater certainty only, this will apply regardless of whether the participant was dismissed with or without cause and regardless of whether the participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the option to vest. Should the termination occur during a Blackout Period, the participant's rights shall be extended for an additional period expiring on the tenth trading day following the Blackout Period.

If a participant dies, the legal representatives of the participant may exercise the options held by the participant, the participant's Savings Plan and the participant's holding company within a period after the date of the participant's death as determined by the Board, and for greater certainty such determination may be made at any time subsequent to the date of grant of the options, provided that no option shall remain outstanding for any period which exceeds the earlier of: (a) the expiry date of such option; and (b) 12 months following the date of death of the participant, but only to the extent the options were by their terms exercisable on the date of death. The Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the options, that such portion of the option vests automatically or pursuant to a vesting schedule determined by the Board. If the legal representative of a participant who has died exercises the option of the participant or the participant's Savings Plan or the participant's holding company in accordance with the terms of the 2011 Option Plan, Etrion will have no obligation to issue the Shares until evidence satisfactory to Etrion has been provided by the legal representative that the legal representative is entitled to act on behalf of the participant, the participant's Savings Plan or the participant's holding company to purchase the Shares under the 2011 Option Plan.

The 2011 Option Plan contains provisions for adjustment of the number of Shares issuable thereunder in the event of a stock dividend or split, recapitalisation, consolidation, combination or exchange or shares, or other fundamental or similar corporate change or change of the Shares. Currently, the 2011 Option Plan does not contain any provision for financial assistance by Etrion in respect of options granted under the plan.

As of 6 November 2013, the Company had 209,219,086 Shares issued and outstanding. As of 6 November 2013, the Company had 14,962,279 Shares (7.2 per cent) reserved for issuance under the 2011 Option Plan and no Shares reserved for issuance under the 2005 Option Plan. In addition, the Company had 3,791,333 (1.8 per cent) stock options outstanding under the 2011 Option Plan and 2,624,000 (1.3 per cent) stock options outstanding under the 2005 Option Plan.

As at 6 November 2013, the Company had issued (i) 1,194,606 Shares under a former equity-based compensation plan of the Company approved by the shareholders in 2003, which is effectively no longer in effect as no options issued thereunder remain outstanding and no further options can be granted thereunder; (ii) 2,430,000 Shares under the 2005 Option Plan; and (iii) 27,667 Shares under the 2011 Option Plan, representing approximately 0.6 per cent, 1.2 per cent and 0 per cent, respectively, of the issued and outstanding Shares.

CORPORATE GOVERNANCE

SWEDISH CORPORATE GOVERNANCE

Swedish companies listed on NASDAQ OMX are required to comply with the mandatory corporate governance rules included in the Swedish Companies Act and "Rule book for issuers" issued by NASDAQ OMX. In addition, the Swedish Code is applicable to all Swedish companies listed on NASDAQ OMX. The Swedish Code acts as a complement to legislation and other regulations by specifying a norm for good corporate governance at a higher level of ambition than the statutory regulation. However, this norm is not mandatory. Companies may deviate from individual rules, providing they report each deviation, describe their own solution and explain why (the so-called "comply or explain principle").

In short, the Swedish Code requires that a company has a nomination committee (to propose candidates for the post of chair and other board members, as well as fees and other remuneration to each board member). Further, the board of a company is required to have a remuneration committee (to propose remuneration and other terms of employment for the executive management) and an audit committee. The rules regarding audit committees have also been incorporated in the Swedish Companies Act and are mandatory by law. As regards the composition of these committees, there are certain requirements regarding the members' independence from the company, its executive management and its major shareholders.

The Swedish Code also includes requirements as regards the independence of board members. Not more than one board member may be a member of the executive management of the company or a subsidiary. Further, the majority of the board members elected at a shareholders' meeting are to be independent of the company and its executive management. At least two of these board members are also to be independent of the company's major shareholders. The Swedish Code also requires that the chair of the board of directors be elected at a shareholders' meeting.

As of 1 January 2011, foreign companies whose shares or depositary receipts are admitted to trading on a regulated market in Sweden are required to apply either (i) the corporate governance code in force in the country where the company has its registered office, or (ii) the code applicable in the country in which the company's shares are primarily listed, or (iii) the Swedish Code. Although the Company does not apply the mandatory Swedish corporate governance rules or the Swedish Code, as further described below, the Company recognises the importance of corporate governance issues and complies with the Canadian corporate governance regulations.

CANADIAN CORPORATE GOVERNANCE

The securities regulatory authorities in Canada have adopted Corporate Governance Guidelines which deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices.

The Board of Directors believes that the Company's corporate governance practices have been, and continue to be, in compliance with applicable Canadian requirements.

Further details regarding the committees of the Board of Directors are set forth below.

BOARD OF DIRECTORS

Responsibility and composition

The Board of Directors is responsible for supervising the management of the business and affairs of the Company. As of the date of this document, the Board comprises six Directors, of whom four are independent within the meaning of applicable Canadian securities laws. The Board of Directors provides an opportunity to hold in-camera sessions without management present, including Directors who are members of management, at each meeting of the Board in order to facilitate the exercise of Directors' independent judgement. The independent Directors currently include Ian H. Lundin, Ashley Heppenstall, Aksel Azrac and Tom Dinwoodie. Currently, Marco A. Northland, the CEO of the Company, and Garrett Soden the interim CFO of the Company are not independent by virtue of being members of the Company's management. The Board of Directors held 9 meetings during 2013. Each of the Directors, who were Directors in 2013 at the relevant time, attended all of the Board meetings.

The complete mandate of the Board is available on the Company's website at www.etrion.com.

Chairman

Ian H. Lundin, the Chairman of the Board, is considered to be an independent Director within the meaning of applicable Canadian securities laws. The Chairman of the Board presides at each meeting of the Board and is responsible for co-ordinating with management and the corporate secretary to ensure that documents are delivered to Directors in sufficient time in advance of Board meetings for a thorough review, that matters are properly presented for consideration at meetings and that the Board has an appropriate opportunity to discuss issues at each meeting. The Chairman is responsible for ensuring ethical and effective decision-making by the Board.

Conflicts of interest

The mandate of the Board of Directors requires that Directors and officers disclose any material interest in any transaction or agreement with the Company, that an individual Director, if requested by the Board, excuses himself from Board deliberations, and that Directors do not vote in respect of transactions in which they have an interest. The Company's Directors and officers abide by the disclosure of conflict of interest provisions contained in the BCBCA which are incorporated into the Company's Code of Business Conduct and Ethics by reference. By taking these steps the Board of Directors strives to ensure that Directors at meetings of the Board exercise independent judgement, unclouded by the relationships of the Directors and officers to each other and the Company, in considering transactions and agreements in respect of which Directors and executive officers have an interest.

Director nomination

Responsibility for identifying new candidates to join the Board belongs to the Board of Directors as a group. The Board is responsible for identifying qualified candidates and recommending nominees for election as Directors. The Board of Directors is required to consider candidates independence, financial acumen, skills and available time to devote to the duties of the Board in making their recommendations for nomination. The Board of Directors reviews the composition and size of the Board and tenure of Directors in advance of annual meetings when Directors are elected by the Company's shareholders, as well as when individual Directors indicate that their terms may end or that their status may change.

AUDIT COMMITTEE

As of the date of this document, the Audit Committee comprises Ashley Heppenstall (Chairman), Aksel Azrac and Ian H. Lundin.

Purpose

1. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information which will be provided to shareholders of the Company and others, the systems of corporate financial controls which management and the Board have established and the audit process. More specifically the purpose of the Audit Committee is to satisfy itself that:

    (a) the Company's annual financial statements are fairly presented in accordance with generally accepted accounting principles and to recommend to the Board whether the annual financial statements should be approved;

    (b) the information contained in the Company's quarterly financial statements, annual report to shareholders and other financial publications, such as management's discussion and analysis (**"MD&A"**), is complete and accurate in all material respects and to approve these materials;

    (c) the Company has appropriate systems of internal control over the safeguarding of assets and financial reporting to ensure compliance with legal and regulatory requirements; and

    (d) the internal and external audit functions have been effectively carried out and that any matter which the internal or the independent auditors wish to bring to the attention of the Board has been addressed. The Audit Committee will also recommend to the Board the re-appointment or appointment of auditors and their remuneration.

Composition and process

2. Following each annual meeting of shareholders of the Company, the Board is to appoint not less than three directors to serve on the Audit Committee, each of whom shall:

(a) be independent as that term is defined in the current laws applicable to the Company; and

(b) be financially literate as such term is defined in the current laws applicable to the Company.

3. The Chairman of the Audit Committee is to be appointed by the Board and must be independent as that term is defined in the current laws applicable to the Company.

4. Any member of the Audit Committee may be removed or replaced at any time by the Board and ceases to be a member upon ceasing to be a Director of the Company. Each member of the Audit Committee is to hold office until the close of the next annual meeting of shareholders of the Company or until the member resigns or is replaced, whichever first occurs.

5. The Audit Committee is to meet at least four times per year. The meetings are scheduled to permit timely review of the interim and annual financial statements. Additional meetings may be held as deemed necessary by the Chairman of the Audit Committee or as requested by any member of the Audit Committee or by the internal or external auditors.

6. If all members consent, and proper notice has been given or waived, a member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.

7. The Chairman of the Audit Committee appointed by the Board is to determine, in consultation with management, the members of the Audit Committee and the internal and external auditors, the schedule, time and place of meetings, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members and other attendees with sufficient time for study prior to the meeting.

8. A quorum for the transaction of business at all meetings of the Audit Committee must be a majority of the members of the Audit Committee. Questions arising at any meeting are to be determined by a majority of votes of the members of the Audit Committee present.

9. The Audit Committee may invite such Directors, officers and employees of the Company as it may see fit from time to time to attend meetings of the Audit Committee and assist in the discussion and consideration of the business of the Audit Committee, but without voting rights.

10. The Audit Committee is to keep regular minutes of proceedings and is to cause them to be recorded in books kept for that purpose, and is to report the same to the Board at such times as the Board may, from time to time, require.

11. Supporting schedules and information reviewed by the Audit Committee are to be available for examination by any Director upon request to the secretary of the Audit Committee.

12. The Audit Committee chooses as its secretary such person as it deems appropriate.

13. The internal and external auditors are to be given notice of, and have the right to appear before and to be heard at, every regularly scheduled meeting of the Audit Committee, and are to appear before the Audit Committee when requested to do so by the Audit Committee.

Duties and responsibilities

14. Subject to the powers and duties of the Board, the Board has delegated to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board:

(a) Financial Reporting Control Systems

The Audit Committee shall:

(i) review reports from senior officers of the Company outlining any significant changes in financial risks facing the Company;

(ii) review the management letter of the external auditors and the Company's responses to suggestions made;

(iii) annually review the Audit Committee Mandate;

(iv) review any new appointments to senior positions of the Company with financial reporting responsibilities; and

(v) discuss with the external auditors the overall control environment and the adequacy of accounting system controls.

(b) Interim Financial Statements

The Audit Committee shall:

(i) review the Corporation's interim financial statements and related MD&A and provide to the Board a recommendation as to whether the interim financial statements and MD&A should be approved; and

(ii) review any interim earnings press release before it is publicly disclosed.

(c) Annual Financial Statements and Other Financial Information

The Audit Committee shall:

(i) review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements;

(ii) obtain summaries of significant transactions, and other potentially difficult matters whose treatment in the annual financial statements merits advance consideration;

(iii) obtain draft annual financial statements in advance of the Audit Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of the analyses provided by officers of the Company;

(iv) review a summary provided by the Company's legal counsel of the status of any material pending or threatened litigation, claims and assessments;

(v) discuss the annual financial statements and the auditors' report thereon in detail with officers of the Company and the auditors;

(vi) review the Company's annual MD&A;

(vii) provide to the Board a recommendation as to whether the annual financial statements and MD&A should be approved;

(viii) review any annual earnings press release before it is publicly disclosed; and

(ix) review insurance coverage including directors' and officers' liability coverage.

(d) Public Disclosure of Financial Information

The Audit Committee shall:

(i) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in sections 14(b) and 14(c) above; and

(ii) periodically assess the adequacy of such procedures.

(e) External Audit Terms of Reference, Reports, Planning and Appointment

To preserve the independence of the external auditor responsible for issuing an auditors' report or performing other audit review or attest services for the Company, the Audit Committee shall:

(i) review the audit plan with the external auditors;

(ii) discuss with the external auditors, without management present, matters affecting the conduct of their audit and other corporate matters;

(iii) recommend to the Board each year the retention or replacement of the external auditors; if there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition; and evaluate the external auditors' qualifications, performance and independence;

(iv) review the experience and qualifications of the senior members of the external auditors, ensure that the lead audit partner is replaced periodically in accordance with applicable law or audit practices and that the audit firm continues to be independent;

(v) review and pre-approve any engagements for non-audit services to be provided by the external auditor and its affiliates in light of the estimated fees and impact on the external auditor's independence, subject to any de minimus exception allowed by applicable law, provided that the Audit Committee may delegate to one or more designated members of the Audit Committee the authority to pre-approve non-audit services; however, any non-audit services that have been pre-approved by any such delegate of the Audit Committee must be presented to the Audit Committee at its first scheduled meeting following such pre-approval;

(vi) review with management and with the external auditor:

(1) any proposed changes in major accounting policies;

(2) the presentation and impact of significant risks and uncertainties; and

(3) key estimates and judgements of management that may be material to financial reporting;

(vii) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company in compliance with the requirements set out in section 2.4 of National Instrument 52-110;

(viii) ensure that the external auditor reports directly to the Audit Committee;

(ix) be directly responsible for overseeing the work of the external auditor engaged for the purposes of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting; and

(x) annually review and recommend for approval to the Board the terms of engagement and the remuneration of the external auditor.

(f) Internal Audit Function

The Audit Committee is to consider, together with the Chief Financial Officer of the Company, the Company's internal audit function.

(g) Procedure for Complaints regarding Accounting, Internal Controls or Auditing Matters

The Audit Committee shall:

(i) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters; and

(ii) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Reporting and authority

15. The Audit Committee is to report to the Board at its next regular meeting all such action it has taken since the previous report.

16. The Audit Committee is empowered to investigate any activity of the Company and all employees are to co-operate as requested by the Audit Committee. The Audit Committee may retain persons having special expertise to assist it in fulfilling its responsibilities.

17. The Audit Committee is authorised to request the presence at any meeting, but without voting rights, of a representative from the external auditors, senior management, internal audit, legal counsel or anyone else who could contribute substantively to the subject of the meeting and assist in the discussion and consideration of the business of the Audit Committee, including Directors, officers and employees of the Company.

Governance

18. The Audit Committee is responsible to review on a regular basis, and in its discretion make recommendations to the Board regarding confirmation of or changes to be made to, its Mandate and the position description of its Chairman.

Advisers

19. The Audit Committee has the power, at the expense of the Company, to retain, instruct, compensate and terminate independent advisers to assist the Audit Committee in the discharge of its duties.

Audit Committee timetable

20. The timetable on the following page outlines the Audit Committee's schedule of activities during the year.

Meeting Timing	March	May	August	November
Agenda Item				
A. Financial Reporting Control Systems				
(1) Review reports from senior officers outlining changes in financial risks	X	X	X	X
(2) Review management letter of external auditors and Company's responses to suggestions made	X			
(3) Review the Audit Committee Mandate	X			
(4) Review any new appointments to senior positions with financial reporting responsibilities	X	X	X	X
(5) Obtain assurance from both internal and external auditors regarding the overall control environment and the adequacy of account system controls	X	X	X	X
B. Interim Financial Statements				
(1) Review interim financial statements with officers of the Company and approve prior to their release		X	X	X
(2) Review narrative comment accompanying interim financial statements		X	X	X
(3) Review interim earnings press release, if any		X	X	X
C. Annual Financial Statements and Other Financial Information				
(1) Review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements	X	X	X	X
(2) Obtain summaries of significant transactions, and other potentially difficult matters whose treatment in the annual financial statements merits advance consideration	X	X	X	X

Meeting Timing	March	May	August	November
Agenda Item				
(3) Obtain draft annual financial statements in advance of the Audit Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of the analyses provided by officers of the Company	X			
(4) Review summary of the status of any material pending or threatened litigation, claims and assessments	X	X	X	X
(5) Discuss the annual financial statements and the auditors' report thereon in detail with officers of the Company and the auditors	X			
(6) Review the annual report and other annual financial reporting documents	X			
(7) Provide to the Board a recommendation as to whether the annual financial statements should be approved	X			
(8) Review annual earnings press release, if any	X			
(9) Review insurance coverage				X
D. External Audit Terms of Reference, Reports, Planning and Appointment				
(1) Review the audit plan with the external auditors				X
(2) Discuss in private with the external auditors matters affecting the conduct of their audit and other corporate matters	X			
(3) Recommend to the Board the retention or replacement of the external auditors. If there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition	X			
(4) Review and recommend for approval to the Board the terms of engagement and the remuneration of the external auditor		X		

COMPENSATION COMMITTEE

As of the date of this document, the Compensation Committee comprises Aksel Azrac (Chairman), Ashley Heppenstall and Ian M. Lundin.

Purpose

1. The purpose of the Compensation Committee is to:

   (a) review and approve corporate goals and objectives relevant to Chief Executive Officer and Director performance and evaluate performance to determine compensation;

   (b) make recommendations to the Board regarding compensation including incentive and equity-based compensation plans; and

   (c) review Director and executive officer compensation disclosure prior to its public disclosure.

Composition and process

2. Following each annual meeting of shareholders of the Company, the Board is to appoint not less than three directors to serve on the Compensation Committee, each of whom must be independent as that term is defined in then current laws applicable to the Company.

3. The Chairman of the Compensation Committee is to be appointed by the Board and must be independent as that term is defined in then current laws applicable to the Company.

4. Any member of the Compensation Committee may be removed or replaced at any time by the Board and ceases to be a member upon ceasing to be a Director of the Company. Each member of the Compensation Committee is to hold office until the close of the next annual meeting of shareholders of the Company or until the member resigns or is replaced, whichever first occurs.

5. If all members consent, and proper notice has been given or waived, a member or members of the Compensation Committee may participate in a meeting of the Compensation Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.

6. The Compensation Committee is responsible to meet as often as required to discharge its duties.

7. The Chairman of the Compensation Committee appointed by the Board is to determine, in consultation with management and the members of the Compensation Committee, the schedule, time and place of meetings, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members and other attendees with sufficient time for study prior to the meeting.

8. A quorum for the transaction of business at all meetings of the Compensation Committee is to be a majority of the members of the Compensation Committee. Questions arising at any meeting are to be determined by a majority of votes of the members of the Compensation Committee present.

9. The Compensation Committee may invite such Directors, officers and employees of the Company as it may see fit from time to time to attend meetings of the Compensation Committee and assist in the discussion and consideration of the business of the Compensation Committee, but without voting rights.

10. The Compensation Committee is to keep regular minutes of proceedings and is to cause them to be recorded in books kept for that purpose, and is to report the same to the Board at such times as the Board may, from time to time, require.

11. The Compensation Committee is to choose as its secretary such person as it deems appropriate.

12. The Compensation Committee has the authority to delegate authority to individuals or sub-committees of the Compensation Committee.

Duties and responsibilities

13. Subject to the powers and duties of the Board, the Board has delegated to the Compensation Committee the following powers and duties to be performed by the Compensation Committee on behalf of and for the Board:

    (a) in making all compensation recommendations to the Board, the Compensation Committee is to take into consideration:

        (i) the duties of each individual, his or her past service and continuing responsibilities;

        (ii) the position or job description of individuals, their short and long-term objectives, goals and performance measurement indicators;

        (iii) the Company's performance and shareholder returns; and

        (iv) the form and amount of compensation awarded by comparable companies and competitors; and

    (b) in making recommendations to the Board, to take into account any evaluations the committee feels are necessary, regarding:

(i) the amount and form of compensation to award to Directors, the Chairman of the Board, the Lead Director, if appointed, and the Chairman of each Committee;

(ii) proposals for the compensation of executive officers and management, including salary, bonus, options, perquisites, retirement allowances and all other forms of proposed compensation;

(iii) all incentive and equity-based compensation plans and all proposed grants of securities under such plans;

(iv) the approval of agreements relating to employment, consulting and management to be entered into by the Company and senior management; and

(v) employee benefit and retirement plans; and

(c) to review the Company's compensation policy, plans, policies and programs and other specific compensation arrangements to assess whether they meet the Company's risk profile and to ensure they do not encourage excessive risk-taking by the recipient of such compensation; and

(d) to review the disclosure with respect to compensation matters contained in the Company's annual management information circular and provide to the Board a recommendation as to whether such disclosure should be approved.

Reporting

14. The Compensation Committee is responsible, following each meeting, to report to the Board regarding its activities, findings and recommendations.

Governance

15. The Compensation Committee is responsible to annually review, and in its discretion make recommendations to the Board regarding confirmation of or changes to be made to, its Mandate and the position description of its Chairman.

Advisers

16. The Compensation Committee has the power, at the expense of the Company, to retain, instruct, compensate and terminate independent advisers to assist the Compensation Committee in the discharge of its duties.

INSIDER POLICY

Swedish insider reporting rules

All persons holding an insider position (Sw. insynsställning) in the Company are required to report their shareholdings and holdings of other financial instruments in the Company (including holdings of closely affiliated natural and legal persons) and changes in such holdings to the SFSA. Such reporting is mandatory and shall be made in accordance with the Swedish Act on Reporting Obligations for Certain Holdings of Financial Instruments (SFS 2000:1087). These reports are publicly available on the SFSA's website www.fi.se. In addition, the same act stipulates a trading ban for the Chief Executive Officer and the other members of the Board of Directors of the Company during the 30 days preceding the announcement of the Company's ordinary quarterly interim reports up to and including the day the interim report is announced.

DISTRIBUTION OF INFORMATION TO THE CANADIAN AND SWEDISH MARKETS

The Company is subject to the information and reporting requirements of the BCBCA, Canadian provincial securities laws in those provinces of Canada in which the Company is a "reporting issuer", and the rules, policies and guidelines of the TSX. The Company files periodic reports and other information with certain securities regulatory authorities in Canada and the TSX relating to its business, financial condition and other matters. The Company is required to disclose in such reports certain information, as of particular dates, concerning the Company's Directors and officers, their compensation, stock options and other equity based compensation granted to them, the major holders of the Company's securities and any material interest of such persons in transactions with the Company.

Financial reports and press releases are published on the Company's website and through its news distributors, with separate news distributors for the Canadian and Swedish markets.

LEGAL MATTERS AND SUPPLEMENTARY INFORMATION

SHAREHOLDERS' AGREEMENT

The Company is not aware of any existing shareholders' agreements between the Company's shareholders. Furthermore, the Company is not aware of any other agreements or similar arrangements which in the future may result in a change of control of the Company.

TRANSACTIONS WITH RELATED PARTIES

Below follows a description of the Company's transactions with related parties during the period from 1 January 2013 to the date of this prospectus.

Technical services from Lundin Services

The Company receives technical and legal services from Lundin Services, a wholly-owned subsidiary of Lundin Petroleum. Lundin Petroleum's President and Chief Executive Officer, Ashley Heppenstall, and its Chairman, Ian H. Lundin, are Directors of the Company. During the period 1 January 2013 to 30 September 2013, the Company paid Lundin Services USD 23,300 for professional services.

Corporate bond subscribed by Lundin Services

At 30 September 2013, Lundin Services BV held EUR 7.6 million of the corporate bonds issued by the Company in April 2011 at nine per cent annual interest with a four-year maturity. During the nine months ended 30 September 2013, the Group recognised EUR 0.7 million of interest expense and USD 18,000 of transaction costs associated with the portion of the corporate bonds held by Lundin Services BV. At 30 September 2013, the Group had USD 11 million outstanding in relation to Lundin Services BV under the corporate bond.

Corporate bond subscribed by Lundin investment companies

At 30 September 2013, investment companies associated with the Lundin family held EUR 15 million of the corporate bonds issued by the Company in April 2011 at nine per cent annual interest with a four-year maturity. During the nine months ended 30 September 2013, the Group recognised USD 1.3 million of interest expense and USD 35,000 of transaction costs associated with the portion of the corporate bonds held by investment companies associated with the Lundin family. At 30 September 2013, the Group had USD 21.8 million outstanding in relation to Lundin investment companies under the corporate bond.

Agreement with Atacama Minerals

Etrion Chile has entered into a long-term take-or-pay PPA with Atacama Minerals, a wholly-owned subsidiary of Sirocco Mining Inc., Chile S.C.M, a Lundin group company, to provide electricity to Aguas Blancas Mine. Etrion Chile plans to build, own and operate Aguas Blancas. The electricity will be sold through a 15-year fixed-price take-or-pay USD-denominated PPA that was signed in July 2013 with Atacama Minerals. Construction of Aguas Blancas is expected to commence in the first quarter of 2015, subject to Etrion arranging the necessary debt financing, and the solar project is expected to be operational in the third quarter of 2015 provided the mine proceeds with its expansion plans in early 2015. Once operational, Aguas Blancas is expected to produce approximately 23.5 million kWh of solar electricity per year.

Short-term loan agreement

In connection with the signing of the purchase agreement for Project Salvador, Etrion and Lorito Guernsey (a company wholly-owned by the Lundin family trusts) entered into an unsecure loan agreement in the amount of USD 42 million at an annual interest rate of 12 per cent. The Company also issued 2,500,000 Shares at a deemed price of CAD 0.60 per share to Lorito Guernsey in consideration for the provision by Lorito Guernsey's bank of a USD 42 million letter of credit issued on behalf of the Company.

LEGAL AND ARBITRATION PROCEEDINGS

Except as set forth herein, the Company is not involved nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months, which may have, or have had in the recent past, significant effects on Etrion's or the Group's financial position or profitability.

MATERIAL AGREEMENTS

Except as set forth herein, there are no contracts, other than contracts entered into in the ordinary course of business, that are material to the Company which have been entered into in the last two years and still are in effect.

Acquisition Agreement Project Salvador (including first amendment)

In September 2013, Etrion Chile entered into a subscription agreement with PV Salvador, Total Energie Developement (**"Total Energie"**), Solventus and Solventus Chile S.p.A. regarding the capital increase of the capital stock of PV Salvador and an acquisition of 70 per cent of the issued and outstanding shares of PV Salvador, the sole owner and holder of Project Salvador. The closing of the transaction is subject to the fulfilment of a number of conditions inter alia the OPIC board approval of the financing of the project, Total Energie's and Etrion Chile's boards' approvals, execution of the finance agreement regarding the financing of the project between PV Salvador and/or the shareholders of PV Salvador and OPIC.

Shareholders' Agreement Project Salvador

In connection with entering into the acquisition agreement regarding Project Salvador, a shareholders' agreement was signed by PV Salvador, Etrion Chile, Total Energie and Solventus in which the terms of the shareholders' rights and obligations as shareholders of PV Salvador are set out. The agreement stipulates a call option right giving Total and Solventus the right to acquire from Etrion Chile up to 19.99 per cent of the issued and outstanding shares of PV Salvador at a nominal price equivalent to USD 1 after the contributed equity has been repaid. In the event of exercising such call option right the shareholding will be the following: Etrion Chile holds 50.01 per cent, Total holds 35.99 per cent and Salvador holds 14 per cent. Additionally, upon the 20th anniversary as of the substantial completion date (according to a EPC agreement) Total and Solventus have been given a second call option to acquire Etrion's remaining shares of PV Salvador at a nominal price equivalent to USD 1. The agreement further sets forth how co-operation in relation to development, financing and the construction of Project Salvador shall progress. Total Energie did later assign its right and obligations under the acquisition agreement and the shareholders' agreement to Total. The financing of the project was approved by the OPIC board in September 2013.

Financing Agreement Project Salvador

PV Salvador SpA (as borrower) has entered into a senior secured financing agreement with Overseas Private Investment Corporation (as lender) pursuant to which the lender has agreed to provide loans in the aggregate amount of USD 155 million on the terms and conditions stated therein. The agreement contains customary representations, warranties, covenants and undertakings, restricting (among other things) the borrower in respect of disposals, acquisitions, payments and transfers and incurring indebtedness and granting guarantees and security. The borrower has provided certain of its assets (including shares in its subsidiaries and plants, equipment, properties, concession rights and land concession rights, located in Chile or elsewhere, in which the borrower has an interest) as collateral to secure its obligations under the financing agreement. The remaining 30 per cent equity portion will be funded by Etrion, Total and the initial project developer, Solventus, based on their ownership interests of 70 per cent, 20 per cent and 10 per cent, respectively.

Agreement with Atacama Minerals

Etrion Chile has entered into a long-term take-or-pay PPA with Atacama Minerals, a wholly-owned subsidiary of Sirocco Mining Inc., Chile S.C.M, a Lundin group Company, to provide electricity to Aguas Blancas Mine. Etrion Chile plans to build, own and operate Aguas Blancas. The electricity will be sold through a 15-year fixed price take-or-pay USD-denominated PPA that was signed in July 2013 with Atacama Minerals. Construction of Aguas Blancas is expected to commence in the first quarter of 2015, subject to Etrion arranging the necessary debt financing, and the solar project is expected to be operational in the third quarter of 2015 provided that the mine proceeds with its expansion plans in early 2015. Once operational, Aguas Blancas is expected to produce approximately 23.5 million kWh of solar electricity per year.

Divestment in Venezuela

In October 2013, Etrion sold all of its shares in PFC for aggregate proceeds of USD 5 million under a share sale and purchase agreement. PFC owned all Etrion's oil and gas assets, two Venezuelan oil and gas companies controlled by PDVSA. The divested assets were carried on Etrion's balance sheet at USD 1 million net of advance dividends.

Agreement with Hitachi High-Technologies Corporation

Etrion and HHT have signed a development agreement regarding the development of a solar park pipeline in Japan. The agreement sets forth the terms and both parties are providing the key functions required for the development, financing, operation, maintenance and ownership of solar parks as well as asset management services to be provided thereto.

FINANCIAL AGREEMENTS

Short-term loan agreement

In connection with the signing of the purchase agreement for Project Salvador, Etrion and Lorito Guernsey (a company wholly-owned by the Lundin family trusts) entered into an unsecure loan agreement in the amount of USD 42 million at an annual interest rate of 12 per cent. The Company also issued 2,500,000 Shares at a deemed price of CAD 0.60 per share to Lorito Guernsey in consideration for the provision by Lorito Guernsey's bank of a USD 42 million letter of credit issued on behalf of the Company.

Facility agreements

SunRay 24 has an existing facility agreement with Société Générale S.A., Banca Infrastrutture Innovazione e Sviluppo S.p.A. (Intesa Sanpaolo Group) and WestLB for EUR 120 million, with Société Générale's participation in the financing partially guaranteed by SACE S.p.A., the Italian export credit agency. The loan includes two separate facilities. Facility A of EUR 108 million matures on 30 June 2028 and facility B of EUR 12 million matures on 30 September 2013. SunRay 9 has an existing facility agreement with Barclays PLC for EUR 44.5 million comprising two separate facilities. Facility A of EUR 40 million matures on 29 September 2028 and facility B of EUR 4.5 million matures on 31 March 2014. Facility A bears an interest of Euribor plus a margin of 2.75 per cent from financial close to the seventh anniversary of the project completion date and three per cent thereafter. Facility B bears an interest of Euribor plus a margin of 1.85 per cent.

Société Générale S.A. and Dexia Crediop S.p.A. have provided the 6.4 MW Helios ITA project with a credit facility for a total amount of up to EUR 45 million. The loan shall be repaid by amortisation instalments every sixth months, final repayment date being 30 June 2024. The loan bears an interest of Euribor plus a margin which ranges from 1.35 per cent for the first two years, 2.25 per cent between the second and fifth year and 2.5 per cent thereafter.

Construction of the Borgo Piave project began in August 2010 with vendor financing from Phoenix Solar (delayed payments on 70 per cent of project costs). Construction was completed in December 2010 and the Borgo Piave project was connected to the grid in April 2011. The Phoenix Solar EPC contract price was approximately EUR 10 million. Etrion initially funded the project through a bridge loan provided to the Company by Lundin Services and extended payment terms from Phoenix Solar.

In December 2010, the Company secured financing under a facility with the Natixis Facility for the construction of the 10 MW Helios ITA-3 project and the 5.2 MW Etrion Lazio project (Borgo Piave and Rio Martino). In August 2011, the Natixis Facility was increased to also include the 2.6 MW Nettuno solar power project in Sagittario, Italy. The Natixis Facility is a non-recourse loan facility for approximately EUR 60 million and has an 18-year term following construction. The facility covers approximately 84 per cent of estimated project costs.

In the fourth quarter of 2011, the Company completed a drawdown of EUR 39.5 million from the Natixis Facility in connection with the Helios ITA-3 and Nettuno solar power projects. After the drawdown, the Company repaid in full the Bridge Loan (EUR 28 million) to Lorito and Zebra.

Each project is subject to its own financing arrangement. The project loans are non-recourse loans (i.e. facilities under which the lending bank is only entitled to the assets from the associated project) at SPV level with no recourse against the parent company. All project loans are held by the Company's subsidiaries and mature at various dates between 2024 and 2028. At 30 September 2013, all non-recourse project loans were hedged through interest rate swap contracts. Counterparties to the non-recourse project loans do not have unconditional or unilateral discretionary rights to accelerate repayment at earlier dates.

DOCUMENTS ON DISPLAY

For the life of this prospectus, the following documents may be inspected at the Company's head office, or copies thereof requested, by sending a written request to Etrion Corporation, 60-62 rue du Stand, 1204 Geneva Switzerland: the Company's Notice of Articles and Articles, the Company's historical financial information, which has been made public, and all other documents and reports which are included and referred to in this prospectus, directly or by reference, in part or completely. Historical financial information, which has been made public, is also available in electronic form at the Company's website www.etrion.com and at SEDAR at www.sedar.com.

NOTICE OF ARTICLES, ARTICLES AND CORPORATE LAW

The following is a summary of the rights of shareholders in Etrion based upon current legislation in the Province of British Columbia, Canada, and the current Etrion Notice of Articles and Articles. It also sets out certain differences between British Columbia corporate law and Swedish corporate law with the aim to highlight material differences in shareholders' rights, had Etrion been a Swedish company. The summary is of a general nature only. It does not claim to give an exhaustive account of the aforementioned corporate documents, nor of all potentially relevant differences between British Columbia law and Swedish law, material or not. Further important information is provided in sections "Corporate Governance" and "Share Capital, Dividend and Ownership Structure" above.

GENERAL

The full corporate name of the Company is Etrion Corporation. Etrion is a "public company" as defined under the BCBCA with its head office located at 60-62 rue du Stand, 1204 Geneva, Switzerland (telephone: +41 22 715 20 90) and its registered and records office located at Suite 1600, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 Canada. The Company was incorporated under the laws of the Province of Ontario on 27 July 1993, under the name of "Agents of Change Inc.". Pursuant to Articles of Continuance dated 28 February 1996, the Company was continued under the Business Corporations Act (Alberta) and its name was changed to "VisuaLabs Inc.". On 28 November 2002, the name of the Company was changed to "Pretium Industries Inc.", and on 24 June 2003, the name of the Company was changed to "PetroFalcon Corporation". Effective 30 October 2007, PetroFalcon Corporation and its wholly-owned Canadian subsidiary, Vinccler, completed a vertical amalgamation and continued as one corporation under the name "PetroFalcon Corporation". On 10 September 2009, the Company continued under the BCBCA under incorporation number C0860958, and on 11 September 2009 the Company changed its name to its current name, "Etrion Corporation". For more information see "Business Overview - History and Important Events" above.

The legal form of the Company is governed by the BCBCA, its Notice of Articles and its Articles. While the Notice of Articles sets out the primary rules of the Company, such as type of corporation and the name of the corporation, more detailed provisions are set out in the Articles. As the Company is incorporated under British Columbia law, it is not required to comply with Swedish corporate law (i.e. the Swedish Companies Act).

THE BUSINESS OF THE COMPANY

The Articles do not restrict the business that the Company can carry on.

Under Swedish corporate law, the objectives of a company must be set out in its articles of association. These objectives set out the demarcations of those business sections within which the company can operate.

SHARES

The Company is authorised to issue an unlimited number of common shares (referred to as Shares in this prospectus) without nominal or par value. Further, the Company is authorised to issue an unlimited number of preferred shares without nominal or par value. The preferred shares may be issued in series, each series to consist of such number of shares and to possess such rights as the Board of Directors may by resolution fix from time to time before the issue thereof. As at 30 November 2013, there were a total of 209,219,086 Shares issued and outstanding as fully paid and non-assessable. As at 30 November 2013, no preferred shares have been issued.

Also under Swedish corporate law, a company may issue different classes of shares, but only to the extent such different classes of shares are specified in the articles of association.

DESCRIPTION OF THE RIGHTS, BENEFITS AND LIMITATIONS FOR EVERY CATEGORY OF SHARES

Common shares

The holders of common shares (referred to as Shares in this prospectus) are entitled to receive notice of, attend at and vote at all meetings of shareholders of the Company, except meetings at which only holders of a specified class of shares are entitled to vote. Subject to the provisions of the BCBCA and except as otherwise described herein (see "Dividend policy" above), the Board has the discretion to declare and pay dividends at any time upon the Shares to the exclusion of all or any other classes or class of shares, or upon all or any other classes or class of shares to the exclusion of the Shares. The holders of Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company (of which none is presently issued), to receive the remaining property of the Company upon dissolution, liquidation or winding-up, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purposes of winding up its affairs.

Subject to the BCBCA and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the Board may determine.

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

Preferred shares

Preferred shares may from time to time be issued in one or more series and the Board may fix from time to time and before issue of a particular series of preferred shares the number of shares which are to constitute the series (which may be a limited or unlimited number) and the designation, special rights and restrictions and conditions to be attached to such series of preferred shares, including, without limitation, the rate or amount of dividends or the method of calculating dividends, the dates of payment of dividends, the redemption, purchase and/or conversion prices, and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provisions, and may cause the Notice of Articles to be amended to so reflect such series.

The preferred shares of each series shall with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, rank on a parity with the preferred shares of every other series and be entitled to preference over the Shares and over any other shares of the Company ranking junior to the preferred shares. The preferred shares of any series may also be given other preferences, not inconsistent with the Articles, over the Shares and any other shares of the Company ranking junior to the preferred shares.

Unless otherwise provided for by the BCBCA, the holders of each series of preferred shares (including the Company's preferred shares authorised by the Notice of Articles) are not entitled to receive notice of, attend or vote at any meetings of shareholders of the Company.

GENERAL MEETING OF SHAREHOLDERS

Meetings of shareholders

An annual meeting of shareholders of the Company shall be held for the purpose of considering financial statements and auditors' reports, electing directors and appointing an auditor, as well as for the transaction of such other business as may be properly brought before the meeting. Special meetings may be called at any time by the Board of Directors. Under the BCBCA, shareholders holding five per cent or more of the votes in a company may requisition the Board of Directors to call a shareholders' meeting.

Shareholders' meetings are to take place in Canada, in the United States of America or in the United Kingdom, or at such other location as may be approved on prior application to the Registrar of Companies for British Columbia.

Under the BCBCA, shareholder action without a shareholders' meeting may only be taken by written resolution signed by all shareholders who would be entitled to vote thereon at a shareholders' meeting.

Notices

Under the BCBCA, notice of the time and place of a shareholders' meeting shall be given by prepaid mail or delivered personally not less than 21 calendar days and not more than two months before the meeting to each shareholder who at the close of business on the record date (as further described below) for such notice is entered in the securities register as holder of a share carrying a right to vote.

Notice of a shareholders' meeting called for a purpose other than consideration of the financial statements and auditors' report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholders to form a reasoned judgement thereon. It shall also describe the general nature of the matters to be considered by the shareholders.

Under Swedish corporate law, a general meeting of shareholders must be preceded by a notice. The notice of the annual general meeting of shareholders, or an extraordinary general meeting whereat an amendment of articles of association is to be resolved, must be issued no sooner than six weeks and no later than four weeks before the date of the meeting. Notice of other extraordinary general meetings must be issued no sooner than six weeks and no later than three weeks before the meeting. In general, public companies whose shares are traded on a regulated marketplace must notify shareholders of a general meeting through an announcement in the Swedish Official Gazette and by making the notice to attend available on the company's website. The notice shall include an agenda listing each item that the meeting is to resolve upon.

Record date

Under British Columbia corporate law, the Board of Directors may (but is not required to) set a record date (Sw. avstämningsdag) for the determination of the persons entitled to receive notice and vote. The record date shall not precede the date of the meeting by more than two months. If no record date is determined, the record date shall be at the close of business on the day immediately preceding the day the notice was given, or the beginning of the meeting. Canadian securities laws, however, mandate that the Company set a record date for notice at least 30 to 60 days (or 40 to 60 days in the event the Company uses the "notice-and-access" process to make available meeting materials to shareholders) before the meeting. Canadian securities laws also permit the Company to set a record date for voting, which is typically the same date as the record date for notice. At least 25 days before the record date for notice, notice of both the meeting and record dates must be sent to all depositories, securities regulatory authorities and exchanges on which its securities are listed.

Typically, only shareholders of record as of the record date are entitled to receive notice of, attend and vote at the meeting, unless, after the record date, a shareholder of record transfers any of his shares and the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, has demanded not later than 10 days before the meeting that his name is to be included in such list. In any such case, the transferee is entitled to vote for the transferred shares at the meeting.

Under Swedish law, in order for a shareholder to attend and vote at a shareholders' meeting, the holder must have the shares registered in his own name in the register of shareholders on the fifth business day prior to the date of the shareholders' meeting (a so-called voting registration or temporary registration). Shareholders must also, if stipulated by the articles of association, give notice of their intention to attend the shareholders' meeting.

Voting rights

Each Share entitles the holder thereof to one vote.

Every shareholder entitled to vote at a shareholders' meeting may appoint a proxy holder, or one or more alternative proxy holders, who need not be shareholders, to attend and act as his representative at the meeting in the manner and to the extent authorised and with the authority conferred by the proxy. A proxy must be in writing executed by the shareholder or his attorney and must conform with the requirements of the BCBCA and applicable securities laws.

Alternatively, every such shareholder which is a body corporate or association may authorise by resolution of its directors or governing body an individual to represent it at a shareholders' meeting and such individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Company a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Company or the Chairman of the meeting. Any such representative need not be a shareholder.

The Board of Directors may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Company or any agent thereof specified in such notice or if, no such time having been specified in such notice, it has been received by the secretary of the Company or by the Chairman of the meeting or any adjournment thereof prior to the time of voting.

To ensure timely voting of proxies, the Company is required under Canadian corporate and securities laws to deliver meeting materials, including proxies, to shareholders at least 21 calendar days before the meeting, or may make such materials otherwise available to shareholders at least 30 calendar days in advance of the meeting in accordance with applicable securities laws.

Issue of shares and pre-emptive right

Under the BCBCA, subject to any pre-emptive right in a company's articles of association, shares may be issued at such times and to such persons and for consideration as the board of directors may determine. There is no pre-emptive right in the Articles.

Under Swedish corporate law, resolutions on new share issues are passed by a shareholders' meeting. A shareholders' meeting may however authorise the board of directors to issue new shares, provided that the authorised issue is within the limits of the number of shares and share capital set out in the company's articles of association. Further, the board of directors may resolve to issue new shares without a prior authorisation, provided that the resolution is conditioned upon the shareholders' approval.

Under Swedish corporate law, shareholders of any class of shares have a pre-emptive right (Sw. företrädesrätt) to subscribe for new shares of any class in proportion to their shareholdings. The pre-emptive right to subscribe for new shares may be set aside by a resolution passed by at least two-thirds of both the votes cast and shares represented at a shareholders' meeting. The pre-emptive right does not apply in respect of shares issued for consideration other than cash or in respect of shares issued pursuant to convertible debentures or warrants previously granted by the company.

Dividends

Dividends are declared and paid at any time at the discretion of the Board of Directors. There are no fixed dates for dividends. Under the BCBCA, a corporation may declare and pay a dividend unless there are reasonable grounds for believing that the corporation is, or would after the payment be, unable to pay its debts as they become due in the ordinary course of its business. For further information on dividends see "Dividends" under section "Share capital, dividend and ownership structure".

Under Swedish corporate law, payment of dividends must be authorised by a shareholders' meeting. A resolution to pay dividends may, with certain exceptions, not exceed the amount recommended by the board of directors. Dividends may only be made if, after the payment of the dividends, there is sufficient coverage for the company's restricted equity and further if the payment of dividends is justified, taking into consideration (i) the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations, and (ii) the company's need for consolidation and liquidity as well as the company's financial position in general.

Distribution of assets on liquidation

Holders of Shares are entitled to receive the remaining property of the Company upon dissolution, liquidation or winding-up, subject to rights and privileges that may be attached to any other class of shares of the Company.

Certain extraordinary corporate actions

Under the BCBCA, certain extraordinary corporate actions, such as amalgamations, continuances and sales, leases or exchanges of all or substantially all of the property of a corporation other than in the ordinary course of business, and other extraordinary corporate actions such as liquidations and dissolutions, must be approved by special resolution. In certain cases, a special resolution to approve an extraordinary corporate action must also be approved separately by the holders of a certain class or series of shares.

Restrictions on changes in control

There are no provisions in the Notice of Articles or Articles that would have an effect of delaying, deferring or preventing a change in control of the Company, or on any mergers, acquisitions or corporate restructurings of the Company.

Redemption provisions

Pursuant to the BCBCA, a corporation may purchase or otherwise redeem any redeemable shares issued by it at prices not exceeding the redemption price stated in the articles of association or calculated according to a formula stated in the articles, and where there are no restrictions in the articles of association, any other share that is not specifically a redeemable share. A corporation may not make any payment to purchase or redeem any shares (whether expressed to be redeemable or not) issued by it if there are reasonable grounds for believing that the corporation is, or would after the payment be, unable to pay its debts as they become due in the ordinary course of its business.

AMENDMENTS TO THE NOTICE OF ARTICLES OR ARTICLES

The rights of the shareholders can be changed by way of amending the Notice of Articles or the Articles. Under the BCBCA and the current Articles, an amendment to the Articles generally requires approval by special resolution of the shareholders. A special resolution is a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution.

Under Swedish corporate law, an amendment of the articles of association requires a resolution passed by the shareholders. The number of votes required to pass such resolution depends on the type of amendment, in general two-thirds of both the votes cast and the shares represented at the meeting. Swedish corporate law does not allow for an amendment of the articles of association by a resolution of the board of directors.

DIRECTORS AND THE BOARD OF DIRECTORS

Number of Directors, etc.

Under the BCBCA, a "public company" must have no fewer than three board members. The Articles provide that the Company shall have a minimum of three Directors and a maximum of the number set by ordinary resolution of the shareholders from time to time. There are currently six Directors. The BCBCA does not impose any residency requirements for Directors, and does not require that a minimum number Directors be British Columbia or Canadian residents.

Under Swedish corporate law, a public company must have a board of directors consisting of at least three ordinary board members. Subject to this requirement, the number of board members is determined by a shareholders' meeting.

Nomination of Directors

As further described above in "Corporate Governance", the Company does not have a nominating committee to propose new board nominees. The Board of Directors as a group is responsible for the filling of vacancies on the Board of Directors and making recommendations as to nominees for the Board of Directors.

Swedish corporate law does not require companies to have a nominating committee, but such requirement is set forth in the Swedish Code. Under the Swedish Code, the annual general meeting of shareholders shall either appoint the members of a nominating committee or pass a resolution specifying how the members are to be appointed. The Swedish Code includes certain requirements regarding the independence of the members of the committee. The nominating committee is to issue a statement fully describing the reasons for its proposals, which is to be submitted to the shareholders' meeting.

Appointment and removal of Directors

Directors are elected annually by shareholders at a general meeting. Where there are more nominees standing for election than the number of Directors to be elected at the meeting, the nominees receiving the greatest number of votes "for" their election are elected as Directors. Shareholders may also remove any Director, by way of an special resolution at a special meeting of shareholders called for such purpose. The vacancy created by such removal may under certain circumstances be filled at the same meeting or, if not, by the Board.

Under British Columbia corporate law, to which the Company is subject, director elections are based on the plurality system, where shareholders vote "for" or "withhold" their votes for a director. Votes withheld are not counted, with the result that, technically, a director could be elected to the board with just one vote in favour. The Board believes that each of its members should have the confidence and support of the shareholders of the Company. On 24 April 2013, the Directors unanimously adopted a majority voting policy. Each of management's nominees for election to the Board at the meeting has agreed, and all future nominees will be required to agree, to abide by it. The majority voting policy states that if in an uncontested election a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered by the Board not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be required forthwith to submit his or her resignation to the Board, effective upon acceptance by the Board. Except in special circumstances that would warrant the continued service of the Director on the Board, the Board will be expected to accept the resignation. Within 90 days after the meeting, the Board will make its decision and announce it by press release.

Under Swedish corporate law, the board of directors is, except for any employee representatives, to be elected by the annual general meeting of shareholders, unless the articles of association provide otherwise. The members of the board are usually elected for the period until the end of the next annual general meeting of shareholders. The period for which a board member is elected may not exceed four financial years. It is possible for a board member to be re-elected for a new term of office.

Powers of the Board of Directors and delegation of the Board of Directors' powers

The Board of Directors manages the business and affairs of the Company. The Board of Directors may from time to time delegate to a committee all or any of the powers conferred on the Board of Directors by the Articles or the BCBCA.

Remuneration

Information regarding remuneration of the Board of Directors is provided above in "Board of Directors, Senior Executives and Independent Auditors".

Under Swedish corporate law, the remuneration to the board of directors is determined by the annual general meeting of shareholders, specifying the amount for each board member. For companies complying with the Swedish Code, the nominating committee's proposal to the annual general meeting must include a proposal regarding the remuneration to each member of the board.

Right to indemnification

Under the BCBCA, a corporation may under certain circumstances indemnify a board member or an officer of the corporation, or a board member or officer of the corporation who has acted as a board member of another entity at the corporation's request. The indemnity could include all costs, charges and expenses reasonably incurred by such board member or officer in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of having been a board member or officer of such corporation. A board member (or other person) is not entitled to an indemnity if, in relation to a civil proceeding, he did not act honestly and in good faith with a view to the best interests of the corporation, or in relation to a proceeding other than a civil proceeding, if he did not have reasonable grounds for believing that his conduct in respect of which the proceeding was brought was lawful. Further, such person may under certain circumstances be entitled to indemnity covering all costs, charges and expenses reasonably incurred by him if he was substantially successful on the merits in his defence of the action or proceeding and fulfilled the conditions set out above. Also, a corporation may, with the approval of a court, require the corporation to indemnify such persons. The Articles provide for indemnification of directors and officers to the fullest extent authorised by the BCBCA.

Swedish corporate law does not contain specific provisions requiring that the articles of association provide for indemnification of board members, officers or other persons. It is not uncommon, however, for listed Swedish companies to cater for specific insurance protection arrangements for their board members and officers. An action for damages on behalf of the company is available in certain circumstances against a founder, board member, managing director, auditor or shareholder of the company. Such an action may be instituted if supported at the general meeting of shareholders by the majority, or a minority comprising the owners of at least one-tenth of all shares.

Other

Information on meetings of the Board of Directors and conflicts of interest is provided above in "Corporate Governance".

MANAGEMENT OF THE COMPANY

Subject to any unanimous shareholders' agreement, the Board of Directors is empowered to appoint such officers as the Board of Directors determines. The Board of Directors may specify the duties of and delegate to such officers powers to manage the business and affairs of the Company. The BCBCA does not require that any particular officer (such as a Chief Executive Officer, Chief Financial Officer or Secretary) be appointed.

The Directors may appoint a Chairman among themselves, and the Board of Directors may assign to the Chairman such powers and duties as the Board determines.

The Board of Directors is entitled to vary, add to or limit the powers and duties of any officer, and may remove any officer of the Company. The terms of employment and the remuneration of an officer appointed by the Board of Directors are to be determined by the Board of Directors. Officers and Directors must disclose any interest in any material contracts or proposed material contracts, and Directors must refrain from voting on such material contracts.

TAXATION IN SWEDEN

The following summary of certain tax issues that may arise as a result of holding Shares in the Company is based on current Swedish tax legislation and is intended only as general information for corporate shareholders who are resident or domiciled in Sweden for tax purposes, if not otherwise stated. The presentation does not deal comprehensively with all tax consequences that may occur in this context. Neither does it cover the specific rules on so-called qualified shares in closely held companies or cases where shares are held by a partnership or are held as current assets in a business operation. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds, insurance companies, individuals and persons who are not resident or domiciled in Sweden. Each shareholder is recommended to consult a tax adviser for information with respect to the special tax consequences that may arise as a result of holding Shares in the Company, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules, that may be applicable.

DISPOSAL OF SHARES

Swedish limited liability companies

Swedish limited liability companies (Sw. aktiebolag) are taxed on all income as income from business activities at a flat rate of 22 per cent.

The capital gain is calculated to equal the difference between the sales proceeds, after deduction for sales expenses, and the shares' acquisition cost for tax purposes. The acquisition cost is determined according to the "average-method". This means that the costs for all shares of the same type and class are added together and determined collectively, with respect to changes to the holding. Alternatively, the "standard rule" according to which the acquisition cost is deemed to be equal to 20 per cent of the net sales price may be applied on the disposal of listed shares.

A capital loss on shares incurred by a corporate shareholder may be offset only against gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may, under certain circumstances, also be deductible against capital gains on such securities within the same group of companies, provided the requirements for group contributions are met. Capital losses on shares or other such securities, which have not been deducted from capital gains within a certain year, may be carried forward and be offset against similar capital gains in future years without any limitation in time.

Capital gains on listed shares in limited liability companies, including foreign equivalents, are tax exempt (and capital losses on such shares are non-deductible) provided that the holding represents at least 10 per cent of the voting rights of all shares. Exemption may also be available provided the holding is conditioned by the shareholder's (or affiliated company's) business. Capital gains on listed shares are only tax exempt if they are held not less than one year from the day any of the above holding requirements were met.

A limited liability company tax resident in Sweden for the purposes of the tax treaty between Sweden and Canada and which has never been a resident of Canada is not subject to any Canadian capital gains taxation from the sale of shares in the Company listed on the TSX.

CASH DIVIDENDS

Swedish limited liability companies

In general, dividends on shares to limited liability companies are taxed in Sweden as ordinary income from business activities at a rate of 22 per cent.

Dividends on listed shares in limited liability companies, including foreign equivalents, are tax exempt provided that the holding represents at least 10 per cent of the voting rights of all shares (or the holding is conditioned by the shareholder's, or affiliated company's, business). The dividend tax exemption only applies if the listed shares are not disposed of within one year from the day any of the above holding requirements were met. The shares must, however, not have been held continuously for one year at the date of distribution. Taxation will, however, be triggered if the shares are sold (or otherwise cease to be entitled to the tax exemption) before the one-year holding period requirement is met. A dividend on shares that ceases to be covered by the tax exemption may therefore be subject to tax in a different fiscal year than the dividend was received.

Dividends paid or credited by the Company to a person that is not a resident of Canada for Canadian income tax purposes are generally subject to Canadian withholding tax levied at a rate of 25 per cent. However, under the tax treaty between Sweden and Canada, the withholding tax rate is normally reduced to 15 per cent for dividends beneficially owned by a legal entity resident in Sweden for the purpose of the tax treaty. If the beneficial owner is a company resident in Sweden for the purposes of the tax treaty that controls directly at least 10 per cent of the voting power, or that holds directly at least 25 per cent of the capital, in the Company, the withholding tax rate is reduced to five per cent.

The treaty rate is only applied if sufficient information regarding the tax residency of the shareholder is available. The Company assumes responsibility for deducting tax in relation to the dividends where required.

Since the dividend is generally taxable in both Sweden and Canada, double taxation may occur. However, Canadian withholding tax levied can be credited from Swedish tax to the extent Swedish tax is attributable to foreign income (overall credit).

If the foreign tax should exceed the Swedish tax attributable to foreign income in/for one year, the credit may, subject to certain limitations, be carried forward for up to five years. Alternatively, the foreign tax may be deducted as a cost for the recipient.

Tax considerations for shareholders residing outside of Sweden

Foreign legal entities are not liable to pay tax on capital gains on shares, unless such gains arise from a permanent establishment in Sweden. If shares are attributable to a permanent establishment in Sweden, the rules concerning tax exempt dividends and capital gains described above are applicable with certain limitations.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2013 (UNAUDITED)

November 6, 2013

To the Audit Committee of Etrion Corporation

In accordance with our engagement letter dated October 1st, 2013, we have reviewed the condensed consolidated interim financial statements of Etrion Corporation consisting of:

- the condensed consolidated interim balance sheet as at September 30, 2013;
- the condensed consolidated interim statement of comprehensive income for the three and nine months ended September 30, 2013;
- the condensed consolidated interim statement of changes in equity for the nine months ended September 30, 2013;
- the condensed consolidated interim statement of cash flow for the three and nine months ended September 30, 2013;
- Selected explanatory notes

These condensed consolidated interim financial statements are the responsibility of Etrion Corporation's management.

We performed our review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor. Such an interim review consists principally of applying analytical procedures to financial data, and making inquiries of, and having discussions with, persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the interim financial statements; accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our review, we are not aware of any material modification that needs to be made to the condensed consolidated interim financial statements to be in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34.

We have previously audited, in accordance with Canadian generally accepted auditing standards, the consolidated balance sheet of Etrion Corporation as at December 31, 2012 and the related consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended (not presented herein). In our report dated March 11, 2013, we expressed an unmodified audit opinion on those consolidated financial statements. In our opinion, the information as at December 31, 2012, set forth in the accompanying condensed consolidated interim balance sheet, is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

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This report is solely for the use of the Audit Committee of Etrion Corporation to assist it in discharging its regulatory obligation to review the condensed consolidated interim financial statements, and should not be used for any other purpose. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

PricewaterhouseCoopers SA

Luc Schulthess Dondu Ipek

Enclosure:

- Condensed Consolidated Interim Financial Statements (statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flow)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

UNAUDITED

CONTENTS

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

UNAUDITED

Expressed in US$'000

	Note	Three months ended September 30 2013 $'000	Three months ended September 30 2012 $'000	Nine months ended September 30 2013 $'000	Nine months ended September 30 2012 $'000
Revenue	5	19,414	18,341	46,150	48,277
Operating expenses	6	(7,059)	(6,491)	(21,038)	(18,847)
Gross profit		**12,355**	**11,850**	**25,112**	**29,430**
General and administrative expenses	7	(1,503)	(2,318)	(4,675)	(6,732)
Other income/(expenses)	8	7	27	(620)	2,018
Operating profit		**10,859**	**9,559**	**19,817**	**24,716**
Finance income	9	621	60	1,111	638
Finance costs	9	(7,163)	(6,940)	(21,165)	(21,708)
Net finance costs		**(6,542)**	**(6,880)**	**(20,054)**	**(21,070)**
Income/(loss) before income tax		**4,317**	**2,679**	**(237)**	**3,646**
Income tax expense	10	(3,261)	(2,300)	(4,401)	(4,812)
Income/(loss) for the period		**1,056**	**379**	**(4,638)**	**(1,166)**
Other comprehensive income/(loss):					
Loss on currency translation		(509)	(394)	(334)	(536)
Gain/(loss) on cash flow hedges (net of tax)		1,140	(4,017)	10,077	(10,396)
Total other comprehensive income/(loss)		**631**	**(4,411)**	**9,743**	**(10,932)**
Total comprehensive income/(loss) for the period		**1,687**	**(4,032)**	**5,105**	**(12,098)**
Income/(loss) attributable to:					
Owners of the Company		1,056	379	(4,638)	(1,166)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		1,687	(4,032)	5,105	(12,098)
Basic earnings/(loss) per share	11	**$0.005**	**$0.002**	**$(0.023)**	**$(0.006)**
Diluted earnings/(loss) per share	11	**$0.005**	**$0.002**	**$(0.023)**	**$(0.006)**

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

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CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2013

UNAUDITED

Expressed in US$'000

	Note	September 30 2013 $'000	December 31 2012 $'000
Assets			
Non-current assets			
Property, plant and equipment	12	345,521	352,208
Intangible assets	13	16,451	14,619
Available for sale investments	20	2,061	2,061
Deferred income tax assets		10,076	9,142
Trade and other receivables		3,585	7,136
Total non-current assets		377,694	385,166
Current assets			
Trade and other receivables		38,621	29,861
Cash and cash equivalents (including restricted cash)	14	25,235	37,750
Total current assets		63,856	67,611
Total assets		441,550	452,777
Equity			
Attributable to owners of the Company			
Share capital		33,270	33,270
Contributed surplus		10,931	10,430
Other reserves		(12,922)	(22,840)
Accumulated deficit		(40,144)	(35,506)
Total equity		(8,865)	(14,646)
Liabilities			
Non-current liabilities			
Borrowings	16	364,698	369,747
Derivative financial instruments	17	27,514	40,558
Deferred income tax liabilities		2,204	1,610
Provisions		5,711	5,600
Total non-current liabilities		400,127	417,515
Current liabilities			
Trade and other payables		5,784	6,990
Current income tax liabilities	10	7,837	604
Borrowings	16	23,688	30,024
Derivative financial instruments	17	9,425	9,662
Provisions		3,554	2,628
Total current liabilities		50,288	49,908
Total liabilities		450,415	467,423
Total equity and liabilities		441,550	452,777

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

UNAUDITED

Expressed in US$'000

	Note	Attributable to owners of the Company				
		Share capital $'000	Contributed surplus $'000	Other reserves $'000	Accumulated deficit $'000	Total equity $'000
Balance at January 1, 2012		23,293	15,998	(9,429)	(27,300)	2,562
Comprehensive loss:						
- Loss for the period		-	-	-	(1,166)	(1,166)
- Other comprehensive loss:						
Cash flow hedges (net of tax)		-	-	(10,040)	-	(10,040)
Currency translation		-	-	(536)	-	(536)
Total comprehensive loss		-	-	(10,576)	(1,166)	(11,742)
Transactions with owners in their capacity as owners:						
- Share issuance		9,977	(6,065)	-	-	3,912
- Share-based payments		-	302	-	-	302
Balance at September 30, 2012		33,270	10,235	(20,005)	(28,466)	(4,966)
Balance at January 1, 2013		33,270	10,430	(22,840)	(35,506)	(14,646)
Comprehensive loss:						
- Loss for the period		-	-	-	(4,638)	(4,638)
- Other comprehensive income/(loss):						
Cash flow hedges (net of tax)	9	-	-	10,252	-	10,252
Currency translation		-	-	(334)	-	(334)
Total comprehensive income/(loss)		-	-	9,918	(4,638)	5,280
Transactions with owners in their capacity as owners:						
- Share-based payments	15	-	501	-	-	501
Balance at September 30, 2013		33,270	10,931	(12,922)	(40,144)	(8,865)

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

UNAUDITED

Expressed in US$'000

		Three months ended		Nine months ended	
		September 30 2013	September 30 2012	September 30 2013	September 30 2012
	Note	$'000	$'000	$'000	$'000
Cash flow from operating activities:					
Income/(loss) for the period		1,056	379	(4,638)	(1,166)
Adjustments for:					
Depreciation and amortization	6/7	5,022	4,850	15,117	14,839
Current income tax expense	10	5,949	3,502	7,742	7,368
Deferred income tax recovery	10	(2,688)	(1,202)	(3,341)	(2,556)
Share-based payment expense	7	125	143	445	302
Interest expense	9	4,153	4,645	12,377	14,871
Interest expense relating to interest rate swap contracts	9	2,460	1,917	7,268	5,084
Amortization of transaction costs	9	221	198	656	611
Foreign exchange (gain)/loss	9	(74)	(172)	134	39
Fair value changes of derivative financial instruments	9	179	246	(111)	301
Interest income		(545)	(58)	(647)	(135)
Gain on asset disposal		-	-	(1)	-
Other (income)/expenses	8	(7)	17	620	(1,371)
Decrease/(increase) in trade and other receivables		6,533	1,646	(3,174)	(7,937)
Increase/(decrease) in trade and other payables		1,754	217	(168)	(1,357)
Income tax paid		(820)	(2,069)	(1,849)	(2,847)
Total cash flow from operating activities		**23,318**	**14,259**	**30,430**	**26,046**
Cash flow from investing activities:					
Purchases of property, plant and equipment		(146)	(111)	(217)	(629)
Disposal of property, plant and equipment		-	-	60	-
Purchases of intangible assets		(1,012)	(31)	(2,352)	(31)
Total cash flow used in investing activities		**(1,158)**	**(142)**	**(2,509)**	**(660)**
Cash flow from financing activities:					
Interest paid	16	(2,823)	(3,372)	(11,101)	(14,034)
Interest paid relating to interest rate swap contracts		(3,115)	(2,359)	(7,783)	(5,241)
Interest income		-	58	86	135
Repayment of borrowings	16	(17,159)	(4,154)	(22,207)	(11,699)
Proceeds from borrowings		-	-	-	2,242
Total cash flow used in financing activities		**(23,097)**	**(9,827)**	**(41,005)**	**(28,597)**
Net (decrease)/increase in cash and cash equivalents		(937)	4,290	(13,084)	(3,211)
Effect of exchange rate differences		872	776	569	(127)
Cash and cash equivalents (including restricted cash) at the beginning of the period		25,300	31,252	37,750	39,656
Cash and cash equivalents (including restricted cash) at the end of the period		**25,235**	**36,318**	**25,235**	**36,318**

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

1. GENERAL INFORMATION

Etrion Corporation (the "Company" or together with its subsidiaries, the "Group") is incorporated under the laws of the Province of British Columbia, Canada. The address of its registered office is 1600-925 West Georgia St, Vancouver, British Columbia V6C 3L2, Canada. The Company is listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden.

Etrion Corporation is an independent power producer that owns and operates renewable assets.

These condensed consolidated interim financial statements are presented in US dollars ("$" or "US$"). However, since the functional currency of the Company (i.e., the primary economic environment in which the Company operates) is the Euro and the Company's primary listing is in Canada, certain financial information within the notes to these condensed consolidated interim financial statements has been presented in Euros ("€") and Canadian dollars ("CAD$").

The Company's Board of Directors approved these condensed consolidated interim financial statements authorized for issue on November 6, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set-out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with *IAS 34, Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012.

These condensed consolidated interim financial statements have been drawn up on the basis of accounting policies, methods of computation and presentation consistent with those applied in the audited consolidated financial statements for the year ended December 31, 2012.

(b) GOING CONCERN

The Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2013, have been prepared on a going concern basis, which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business as they become due in the foreseeable future and do not include the adjustments that would result if the Group was unable to continue as a going concern.

At September 30, 2013, the Group had cash and cash equivalents of $25.2 million (December 31, 2012: $37.8 million) and positive working capital (i.e., current assets less current liabilities) of $13.6 million (December 31, 2012: $17.7 million). During the nine months ended September 30, 2013, the Group incurred a net loss of $4.6 million (2012: $1.2 million). However, the Company's management is confident that the Group will be able to fund its working capital requirements for at least twelve months from the date of these condensed consolidated interim financial statements.

The Group's anticipated growth and development activities will depend on the Group's ability to secure additional financing (i.e., corporate debt and equity financing, non-recourse project loans or vendor financing). The Group cannot be certain that financing will be available when needed, and, as a result, the Group may be required to delay discretionary expenditures.

(c) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

During the nine months ended September 30, 2013, the Group adopted the following new standards and interpretations or amendments thereto applicable for financial periods beginning on January 1, 2013:

- *IAS 19 (revised), Employee Benefits ("IAS 19"):* The revised standard clarifies what is included in annual costs for defined benefit plans, requires actuarial gains and losses to be recognized immediately in comprehensive income and requires additional disclosures regarding the characteristics of the entity's benefit plans, amounts recognized in the financial statements, impacts on future cash flows and risks arising from the defined benefit plan. The Group assessed the full impact of IAS 19 and concluded that the adoption does not have a significant impact on the condensed consolidated interim financial statements for the three and nine months ended September 30, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) *CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)*

- *IFRS 10, Consolidated Financial Statements ("IFRS 10"):* This standard builds on the existing principals by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The Group assessed the full impact of IFRS 10 and concluded that the adoption does not have a significant impact on the condensed consolidated interim financial statements for the three and nine months ended September 30, 2013.
- *IFRS 13, Fair value measurements ("IFRS 13"):* This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. The Group assessed the full impact of IFRS 13 and concluded that the adoption does not have a significant impact on the condensed consolidated interim financial statements for the three and nine months ended September 30, 2013.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In connection with the preparation of the Company's condensed consolidated interim financial statements, the Company's management has made assumptions and estimates about future events, and applied judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. These assumptions, estimates and judgments are based on historical experience, current trends and other factors that the Company's management believes to be relevant at the time the condensed consolidated interim financial statements are prepared. On a regular basis, the Company's management reviews the accounting policies, assumptions, estimates and judgments to ensure that the financial statements are presented fairly in accordance with IFRS. However, because future events and their effects cannot be determined with certainty, actual results may differ from the assumptions and estimates, and such differences could be material.

There has been no change to the critical accounting estimates and assumptions used in the preparation of the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2013, from those disclosed in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2012.

4. SEGMENT REPORTING

The Company's management has determined the operating segments based on reports reviewed by the Board of Directors used to make strategic decisions. The Board of Directors considers reportable segments from a products and services perspective and measures performance based on earnings before interest, tax, depreciation and amortization ("EBITDA"). The Company's management has identified one reportable segment, the renewable energy segment, which includes the Group's solar power projects. Whilst the Company's management has determined that the Company has only one reportable segment, the Company has decided to disclose the additional information below as it believes that such information would be useful to the users of the financial statements.

The Group's electricity is sold to the Italian state-owned company Gestore Servizi Energetici ("GSE"). All of the Group's operating solar power projects are located in Italy.

4. SEGMENT REPORTING (CONTINUED)

The Group's revenues, EBITDA and results can be presented as follows:

Three months ended September 30:	2013			2012		
	Renewable energy $'000	Corporate and other $'000	Total $'000	Renewable energy $'000	Corporate and other $'000	Total $'000
Revenue	19,414	-	19,414	18,341	-	18,341
Operating expenses[1][2]	(2,128)	-	(2,128)	(1,702)	-	(1,702)
General and administrative expenses[1][2]	(466)	(946)	(1,412)	(25)	(2,232)	(2,257)
Other income/(expenses)	28	(21)	7	24	3	27
EBITDA	16,848	(967)	15,881	16,638	(2,229)	14,409
Depreciation and amortization	(4,931)	(91)	(5,022)	(4,788)	(62)	(4,850)
Finance income	544	77	621	52	8	60
Finance costs	(5,306)	(1,857)	(7,163)	(5,185)	(1,755)	(6,940)
Income/(loss) before income tax	7,155	(2,838)	4,317	6,717	(4,038)	2,679
Income tax expense	(3,267)	6	(3,261)	(2,266)	(34)	(2,300)
Net income/(loss) for the period	3,888	(2,832)	1,056	4,451	(4,072)	379

Notes:

(1) General and administrative expenses of $0.5 million, incurred during the three months ended September 30, 2012, relating to internally generated costs and property taxes directly attributable to the Group's renewable energy segment, were reclassified from general and administrative expenses previously allocated to the corporate segment to operating expenses associated with the Group's renewable energy segment, adjusting the amounts previously reported to be consistent with the classification of expenditure applied in 2013.

(2) Operating expenses and general and administrative expenses shown in the table above, exclude depreciation and amortization expenses. Note 6 and 7

Nine months ended September 30:	2013			2012		
	Renewable energy $'000	Corporate and other $'000	Total $'000	Renewable energy $'000	Corporate and other $'000	Total $'000
Revenue	46,150	-	46,150	48,277	-	48,277
Operating expenses[1][2]	(6,194)	-	(6,194)	(4,206)	-	(4,206)
General and administrative expenses[1][2]	(1,183)	(3,219)	(4,402)	(570)	(5,964)	(6,534)
Other (expenses)/income	(290)	(330)	(620)	465	1,553	2,018
EBITDA	38,483	(3,549)	34,934	43,966	(4,411)	39,555
Depreciation and amortization	(14,843)	(274)	(15,117)	(14,640)	(199)	(14,839)
Finance income	1,107	4	1,111	630	8	638
Finance costs	(15,521)	(5,644)	(21,165)	(16,283)	(5,425)	(21,708)
Income/(loss) before income tax	9,226	(9,463)	(237)	13,673	(10,027)	3,646
Income tax expense	(4,229)	(172)	(4,401)	(4,748)	(64)	(4,812)
Net income/(loss) for the period	4,997	(9,635)	(4,638)	8,925	(10,091)	(1,166)

Notes:

(1) General and administrative expenses of $1.6 million, incurred during the nine months ended September 30, 2013, relating to internally generated costs and property taxes directly attributable to the Group's renewable energy segment, were reclassified from general and administrative expenses previously allocated to the corporate segment to operating expenses associated with the Group's renewable energy segment, adjusting the amounts previously reported to be consistent with the classification of expenditure applied in 2013.

(2) Operating expenses and general and administrative expenses shown in the table above, exclude depreciation and amortization expenses. Note 6 and 7

The Group's assets and liabilities can be presented as follows:

	September 30, 2013			December 31, 2012		
	Renewable energy $'000	Corporate and other $'000	Total $'000	Renewable energy $'000	Corporate and other $'000	Total $'000
Property, plant and equipment	345,005	516	345,521	351,577	631	352,208
Intangible assets	9,943	6,508	16,451	10,431	4,188	14,619
Available for sale investments	-	2,061	2,061	-	2,061	2,061
Cash and cash equivalents	20,920	4,315	25,235	30,824	6,926	37,750
Other assets	49,411	2,871	52,282	45,946	193	46,139
Total assets	425,279	16,271	441,550	438,778	13,999	452,777
Borrowings	304,415	83,971	388,386	319,704	80,067	399,771
Trade and other payables	3,236	2,548	5,784	2,188	4,802	6,990
Other liabilities	53,964	2,281	56,245	58,092	2,570	60,662
Total liabilities	361,615	88,800	450,415	379,984	87,439	467,423

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5. REVENUE

	Three months ended		Nine months ended	
	September 30 2013 $'000	September 30 2012 $'000	September 30 2013 $'000	September 30 2012 $'000
Feed-in tariff ("FiT") revenue	16,453	14,897	39,419	39,424
Market Price revenue	2,961	3,444	6,731	8,853
Total revenue	**19,414**	**18,341**	**46,150**	**48,277**

The Group's operating revenues arise from the sale of electricity to the electricity grid in Italy. The Italian FiT is a 20-year commitment from the government to purchase 100% of the solar production at a constant premium rate. This amount is received directly from the Italian government through the state-owned company GSE. The spot market price ("Market Price") is received in addition to the FiT, based on evacuated production (i.e., electricity produced less transmission losses).

Solar-related revenues experience seasonality over the year due to the variability of daily sun hours in the summer versus winter months.

6. OPERATING EXPENSES

	Three months ended		Nine months ended	
	September 30 2013 $'000	September 30 2012 $'000	September 30 2013 $'000	September 30 2012 $'000
Operation and maintenance ("O&M") costs	1,105	665	2,728	1,223
Operating personnel costs	260	235	777	723
Depreciation and amortization (operating solar power projects)	4,931	4,788	14,843	14,640
Property tax on solar producing assets	438	281	1,306	844
Insurance	107	130	328	353
Land lease	55	50	161	149
Other operating expenses	163	342	895	915
Total operating expenses	**7,059**	**6,491**	**21,038**	**18,847**

Note:

(1) Operating expenses incurred during the three and nine months ended September 30, 2012, as previously reported of $6.0 million and of $17.3 million, respectively, were increased by $0.5 million and $1.6 million, due to a reclassification of certain general and administrative expenses, including internally generated costs and property taxes, directly related to the operation of the Group's solar power projects to be consistent with the classification of expenditure applied in 2013.

O&M costs of $1.1 (2012: $0.7 million) and $2.7 million (2012: $1.2 million) for the three and nine months ended September 30, 2013, respectively, relate to fees paid mainly in connection with the operation and maintenance activities of the Group's solar power projects in Italy. The Group outsources these O&M services to third parties.

7. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Nine months ended	
	September 30 2013 $'000	September 30 2012 $'000	September 30 2013 $'000	September 30 2012 $'000
Salaries and benefits	480	738	1,408	2,336
Board of Directors fees	25	60	71	180
Share-based payment expense (non-cash item) Note 15	125	143	445	302
Corporate and professional fees	487	687	1,545	1,745
Listing, filing and marketing expenses	55	-	250	142
Office lease expenses	112	143	351	370
Depreciation and amortization (corporate assets)	91	62	274	199
Office, travel and other general and administrative expenses	128	465	331	1,238
Total general and administrative expenses	**1,503**	**2,318**	**4,675**	**6,732**

Note:

(1) General and administrative expenses incurred during the three and nine months ended September 30, 2012, as previously reported of $2.8 million and $8.3 million, respectively, were reduced by $0.5 million and $1.6 million due to a reclassification of certain costs, including internally generated costs and property taxes, directly related to the operation of the Group's solar power projects to be consistent with the classification of expenditure applied in 2013.

During the three months ended September 30, 2013, general and administrative expenses of $0.9 million (2012: $nil) representing internally-generated costs ($0.5 million) and third-party costs ($0.4 million) were capitalized during the period within intangible assets, as they directly related to the Group's business development activities. Note 13

7. GENERAL AND ADMINISTRATIVE EXPENSES (CONTINUED)

During the nine months ended September 30, 2013, general and administrative expenses of $2.3 million (2012: $nil) representing internally-generated costs ($1.4 million) and third-party costs ($0.9 million) were capitalized during the period within intangible assets, as they directly related to the Group's business development activities. Note 13

8. OTHER INCOME/EXPENSES

	Three months ended		Nine months ended	
	September 30 2013 $'000	September 30 2012 $'000	September 30 2013 $'000	September 30 2012 $'000
Impairment related to business development activities	-	-	(393)	-
Exchange right (non-cash compensation)	-	(32)	-	1,371
Other income/(expenses)	7	59	(227)	647
Total other income/(expenses)	**7**	**27**	**(620)**	**2,018**

During the nine months ended September 30, 2013, the Group impaired certain costs associated with its business development activities in Chile related to a certain project it is no longer pursuing.

9. FINANCE INCOME AND COSTS

	Three months ended		Nine months ended	
	September 30 2013 $'000	September 30 2012 $'000	September 30 2013 $'000	September 30 2012 $'000
Finance income:				
Changes in fair values of derivative financial instruments:				
- Interest rate swap contracts	-	-	-	413
- Ineffective portion reclassified from other comprehensive income	2	-	465	88
Foreign exchange gain	74	-	-	-
Other finance income	545	60	646	137
Total finance income	**621**	**60**	**1,111**	**638**
Finance costs:				
Interest rate expense:				
- Credit facilities and non-recourse loans Note 16	2,360	2,919	7,046	9,644
- Interest rate swap contracts associated with non-recourse loans	2,460	1,917	7,268	5,084
- Corporate bond Note 16 and 18	1,793	1,726	5,331	5,227
- Amortization of transaction costs	221	198	636	611
Changes in fair values of derivative financial instruments:				
- Ineffective portion reclassified from other comprehensive income	95	172	96	244
- De-designated portion reclassified from other comprehensive income	86	71	258	454
- Interest rate swap contracts	-	3	-	104
Foreign exchange loss	-	(172)	134	39
Other finance costs	148	106	376	301
Total finance costs	**7,163**	**6,940**	**21,165**	**21,708**
Net finance costs	**6,542**	**6,880**	**20,054**	**21,070**

The Group has five credit facilities outstanding, that are hedged using interest rate swap contracts, which were used to finance the construction of its operating solar power projects in Italy. Refer to Note 16 and Note 17 for further details on the Group's credit facilities and derivative financial instruments.

During the three and nine months ended September 30, 2013, the Group recognized a net fair value gain of $1.1 million (2012: net fair value loss of $4.0 million) and of $10.1 million (2012: net fair value loss of $10.4 million), respectively, net of tax, within other comprehensive income related to the effective portion of the Group's interest rate swap contracts.

10. INCOME TAXES

(a) INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	September 30 2013 $'000	September 30 2012 $'000	September 30 2013 $'000	September 30 2012 $'000
Current income tax expense:				
Corporate income tax	4,819	2,762	6,122	5,801
Provincial income tax	1,130	740	1,620	1,567
Total current income tax expense	**5,949**	**3,502**	**7,742**	**7,368**
Deferred income tax recovery:				
Current period	(300)	(165)	403	(386)
Tax benefits	(2,388)	(1,037)	(3,744)	(2,170)
Total deferred income tax recovery	**(2,688)**	**(1,202)**	**(3,341)**	**(2,556)**
Total income tax expense	**3,261**	**2,300**	**4,401**	**4,812**

During the three and nine months ended September 30, 2013, the Group recognized an income tax expense of $5.9 million (2012: $3.5 million) and $7.7 million (2012: $7.4 million), respectively, associated with its Italian solar power projects, based on the forecasted effective tax rate expected during 2013. During the second quarter of 2013, the Italian government expanded the scope of the "Robin Hood" tax (applicable to companies operating in the energy sector) now affecting five of the Group's operating solar projects (previously only applicable to one of the Group's operating solar projects), resulting in an increase to the corporate income tax rate in Italy from 27.5% to 38%. In 2014, the incremental tax associated with the Robin Hood tax legislation will be reduced to 6.5%, reducing the corporate income tax rate to 34% for 2014 and beyond for the solar projects affected by this additional tax.

During the three and nine months ended September 30, 2013, the Group recognized a deferred income tax recovery of $2.7 million (2011: $1.2 million) and $3.3 million (2012: $2.6 million), respectively, in relation to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts and utilized tax losses.

(b) CURRENT INCOME TAX LIABILITIES

	September 30 2013 $'000	December 31 2012 $'000
Corporate income tax	6,285	281
Provincial income tax	1,552	323
Total current income tax liabilities	**7,837**	**604**

11. EARNINGS/LOSS PER SHARE

Basic and diluted earnings/loss per share is calculated by dividing the net income/loss for the period by the weighted average number of shares outstanding during the period as follows:

	Three months ended		Nine months ended	
	September 30 2013 $'000	September 30 2012 $'000	September 30 2013 $'000	September 30 2012 $'000
Income/(loss) attributable to owners of the Company	**1,056**	**379**	**(4,638)**	**(1,166)**
	Number of shares		Number of shares	
Weighted average number of shares outstanding (basic)	205,746,419	205,746,419	205,746,419	199,743,024
Adjustments for dilutive potential ordinary shares:				
- Stock options	-	8,648	-	-
Weighted average number of shares outstanding (diluted)	205,746,419	205,755,067	205,746,419	199,743,024
Basic earnings/(loss) per share	**$0.005**	**$0.002**	**$(0.023)**	**$(0.006)**
Diluted earnings/(loss) per share	**$0.005**	**$0.002**	**$(0.023)**	**$(0.006)**

12. PROPERTY, PLANT AND EQUIPMENT

	Land $'000	Solar power projects $'000	Equipment and furniture $'000	Total $'000
Cost:				
At December 31, 2012	13,206	380,340	1,716	395,262
Additions	-	138	79	217
Disposals	(22)	(186)	-	(208)
Exchange differences	303	8,985	41	9,329
At September 30, 2013	**13,487**	**389,277**	**1,836**	**404,600**
Accumulated depreciation:				
At December 31, 2012	-	42,059	995	43,054
Charge for the period	-	14,560	206	14,766
Disposals	-	(147)	-	(147)
Exchange differences	-	1,383	23	1,406
At September 30, 2013	-	**57,855**	**1,224**	**59,079**
Net book value:				
At December 31, 2012	13,206	338,281	721	352,208
At September 30, 2013	13,487	331,422	612	345,521

13. INTANGIBLE ASSETS

	Goodwill $'000	Licenses and permits $'000	Other $'000	Total $'000
Cost:				
At December 31, 2012	1,733	12,901	1,441	16,075
Additions	-	-	2,352	2,352
Impairment	-	-	(393)	(393)
Exchange differences	39	186	32	257
At September 30, 2013	**1,772**	**13,087**	**3,432**	**18,291**
Accumulated amortization:				
At December 31, 2012	-	1,456	-	1,456
Charge of the period	-	351	-	351
Exchange differences	-	33	-	33
At September 30, 2013	-	**1,840**	-	**1,840**
Net book value:				
At December 31, 2012	1,733	11,445	1,441	14,619
At September 30, 2013	1,772	11,247	3,432	16,451

During the nine months ended September 30, 2013, general and administrative expenses of $2.3 million (2012: $nil) representing internally-generated costs ($1.4 million) and third-party costs ($0.9 million) were capitalized during the period within intangible assets, as they directly related to the Group's business development activities.

During the nine months ended September 30, 2013, the Group impaired certain costs associated with its business development activities in Chile related to a certain project it is no longer pursuing. Note 8

14. CASH AND CASH EQUIVALENTS (INCLUDING RESTRICTED CASH)

The Group's cash and cash equivalents (including restricted cash) are held with banks with high and medium credit ratings assigned by international credit agencies in Canada, Luxembourg, Switzerland, Italy, Chile and Venezuela. The fair value of cash and cash equivalents approximates its carrying value due to short maturities.

	September 30 2013 $'000	December 31 2012 $'000
Cash at banks	25,235	37,750
Total cash and cash equivalents	**25,235**	**37,750**

Included within cash and cash equivalents is restricted cash relating to the Group's solar power projects as follows:

	September 30 2013 $'000	December 31 2012 $'000
Unrestricted cash and cash equivalents	4,315	6,926
Cash and cash equivalents restricted to solar power projects	20,920	30,824
Total cash and cash equivalents	**25,235**	**37,750**

Restricted cash relates to cash and cash equivalents held at the project level that is restricted by the lending banks for future repayment of interest and principal and working capital requirements related to the specific project. Restricted cash and cash equivalents can be distributed from the project companies, subject to approval from the lending banks, either through repayment of shareholder loans, payment of interest on shareholder loans or dividend distributions.

During the three months ended September 30, 2013, the Group repaid the $12.3 million Value added tax ("VAT") facility associated with one of its solar power projects, which matured on September 30, 2013, using $11.7 million of restricted cash that was replaced upon receipt of the associated VAT reimbursement from the Italian tax authorities in October 2013. This resulted in a temporary reduction of $11.7 million to the Group's cash and cash equivalents at September 30, 2013. Note 16 and 20

15. SHARE-BASED PAYMENTS

The Company maintains an equity-settled stock option awards scheme. All outstanding stock options have a contractual term ranging from five to ten years and generally vest over a period of three years with the exercise price set equal to the market price at the date of grant.

During the three and nine months ended September 30, 2013, the Group recognized share-based payment expenses of $0.1 million (2012: $0.1 million) and $0.4 million (2012: $0.3 million), respectively, related to its stock option awards scheme.

A summary of the Company's outstanding stock options at September 30, 2013, is as follows:

	Number of share options	Weighted average exercise price CAD$
At December 31, 2012	**7,450,000**	**0.53**
Granted	160,000	0.24
Cancelled	(222,000)	0.93
At September 30, 2013	**7,388,000**	**0.51**
Stock options exercisable:		
At December 31, 2012	3,247,667	0.67
At September 30, 2013	4,388,002	0.58

16. BORROWINGS

	Corporate borrowings $'000	Non-recourse project loans $'000	Total $'000
At December 31, 2012	80,067	319,704	399,771
Repayment of loans and interest	(3,457)	(29,851)	(33,308)
Accrued interest	5,315	7,044	12,359
Amortization of transaction costs	143	513	656
Exchange differences	1,903	7,005	8,908
At September 30, 2013	83,971	304,415	388,386
- Current portion	3,282	20,406	23,688
- Non-current portion	80,689	284,009	364,698

At September 30, 2013 and December 31, 2012, the Group was not in breach of any of the imposed operational and financial covenants associated with its corporate borrowings and non-recourse project loans.

(a) CORPORATE BORROWINGS

Corporate Bond

At September 30, 2013, the Group had €60 million of corporate bonds outstanding in the Norwegian bond market issued by the Company in April 2011 with an annual interest rate of 9% and a 4-year maturity. At September 30, 2013, the amount outstanding, including accrued interest and net of transaction costs, was $83.9 million (December 31, 2012: $80.1 million).

Lundin family Loan

In September 2013, the Group obtained a $42 million unsecured loan facility from a company affiliated with the Lundin family, Etrion's largest shareholder, at an annual interest rate of 12% with a 12-month maturity, in order to fund its business development activities in Chile. At September 30, 2013, no amounts had been drawn under this loan facility. Note 18 and 20

(b) NON-RECOURSE PROJECT LOANS

The non-recourse project loans (i.e., facilities to which the lending bank is only entitled to the assets from the associated project) held by the Group's Italian subsidiaries, obtained to finance the construction of the Group's solar power projects, mature at various dates between 2024 and 2028 and bear annual interest rates of Euribor plus a margin, ranging from 2.22% to 2.75%. In order to secure the Group's non-recourse project loans, the Group pledged as collateral the fixed assets (i.e., solar power projects and land) associated with the solar power projects financed by these facilities. Repayment of these facilities is secured principally by the proceeds from the sale of electricity under contracts entered into by the Group with the GSE and local utilities (Enel S.p.A. and Terna S.p.A.) and the proceeds from the collection of input VAT accumulated for construction costs.

In addition to the self-amortizing nature of the Group's non-recourse project loans and repayment of interest, during the three months ended September 30, 2013, the Group repaid the $12.3 million VAT facility associated with one of its solar power projects, which matured on September 30, 2013. Note 14

17. DERIVATIVE FINANCIAL INSTRUMENTS

	September 30 2013 $'000	December 31 2012 $'000
Derivative financial liabilities:		
Interest rate swap contracts (cash flow hedges)		
- Current portion	9,425	9,662
- Non-current portion	27,514	40,558
Total derivative financial liabilities	36,938	50,220

The Group enters into interest rate swap contracts in order to hedge the risk of variations on the Group's cash flows as a result of floating interest rates on its non-recourse project loans. At September 30, 2013 and December 31, 2012, the Group had seven derivative financial instruments that qualified for hedge accounting and no derivative financial instruments classified at fair value through profit and loss. Refer to Note 9 for further details relating to fair value movements recognized during the period. The fair value of these interest rate swap contracts is calculated as the present value of the estimated future cash flows, calculated using the notional amount to maturity as per the interest rate swap contracts, the observable Euribor interest rate forward yield curve and an appropriate discount factor.

18. RELATED PARTIES

For the purposes of preparing the Company's consolidated financial statements, parties are considered to be related, if one party has the ability to control the other party, under ordinary control, or if one party can exercise significant influence over the other party in making financial and operational decisions. The Company's major shareholder is the Lundin family, which collectively owned through various trusts, approximately 24.5% of the Company at September 30, 2013.

(a) RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2013 and 2012, the Group entered into the following transactions with related parties:

	Three months ended		Nine months ended	
	September 30 2013 $'000	September 30 2012 $'000	September 30 2013 $'000	September 30 2012 $'000
General and administrative expenses				
Lundin Services BV	6	8	23	22
Finance costs				
Lundin Services BV:				
- Interest expense associated with corporate bond	233	214	677	638
- Transaction costs associated with corporate bond	6	8	18	16
Lundin family:				
- Interest expense associated with corporate bond	459	423	1,336	1,298
- Transaction costs associated with corporate bond	13	16	35	32
Total transactions with related parties	**717**	**669**	**2,089**	**2,026**

At September 30, 2013, and December 31, 2012, the amounts outstanding to related parties were as follows:

	September 30 2013 $'000	December 31 2012 $'000
Current liabilities:		
Lundin family (short-term bridge loan)	-	1,500
Lundin Services BV:		
- General and administrative expenses	2	-
- Participation in corporate bond	403	180
Lundin family (participation in corporate bond)	795	356
Total current liabilities	**1,200**	**2,036**
Non-current liabilities:		
Lundin Services BV (participation in corporate bond)	10,636	9,945
Lundin family (participation in corporate bond)	20,993	19,628
Total non-current liabilities	**31,629**	**26,573**
Total amounts outstanding to related parties	**32,829**	**31,609**

There were no amounts outstanding from related parties at September 30, 2013, or December 31, 2012.

Lundin Services BV

The Group receives technical and legal services from Lundin Services BV, a wholly-owned subsidiary of Lundin Petroleum AB. The Chief Executive Officer of Lundin Petroleum AB is a Director of the Company.

At September 30, 2013, Lundin Services BV held €7.6 million (December 31, 2012: €7.6 million) of the corporate bonds issued by the Company in April 2011 at 9% annual interest with a 4-year maturity.

Lundin family

Corporate bond

At September 30, 2013, the Lundin family held €15 million of the corporate bonds issued by the Company in April 2011 at 9% annual interest with a 4-year maturity.

Lundin family Loan

In December 2012, the Group received $1.5 million from an investment company associated with the Lundin family, in order to fund certain business development activities. The short-term loan was non-interest bearing and was fully repaid in February 2013.

18. RELATED PARTIES (CONTINUED)

(a) RELATED PARTY TRANSACTIONS (CONTINUED)

Lundin family (continued)

Lundin family Loan (continued)

In September 2013, the Group obtained a $42 million unsecured loan facility from a company affiliated with the Lundin family, Etrion's largest shareholder, at an annual interest rate of 12% with a 12-month maturity, in order to fund its business development activities in Chile. At September 30, 2013, no amounts had been drawn under the loan facility. Note 16 and 20

(b) KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The key management of the Group includes members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer. The remuneration of key management personnel was as follows:

	Three months ended		Nine months ended	
	September 30 2013 $'000	September 30 2012 $'000	September 30 2013 $'000	September 30 2012 $'000
Salaries and short-term benefits	192	185	640	582
Board of Directors (non-executive directors)	25	60	71	180
Share-based payment	69	59	220	192
Pension costs	35	31	110	115
Termination payments	-	-	-	62
Total	**321**	**335**	**1,041**	**1,131**

The amounts outstanding to key management personnel were as follows:

	September 30 2013 $'000	December 31 2012 $'000
Board of Directors (non-executive directors)	-	60
Other (bonus payable and pension costs payable)	226	278
Total amounts outstanding to key management personnel	**226**	**338**

There were no amounts outstanding from key management personnel at September 30, 2013, or December 31, 2012.

19. COMMITMENTS

In September 2013, Etrion signed a purchase agreement (the "Purchase Agreement") with Total SA ("Total") and Solventus Energías Renovables ("Solventus") to build, own and operate a 70 megawatt solar project in the in the north of Chile ("Project Salvador"). Pursuant to the Purchase Agreement, Etrion, Total and Solventus will own 70%, 20%, and 10% interests, respectively, in the project. The total project cost of approximately $200 million will be financed 70% through non-recourse project debt and the remaining 30% equity portion will be funded by Etrion, Total and Solventus, based on their respective ownership interests, resulting in a total capital commitment to Etrion of approximately $42 million. The acquisitions is subject to certain conditions being met customary to a transaction of this nature and it is expected to be completed in the fourth quarter of 2013 upon which Etrion will own 70% of the project company. In connection with the Purchase Agreement, in October 2013, a company affiliated with the Lundin family, issued a $42 million letter of credit to Total on behalf of Etrion, which will be reduced accordingly, as Etrion funds its equity portion of Project Salvador. In addition, in September 30, 2013, the Group obtained a $42 million unsecured corporate loan facility from a company affiliated with the Lundin family to fund its development activities in Chile, including Project Salvador. Note 16, 18 and 20

20. SUBSEQUENT EVENTS

(a) LUNDIN FAMILY LOAN

In October 2013, the Group borrowed $3 million under the loan facility from a company affiliated with the Lundin family, Etrion's largest shareholder, at an annual interest rate of 12% with a 12-month maturity. Note 16 and 18

20. SUBSEQUENT EVENTS (CONTINUED)

(b) LETTER OF CREDIT

In October 2013, in connection with the Purchase Agreement for Project Salvador, a company affiliated with the Lundin family, Etrion's largest shareholder, issued a $42 million letter of credit to Total on behalf of Etrion for total consideration of 2,500,000 common shares in Etrion. As Etrion funds its equity portion of Project Salvador the availability under the letter of credit will be reduced accordingly. As a result, the Lundin family now owns approximately 25.4% of the Company, collectively held through various trusts. Note 19

(c) NON-CORE ASSET SALE

In October 2013, Etrion sold all of its shares in its previously wholly-owned subsidiary, PFC Oil & Gas, CA ("PFC"), for total cash consideration of $5 million, of which $3 million was paid at closing and the balance of $2 million is expected to be received in March 2014. PFC owns 40% of PetroCumarebo and 5% of Baripetrol, two Venezuelan oil and gas companies controlled by Petróleos de Venezuela, the national oil company. The Company's holding in PetroCumarebo and Baripetrol were considered passive investments classified as available for sale. The non-core assets were carried on Etrion's balance sheet at $1 million at September 30, 2013, comprised of available for sale investments of $2.1 million, offset by trade and other payables of $1.1 million (relating to advance dividends received).

(d) VAT REIMBURSEMENT

In October 2013, the Group received the $11.7 million VAT reimbursement from the Italian tax authorities associated with one of its solar power projects, increasing the Group's restricted cash and cash equivalents by $11.7 million. Note 14 and 16

GLOSSARY

The definitions in the table below apply throughout this document, unless the context otherwise requires.

2005 Option Plan	stock option plan approved by the Company's shareholders on 14 June 2005
2011 Option Plan	stock option plan approved by the Company's shareholders on 17 June 2011
ABB	ABB S.p.A., a company incorporated under the laws of Italy
Admission	the admission to trading on NASDAQ OMX of the New Shares
Admittance	has the meaning given to such term on page 22
Affiliated Entity	with respect to the Company, a person or company that controls or that is controlled by the same person or company that controls the Company
Aguas Blancas	Aguas Blancas solar park with a capacity of up to 8.8 MW
Aguas Blancas Mine	Aguas Blancas iodine mine
Articles	the current articles of Etrion
Anadarko Petroleum	Anadarko Petroleum Corporation, a company incorporated under the laws of Delaware
Anadarko Venezuela	Anadarko Venezuela Company, a company incorporated under the laws of Cayman Islands
Atacama Minerals	Atacama Minerals Chile S.C.M., a company incorporated under the laws of Chile
Audit Committee	the audit committee of the Board of Directors
Baripetrol	Baripetrol S.A., a company incorporated under the laws of Venezuela
BCBCA	the British Columbia Business Corporations Act
Blackout Period	a period during which a policy of Etrion prevents certain persons designated by the said policy from trading in the securities of Etrion
Board of Directors, **Board** or **Directors**	the board of directors or directors of Etrion unless the context requires otherwise
Bonus Plan	the Group's annual bonus program
Bridge Loan	the bridge loan granted to Etrion by Lorito and Zebra
CAD	Canadian dollars, the lawful currency of Canada
CHF	Swiss francs, the lawful currency of Switzerland
CO	the Swiss Code of Obligations
Company, **Etrion**, **us**, **our** or **we**	Etrion Corporation, British Columbia corporation number C0860958
Compensation Committee	the compensation committee of the Board of Directors
Conversion	Marco A. Northland's right to convert his interest in Solar into common shares in the Company pursuant to the Solar Shareholders' Agreement
Deutsche Bank	DB Overseas Holdings Limited, Absolute Energy S.r.l. and Deutsche Bank AG
Eligible Persons	directors, officers, employees and consultants of Etrion or an affiliated entity
EPC	engineering, procurement and construction
Equity Financing	has the meaning given to such term on page 22
Etrion Chile	Etrion Chile S.p.A., a wholly-owned subsidiary of the Company incorporated under the laws of Chile
Etrion Lazio	Etrion Lazio S.r.l., a company incorporated under the laws of Italy
ETX	ticker symbol of the Company on the TSX and on NASDAQ OMX
EUR	Euros
Euribor	The Euro Interbank Offered Rate
Euroclear	Euroclear Sweden AB
Eversden Agreement	Cheryl Eversden's employment contract with Etrion
Exemption	has the meaning given to such term on page 22
FiT(s)	Feed-in Tariff(s)
Group	the Company and its subsidiaries
GSE	Gestore dei Servizi Energetici GSE S.P.A., a company incorporated under the laws of Italy
GW	gigawatts

Helios ITA	Helios ITA S.r.l., a company incorporated under the laws of Italy
HHT	Hitachi High-Technologies Corporation
HSE	health, safety and environment
IFC	the International Finance Company, the commercial arm of the World Bank Group
IFRS	the International Financial Reporting Standards, as issued by the International Accounting Standards Board
IPP	independent power producer
JPY	Japanese Yen, the lawful currency of Japan
kWh	kilowatt-hour
LCSD	local central securities depository
Lorito	Lorito Holdings S.à r.l., a company incorporated under the laws of Luxembourg
Lorito Guernsey	Lorito Holdings (Guernsey) Limited, a company incorporated under the laws of Guernsey
Lundin Petroleum	Lundin Petroleum AB (publ), a company incorporated under the laws of Sweden
Lundin Services	Lundin Services BV, a company incorporated under the laws of the Netherlands
Lundin Venezuela	Lundin Latina de Pétroleos S.A., a former wholly-owned subsidiary of the Company incorporated under the laws of Venezuela which merged into Vinccler effective 31 December 2008 and thereafter ceased to exist
Major Shareholder	each of Lorito and Zebra
Market Price	spot market price received by the GSE in addition to the FiT
MD&A	management's discussions and analysis
Mediocreval	Mediocreval S.p.A., a company incorporated under the laws of Italy
MWp	megawatt-peak
NASDAQ OMX	NASDAQ OMX Stockholm AB, Sweden
Natixis	Natixis S.A., a company incorporated under the laws of France
Natixis Facility	the non-recourse project credit facility obtained by the Company from a syndicate of banks (Natixis, WestLB and Mediocreval) to finance the construction of the Helios ITA-3, Etrion Lazio and Nettuno solar power projects
New Shares	the 124,633,571 new common shares issued by the Company pursuant to the Equity Financing
Non-Compete Undertaking	has the meaning given to it in the Northland Agreement (see section "Board of Directors, Senior Executives and Independent Auditors-Termination and change of control benefits")
Northland Agreement	the employment agreement between Marco A. Northland and Etrion S.A., dated 11 September 2009
OPIC	Overseas Private Investment Corporation
O&M	operations and maintenance
Parenco	Parenco Oil and Gas International Limited, a company incorporated under the laws of Scotland
Pareto	Pareto Securities AB
Participation Limit	10 per cent of Etrion's total issued and outstanding Shares
PDVSA	Venezuelan state-owned oil and gas company Petróleos de Venezuela, a company incorporated under the laws of Venezuela
Permitted Assigns	means (a) a trustee, custodian or administrator acting on behalf of, or for the benefit of, an Eligible Person; (b) a holding entity of an Eligible Person; (c) a Savings Plan of an Eligible Person; (d) a spouse of an Eligible Person; (e) a trustee, custodian, or administrator acting on behalf of, or for the benefit of, the spouse of an Eligible Person; (f) a holding entity of the spouse of an Eligible Person; or (g) a Savings Plan of the spouse of an Eligible Person
PetroCumarebo	PetroCumarebo S.A., a company incorporated under the laws of Venezuela
Phoenix Solar	Phoenix Solar AG, a company incorporated under the laws of Germany
PPA(s)	power purchase agreement(s)
Price	purchase or exercise price under the 2011 Option Plan
Project Salvador	solar park in the Atacama region in the north of Chile with a capacity of a 70 MW (49 MW net to Etrion Chile)
PV	photovoltaic
PV Salvador	PV Salvador S.p.A., a company incorporated under the laws of Chile
SEDI	the System for Electronic Disclosure by Insiders, Canada's on-line service for the filing and viewing of insider reports as required by various provincial securities rules and regulations
SEK	Swedish kronor, the lawful currency of Sweden
SFSA	the Swedish Financial Supervisory Authority
Shareholders' Approval	has the meaning given to such term on page 22
Shares	the common shares issued by the Company
Share Issue	has the meaning given to such term on page 22
SIC	Sistema Interconectado Central

Solar or **SRH**	Solar Resources Holding S.à r.l., the Company's subsidiary incorporated under the laws of Luxembourg
Solar Shareholders' Agreement	a shareholders' agreement between Etrion and Marco A. Northland. The agreement governed the parties' relations, rights and obligations as shareholders of Solar.
Solon	Solon S.p.A., a company incorporated under the laws of Italy
Solventus	Holding Solventus Salvador S.p.A., a company incorporated under the laws of Chile
SPV	special purpose vehicle
SunPower	SunPower Corporation, a company incorporated under the laws of the United States of America
SunRay	SunRay Renewable Energy Ltd, a company incorporated under the laws of Malta
SVE	SVE S.r.l., a company incorporated under the laws of Italy
Swedish Code	the Swedish Code of Corporate Governance
Tecpetrol	Tecpetrol de Venezuela S.A., a company incorporated under the laws of Venezuela
Total	Total Nuevas Energias Chile S.p.A., a company incorporated under the laws of Chile
Total Energie	Total Energie Developpement, a company incorporated under the laws of France
TSX	the Toronto Stock Exchange
Zebra	Zebra Holdings & Investments S.à r.l., a company incorporated under the laws of Luxembourg
USD	United States dollars, the lawful currency of the United States of America
Vinccler or **PFC**	PFC Oil & Gas, C.A., a wholly-owned subsidiary of the Company incorporated under the laws of Venezuela (formerly Vinccler Oil and Gas Corporation)
Yingli Green Energy	Yingli Green Energy, a company incorporated under the laws of China
WestLB	WestLB AG, a company incorporated under the laws of Germany

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