

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sunshine Oilsands Ltd., you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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SUNSHINE OILSANDS LTD.

陽光油砂有限公司*

(a corporation incorporated under the Business Corporations Act of the Province of Alberta, Canada with limited liability)

(HK Stock code: 2012) (TSX symbol: SUO)

**1020, 903 – 8th Avenue S.W.
Calgary, Alberta, Canada
T2P 0P7**

**Telephone: 1-403-984-1450
Fax: 1-403-455-7674**

MANAGEMENT INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**Meeting Date: May 7, 2013 at 8:00 a.m. (Hong Kong Time)
(May 6, 2013 at 6:00 p.m. (Calgary Time))**

March 27, 2013

*For identification purposes only

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(HK Stock code: 2012) (TSX symbol: SUO)

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**TO BE HELD AT 8:00 A.M. ON MAY 7, 2013 (HONG KONG TIME)
AND 6:00 P.M. ON MAY 6, 2013 (CALGARY TIME)**

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of Class “A” Common Voting Shares (the “**Shares**”) of Sunshine Oilsands Ltd. (“**Sunshine**” or the “**Corporation**”) will be held in the Island Ballroom C on Level 5 of Island Shangri-La at Pacific Place, Supreme Court Road, Central, Hong Kong on May 7, 2013 at 8:00 a.m. (Hong Kong time), for the following purposes (and notice is also hereby given to the holders of the Class “G” Preferred Non-Voting Shares (the “**Class G Shares**”) and the holders of the Class “H” Preferred Non-Voting Shares (the “**Class H Shares**”) for the purposes of item 11 below):

1. to receive and consider the audited financial statements of the Corporation as at and for the financial year ended December 31, 2012, the report of the board of directors of the Corporation (the “**Board**”) and the report of the auditor thereon;
2. fixing the number of directors of the Corporation to be elected for the ensuing year;
3. to elect directors of the Corporation for the ensuing year;
4. to appoint auditors for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving certain amendments requested by the Toronto Stock Exchange (the “**TSX**”) to the

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Corporation's Post IPO Stock Option Scheme (defined below), as more particularly described in the accompanying management information circular (the "**Circular**");

6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving certain amendments to the Corporation's Post IPO Share Option Scheme (as defined in the Circular) and Pre IPO Plan (as defined in the Circular) with respect to automatically extending the term of stock options where such term expires within or immediately following a trading blackout period, as more particularly described in the accompanying Circular;
7. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the refreshing of the ten percent (10%) mandate under the Corporation's Post IPO Share Option Scheme ("**Refreshed Scheme Mandate**"), as more particularly described in the accompanying Circular;
8. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the Corporation's Employee Share Savings Plan (the "**ESSP**") and granting the board a specific mandate to allot and issue, pursuant to the ESSP, a maximum number of new shares equal to one percent (1%) of the issued and outstanding shares as at the date of adoption of the ESSP, as more particularly described in the accompanying Circular;
9. to consider and if deemed advisable, to pass, with or without variation, an ordinary resolution approving a proposal for the Corporation to grant to the Board a general mandate to allot, issue and otherwise deal with un issued Shares not exceeding twenty percent (20%) of its issued share capital, as more particularly described in the accompanying Circular;
10. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving a proposal for the Corporation to grant to the Board a general mandate to repurchase Shares not exceeding ten percent (10%) of its issued share capital, as more particularly described in the accompanying Circular;
11. to consider and, if deemed advisable, to pass, with or without variation, a special resolution approving a consolidation of the Corporation's Shares, Class G Shares and Class H Shares, on the basis of one (1) post consolidation share of each respective class for every ten (10) pre consolidation shares of the same class, as more particularly described in the accompanying Circular; and
12. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Time and venue of the Meeting

The Meeting will be held at 8:00 a.m. on May 7, 2013 (Hong Kong time) in the Island Ballroom C on Level 5 of Island Shangri-La at Pacific Place, Supreme Court Road, Central, Hong Kong.

Audiocast of the Meeting

The Corporation has arranged for the simultaneous audiocast of the Meeting on May 6, 2013 at 6:00 p.m. (Calgary time) in the Cardium Room at Calgary Petroleum Club, 319 - 5th Avenue S.W. Calgary, Alberta, Canada.

Please note that the simultaneous audiocast of the Meeting in Calgary is for observation purposes only and should not be construed as the Meeting of the Corporation.

Registered Shareholders

If you hold Shares, Class G Shares or Class H Shares in your own name, you are a registered shareholder of the Corporation (“**Registered Shareholder**”). As a Registered Shareholder, if you are unable to attend the Meeting in person and wish to ensure that your Shares are voted at the Meeting, you must complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular. Such form of proxy is also published on the HKExnews’ website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Corporation at www.sunshineoilsands.com.

Beneficial Shareholders

If your Shares are held in an account with a brokerage firm or an intermediary (i.e. a broker, investment firm, clearing house or a similar entity), you are a beneficial shareholder of the Corporation (“**Beneficial Shareholder**”). Beneficial Shareholders should follow the instructions set out in the voting instructions form or other form of proxy provided by your intermediaries to ensure that your Shares will be voted at the Meeting.

Record Date

All Registered Shareholders as at 4:30 p.m. on March 28, 2013 (Hong Kong Time) and 4:30 p.m. on March 28, 2013 (Calgary time), as the case may be (the “**Record Date**”), may vote in person at the Meeting or any adjournments thereof, or they (including a Beneficial Shareholder) may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place.

Delivery of Proxy

Shareholders, holders of Class G Shares and holders of Class H Shares who receive this Circular and other accompanying Meeting materials **from the Corporation’s branch share registrar in Hong Kong, being Computershare Hong Kong Investor Services**, and who are unable to be present at the Meeting are requested **to date and sign the enclosed form of proxy and return it to Computershare Hong Kong Investor Services at 17M Floor, Hopewell Centre 183 Queen’s Road East Wan Chai, Hong Kong, People’s Republic of China**, in the enclosed envelope provided for that purpose.

Shareholders, holders of Class G Shares and holders of Class H Shares who receive this Circular and other accompanying Meeting materials **from the Corporation’s principal share registrar in Canada, being Alliance Trust Company**, and who are unable to be present at the Meeting are requested **to date and sign the enclosed form of proxy and return it to Alliance Trust Company at Suite 450, 407 – 2nd Street SW, Calgary, Alberta, Canada T2P 2Y3**, in the enclosed envelope provided for that purpose.

In order to be valid, all proxies must be received by Computershare Hong Kong Investor Services Limited or Alliance Trust Company as applicable, by at least 48 hours, excluding Saturdays, Sundays and public holidays in Calgary and Hong Kong (i.e. 4:30 p.m. on May 3, 2013 (Calgary time) and 4:30 p.m. on May 3, 2013 (Hong Kong time), as the case may be) before the Meeting, or any adjournment thereof, or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.

Results of the Meeting

The votes to be taken at the Meeting will be taken by poll, the result of which will be published on the websites of the Corporation and the Stock Exchange websites after the meeting.

**BY ORDER OF THE BOARD OF DIRECTORS
SUNSHINE OILSANDS LTD.**

(signed) "Songning Shen"

**Songning Shen
Co-Chairman**

(signed) "Michael John Hibberd"

**Michael John Hibberd
Co-Chairman**

Calgary, Alberta, March 27, 2013.

As at the date of this notice, the Board consists of Mr. Michael John Hibberd and Mr. Songning Shen as executive directors and Mr. Hok Ming Tseung, Mr. Tingan Liu, Mr. Haotian Li, Mr. Gregory George Turnbull, Mr. Raymond Shengti Fong, Mr. Wazir Chand Seth, Mr. Robert John Herdman and Mr. Gerald Franklin Stevenson as non-executive directors.

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MANAGEMENT INFORMATION CIRCULAR

March 27, 2013

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the management of the Corporation for use at the Meeting of the shareholders or any adjournments thereof, to be held in the Island Ballroom C on Level 5 of Island Shangri-La at Pacific Place, Supreme Court Road, Central, Hong Kong on May 7, 2013 at 8:00 a.m. (Hong Kong time) with simultaneous audiocast on May 6, 2013 at 6:00 p.m. (Calgary Time) at Cardium Room in the Calgary Petroleum Club, 319 - 5th Avenue S.W. Calgary, Alberta, Canada, and any adjournments thereof for the purposes set forth in the notice accompanying this Circular.

Please note that the simultaneous audiocast of the Meeting in Calgary is for observation purposes only and should not be construed as the Meeting of the Corporation.

The cost of this solicitation of proxies is borne by the Corporation. It is expected that the solicitation will be primarily by mail, but proxies or votes or voting instructions may also be solicited personally or by telephone, facsimile, e mail, or other means of communication by directors, officers and regular employees of the Corporation.

Voting at the Meeting

Registered Shareholders are invited to attend the Meeting and vote their Shares at the Meeting or appoint another person (who need not be a Shareholder or holder of Class G Shares or Class H Shares) to act as their proxy and vote in their place, as described below under the heading “*Proxy Information for Registered Shareholders*”. Beneficial Shareholders are invited to attend the Meeting, but in order to vote their Shares they must follow the procedures described below under the heading “*Proxy Information for Beneficial Shareholders*”.

PROXY INFORMATION FOR REGISTERED SHAREHOLDERS

Appointment of Proxy Holder

A proxy is a document that authorizes someone else to attend the Meeting and cast the votes for a Registered Shareholder. **The persons named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Corporation. If you are a Registered Shareholder, you have the right to appoint a person or company other than the persons designated in the Proxy, who need not be a Shareholder or holder of Class G Shares or Class H Shares, to attend and act on your behalf at the Meeting. You may do so either by inserting the name of that other person or company in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

A proxy must be in writing and must be executed by you as Registered Shareholder, or by your attorney authorized in writing, or if the Registered Shareholder is a corporation or other legal entity, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the Proxy will vote or withhold from voting the Shares, Class G Shares or Class H Shares represented thereby in accordance with your instructions on any ballot that may be called. If you specify a choice with respect to any matter to be acted upon, your Shares, Class G Shares or Class H Shares (as applicable) will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, other than the appointment of an auditor and the election of the directors, the persons named in the Proxy will vote the Shares, Class G Shares or Class H Shares represented by the Proxy for the approval of such matter.

Voting by Proxy Holder

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who received this Circular and other accompanying Meeting materials from the Corporation’s branch registrar in Hong Kong, and who elect to submit a proxy may do so by completing, dating and signing the accompanying Proxy and returning it to the Corporation’s branch share registrar in Hong Kong, being Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre,

183 Queen's Road East Wan Chai, Hong Kong, People's Republic of China, ensuring that the Proxy is received at least 48 hours, excluding Saturdays, Sundays and public holidays in Hong Kong (i.e. 4:30 p.m. on May 3, 2013 (Hong Kong time)) before the Meeting, or any adjournment thereof, at which the Proxy is to be used.

Registered Shareholders who received this Circular and other accompanying Meeting materials from the Corporation's principal share registrar in Canada, and who elect to submit a proxy may do so by completing, dating and signing the accompanying Proxy and returning it to the Corporation's principal share registrar in Canada, being Alliance Trust Company at Suite 450, 407 – 2nd Street SW, Calgary, Alberta, Canada T2P 2Y3 ensuring that the Proxy is received at least 48 hours, excluding Saturdays, Sundays and public holidays in Calgary (i.e. 4:30 p.m. on May 3, 2013 (Calgary time)) before the Meeting, or any adjournment thereof, at which the Proxy is to be used.

PROXY INFORMATION FOR BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders of the Corporation are Beneficial Shareholders because the shares they own are not registered in their own names, but are instead registered in the name of the brokerage firm, bank, trust company or clearing house through which they purchased the Shares. Shares beneficially owned by a Beneficial Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Beneficial Shareholder deals with in respect of the shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers, securities brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or HKSCC Nominees Limited) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the notice, the Circular, and form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Beneficial Shareholders.

Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Beneficial Shareholders. Every intermediary or service company has its own mailing procedures and provides its own return instructions to clients. Please note that the Corporation's management does not intend to pay for Intermediaries to forward the Meeting Materials and voting instruction request forms to those Beneficial Shareholders who have objected to their Intermediary disclosing ownership information about them pursuant to Canadian securities legislation ("**Objecting Beneficial Shareholders**"). Consequently, if you are an Objecting Beneficial Shareholder, you will not receive these materials unless the Intermediary holding Shares on your account assumes the cost of delivery.

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Shares are voted at the Meeting. The form of proxy supplied to you by your broker will be similar to the Proxy provided by the Corporation to its Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote on your behalf.

In Canada, most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”). Broadridge mails a voting instruction form in lieu of a Proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge, you cannot use it to vote Shares directly at the Meeting. The voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Shares voted.

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxy holder for your broker and vote your Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Shares as proxy holder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting. Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the meeting and vote your Shares.

REVOCATION OF PROXY

A Shareholder, a holder of Class G Shares or a holder of Class H Shares (as applicable) who has submitted a proxy may revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a Shareholder, a holder of Class G Shares or a holder of Class H Shares (as applicable) who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Shareholder, the holder of Class G Shares or the holder of Class H Shares (as applicable) or such person’s authorized attorney in writing or, if such person is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to the Corporation’s principal share registrar in Canada, being Alliance Trust Company at Suite 450, 407 – 2nd Street SW, Calgary, Alberta, Canada T2P 2Y3, or the Corporation’s branch share registrar in Hong Kong, being Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East Wan Chai, Hong Kong, People’s Republic of China, as applicable, or at the address of the registered office of the Corporation at 3300, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9, at least 48 hours, excluding Saturdays, Sundays and public holidays in Calgary (i.e. 4:30 p.m. on May 3, 2013 (Calgary time) or 4:30 p.m. on May 3, 2013 (Hong Kong time), as the case may be) before the Meeting, or any adjournment thereof, at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the such person’s Shares, Class G Shares or Class H Shares (as applicable) at the Meeting.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Corporation will announce the results of the poll in the manner prescribed in Rule 13.39(5) of the Listing Rules.

COUNTING THE VOTES

The Corporation’s principal share registrar, Alliance Trust Company and the Corporation’s branch share registrar, Computershare Hong Kong Investor Services Limited, will count and tabulate the proxies for Shares, Class G Shares and Class H Shares. This is done independently of the Corporation to preserve confidentiality in the voting process. Proxies are referred to the Corporation only in cases where a Shareholder or a holder of Class G Shares or Class H Shares clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.

DISINTERESTED APPROVAL EXEMPTION

Pursuant to the inter-listed issuer exemption of the Toronto Stock Exchange (the “**TSX**”), Sunshine is exempt from the requirement to seek disinterested shareholder approval for the proposed amendments to its stock option plans, as more particularly described under “*Particulars of Matters to be Acted Upon at the Meeting*” and elsewhere in this Circular.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Circular, management of the Corporation is not aware of any material interest of any director or nominee for director, or executive officer or anyone who has held office as such since the beginning of the Corporation’s last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF AND VOTES NECESSARY TO PASS RESOLUTIONS

The authorized capital of the Corporation consists of an unlimited number of shares designated as Class “A” Common Voting Shares (the “**Shares**”), Class “B” Common Voting Shares, Class “C” Common Non-Voting Shares, Class “D” Common Non-Voting Shares, Class “E” Common Non-Voting Shares, Class “F” Common Non-Voting Shares, Class G Shares and Class H Shares.

As of March 27, 2013 (the “**Latest Practicable Date**”) there were 2,865,138,161 Class “A” Common Voting Shares, 58,890,000 Class G Shares and 22,200,000 Class H Shares of the Corporation issued and outstanding and no shares of any of the other classes issued or outstanding. Each Class “A” Common Voting Share carries the right to one vote at any meeting of the Shareholders of the Corporation. Each Class “B” Common Voting Share also carries the right to one vote (but none are issued or outstanding).

The holders of Class “C” Common Non-Voting Shares, Class “D” Common Non-Voting Shares, Class “E” Common Non-Voting Shares, Class “F” Common Non-Voting Shares, Class “G” Preferred Non-Voting Shares and Class “H” Preferred Non-Voting Shares do not carry the right to vote at any meeting of the shareholders of the Corporation (subject to the provisions of the *Business Corporations*

Act (Alberta) (“**ABCA**”). However, as the Meeting contemplates the consolidation of each of the Shares, the Class G Shares and the Class H Shares, holders of each respective class of such shares will be entitled to a separate vote in respect of approving the proposed share consolidation pursuant to the applicable provisions of the ABCA.

By Law No. 1 of the Corporation provides that if holders of five percent (5%) of the shares entitled to vote, are present in person or are represented by proxy, a quorum for the purposes of conducting a shareholders’ meeting is constituted.

To the best of the knowledge of the directors and officers of the Corporation and as of the Latest Practicable Date, the only person, firm, or corporation, owning of record or beneficially, controlling or directing, directly or indirectly, 10% or more of the issued and outstanding Shares is HKSCC Nominees Limited, which holds 2,272,473,927 Shares, representing 79% of the Shares.

References to “issued and outstanding” securities and similar expressions in this Circular are to the outstanding securities (including Shares) of the Corporation, being those securities issued by the Corporation and held by its investors (and excluding any securities issued and then repurchased, but not canceled, by the Corporation). As at the Latest Practicable Date, there are no securities of the Corporation issued but not outstanding.

RECORD DATE

The record date for the Meeting has been fixed at 4:30 p.m. on March 28, 2013 (Hong Kong time) and (4:30 p.m. on March 28, 2013 (Calgary time), as the case may be (the “**Record Date**”). Only Shareholders and holders of Class G Shares and Class H Shares as at the Record Date are entitled to receive notice of the Meeting. Shareholders on record will be entitled to vote their Shares held by them as at the Record Date, unless any such Shareholder properly transfers the Shares after the Record Date and the transferee of those Shares, having produced properly endorsed certificates evidencing such Shares or having otherwise established ownership of such Shares, demands, at least ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Shares at the Meeting. To ensure that there is no risk that any of the Shares will be voted twice, the transferee must provide written evidence to the Corporation including, without limitation, providing properly endorsed certificates evidencing the transfer of such Shares or having otherwise established ownership of such Shares, written evidence of the identification of the relevant transferor and written evidence that the relevant transferor has not and will not exercise their right to vote either by proxy or in person at the Meeting. The Corporation may refuse the demand by a transferee to be included in the list of Shareholders entitled to vote at the Meeting if the transferee cannot demonstrate to the Corporation with sufficient certainty that the relevant Shares have not already been voted by proxy or will be voted by the relevant transferor at the Meeting.

DIRECTORS

As at the date of this Circular, the Board consists of Mr. Michael John Hibberd and Mr. Songning Shen as executive directors and Mr. Hok Ming Tseung, Mr. Tingan Liu, Mr. Haotian Li, Mr. Gregory George Turnbull, Mr. Raymond Shengti Fong, Mr. Wazir Chand Seth, Mr. Robert John Herdman and Mr. Gerald Franklin Stevenson as non-executive directors.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The audited financial statements of the Corporation as at and for the financial year ended December 31, 2012, the report of the Board and the report of the auditors will be placed before Shareholders at the Meeting.

2. Fixing the Number of Directors of the Corporation

The Articles of the Corporation provide for a minimum of one (1) director and a maximum of fifteen (15) directors. It is proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the Articles and By Law No. 1 of the Corporation, be set at ten (10). There are presently ten directors of the Corporation (as identified below), each of whom will retire from office at the Meeting.

Unless otherwise instructed, it is the intention of the persons named in the accompanying Proxy to vote in FAVOUR OF setting the number of directors to be elected at the Meeting at ten (10).

3. Election of Directors

The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Each nominee elected will hold office until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, unless his office is vacated earlier, then in accordance with the Articles and By Law No. 1. Voting for the election of the directors will be conducted on an individual, and not on a slate basis.

Effective March 26, 2013, the Board passed a policy which provides that, in the event that a director candidate is elected but receives more votes withheld than cast in favour of the director at the meeting appointing directors, he or she is expected to submit a letter of resignation within seven (7) days. Within 90 days of the voting results, the Board shall consider the circumstances of such vote, the particular attributes of the director candidate including his or her knowledge, experience and contribution at Board meetings and determine whether to accept or reject the resignation and will issue a press release announcing the resignation or explain the reasons justifying its decision not to accept the resignation.

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote the Shares represented thereby in FAVOUR OF the election to the Board of those persons designated in the table below.

The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as a director, proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in their proxy that their Shares are to be withheld from voting on the election of directors.

The information in the table below relating to the directors and nominee is based partly on the records of the Corporation and partly on information received by the Corporation from the directors, and sets forth the name, municipality of residence of the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupations or employments during the past five years, the periods during which they have served as directors of the

Corporation and the approximate number of Shares beneficially owned, or over which control or direction is exercised by each of them as at the Latest Practicable Date.

Name, Municipality of Residence & Current Position(s) with the Corporation	Principal Occupation in the Past Five Years	Director Since	Shares Beneficially Owned or Over Which Control or Direction Exercised as at the Latest Practicable Date ⁽⁵⁾
<p>Michael John Hibberd⁽¹⁾ Calgary, Alberta Canada <i>Co-Chairman and Director</i> Age: 57</p>	<p>Co-Chairman of the Corporation since October 2008. Prior thereto, from August 2007 to October 2008, Chairman and Co CEO of the Corporation. President and Chief Executive Officer of MJH Services Inc., a corporate finance advisory company, since January 1995. Chairman of Greenfields Petroleum Corporation since February 2010. Chairman of Canacol Energy Ltd. since October 2008. Chairman of Heritage Oil Plc. since March 2008. Chairman of Heritage Oil Corporation since November 2006. Director of Pan Orient Energy Corp. since April 2005. Director of Montana Exploration Corp. since 1997.</p>	May 9, 2007	68,210,000
<p>Songning Shen⁽²⁾ Calgary, Alberta Canada <i>Co-Chairman and Director</i> Age: 47</p>	<p>Co-Chairman of the Corporation since October 2008. Prior thereto, President and Co-CEO of the Corporation from August 2007 to October 2008 and geology consultant at Koch Exploration Canada L.P. from March 2006 to June 2007.</p>	February 22, 2007	67,739,660
<p>Hok Ming Tseung⁽³⁾⁽⁶⁾ Hong Kong China <i>Director</i> Age: 51</p>	<p>Director of Orient International Resources Group Limited since April 2010. Director of Dongwu Cement International Ltd. since November 29, 2011. Director of Orient International Petroleum & Chemical Limited since December 2004. Director of Orient Financial Holdings Limited since July 2002.</p>	March 2, 2010	280,233,035
<p>Tingan Liu⁽⁴⁾ Kowloon, Hong Kong China <i>Director and Hong Kong Corporate Secretary</i> Age: 51</p>	<p>Deputy chairman and president of China Life Insurance (Overseas) Company Limited since June 2008. Council member of the Financial Services Development Council of the Hong Kong S.A.R. since January 2013. Member of the Listing Committee of the Stock Exchange of Hong Kong Limited (“SEHK”) since July 2010. Member of the Insurance Advisory Committee of the Government of Hong Kong S.A.R. since October 2010. Councillor of the Life Insurance Council of the Hong Kong Federation of Insurers since September 2008.</p>	February 1, 2011	Nil
<p>Haotian Li⁽¹⁾ Hong Kong China <i>Director</i> Age: 41</p>	<p>Director of Bank of China Investment Limited and Director of Bank Of China Group Investment Limited (“BOCGI”) Zheshang Investment Fund Management (Zhe Jiang) Co., Ltd. since June 2010. Deputy Chief Executive Officer of Bank of China Group Investment Limited since November 2008. Prior thereto, Head of Client Relations of the corporate banking department (oil and gas sector coverage) at Bank of China Headquarters from July 1999 to November 2008.</p>	February 14, 2011	Nil

Name, Municipality of Residence & Current Position(s) with the Corporation	Principal Occupation in the Past Five Years	Director Since	Shares Beneficially Owned or Over Which Control or Direction Exercised as at the Latest Practicable Date ⁽⁵⁾
Gregory George Turnbull, QC^{(1) (3)} Calgary, Alberta Canada <i>Director</i> Age: 58	Partner of McCarthy Tétrault LLP, Calgary since January 2002.	August 24, 2007	11,700,000
Raymond Shengti Fong^{(1) (2) (3)} Calgary, Alberta Canada <i>Director</i> Age: 66	Chief Executive Officer of China Coal Corporation of Calgary since May 2010. Prior thereto, director of Abenteuer Resources Ltd. from November 2000 to August 2008 and director of Stealth Ventures Ltd. from November 1999 to November 2007.	May 9, 2007	8,100,000
Robert John Herdman^{(1) (3) (4)} Calgary, Alberta Canada <i>Director</i> Age: 61	Director of TriOil Resources Ltd. since February 2012 and Director of Black Diamond Group since March 2012. Director of Chinook Energy Inc. since July 2010. Director of Blackline GPS Corp. since April 2011. Prior thereto, Partner at PricewaterhouseCoopers LLP, Calgary from July 1989 to July 2010.	July 18, 2011	Nil
Wazir Chand (Mike) Seth^{(1) (2) (4)} Calgary, Alberta Canada <i>Director</i> Age: 72	President of Seth Consultants Ltd. since January 1981. Director of Enerplus Corporation since September 2005. Director of Connacher Oil and Gas Limited since December 2005. Director of Corridor Resources Inc. since January 2006. Prior thereto, chairman, president and managing director of McDaniel & Associates Consultants Ltd. from January 1989 to June 2006, director of Reliable Energy Ltd. from February 2006 to May 2012, director of Open Range Energy Corp. from May 2009 to August 2012 and director of Torquay Oil Corp. from February 2010 to December 2012.	September 1, 2008	1,300,000
Gerald Franklin Stevenson^{(1) (2) (3) (4)} Calgary, Alberta Canada <i>Director</i> Age: 69	Director of Southwest Energy Trust since August 2011. Prior thereto, from January 2006 to April 2011, head of oil & gas acquisitions and divestitures for CIBC World Markets Inc., Calgary.	July 15, 2011	34,000

Notes:

- (1) Member of the Corporate Governance Committee.
- (2) Member of the Reserves Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Audit Committee.
- (5) Includes only the Class "A" Common Voting Shares. Details of Class "G" Preferred Non-Voting Shares and Class "H" Preferred Non-Voting Shares and options held by directors are noted under the section entitled "Incentive Plan Awards".
- (6) Mr. Hok Ming Tseung directly and indirectly holds an 82% interest in Orient International Resources Group Limited, which itself directly owns 266,666,640 shares in the Corporation. In addition, Mr. Hok Ming Tseung directly holds a 100% interest in Orient Financial Holdings Limited, which itself directly owns 13,566,395 shares in the Corporation.

Brief biographies for each member of our Board are set forth below:

Michael John Hibberd. Mr. Hibberd is President and Chief Executive Officer of MJH Services Inc., a corporate finance advisory company established in January 1995. Mr. Hibberd, through MJH Services Inc., has focused on providing advice to Calgary based companies with North American and international operations. He has been actively involved in privatization projects in North America, South America, the Middle East and Asia. In addition to advising on Canadian projects that involved significant financing, Mr. Hibberd has been directly involved in project financings and advisory work throughout North America and internationally. Mr. Hibberd has extensive international energy project planning and capital markets experience. Prior to January 1995, Mr. Hibberd spent 12 years with ScotiaMcLeod in corporate finance in Toronto and Calgary and held the position of Director and Senior Vice President, Corporate Finance. Mr. Hibberd is the Co-Chairman of Sunshine Oilsands Ltd. and Chairman of Heritage Oil Plc, Heritage Oil Corporation, Canacol Energy Ltd. and Greenfields Petroleum Corporation, all publically traded entities. These companies are listed on one or more of the following exchanges: the Stock Exchange of Hong Kong; the Toronto Stock Exchange; TSX Venture Exchange; the London Stock Exchange; and the Colombia Stock Exchange. Mr. Hibberd is currently a director of Montana Exploration Corp. and PanOrient Energy, both of which are listed on the TSX Venture Exchange. Mr. Hibberd was previously a director of Challenger Energy Corp., Deer Creek Energy, Iteration Energy Ltd., Zapata Energy Corporation, Sagres Energy Inc., Skope Energy Inc. and Rally Energy Corp.

Mr. Hibberd obtained his Bachelor of Arts degree in 1976 and his Masters in business administration degree in 1978 from the University of Toronto. He obtained his bachelor of laws degree from the University of Western Ontario in 1981, was called to the bar in 1983 and is a member of The Law Society of Upper Canada.

Songning Shen. Mr. Shen is President and Chief Executive Officer of 1226591 Alberta Inc., a company established in 2006. From 2006 to 2007, Mr. Shen worked at Koch Exploration Canada LP as a senior geology consultant. From 2003 to 2005 Mr. Shen was the exploration manager of Connacher Oil and Gas Ltd. He founded the geology and geophysics team at Connacher and started Connacher's oil sands programme. From 2000 to early 2003, Mr. Shen worked at Petro Canada as a geologist. He worked in both the oil sands team and the foothills gas exploration team. From 1986 to 1996 Mr. Shen worked at Bohai Company, a subsidiary of China National Offshore Oil Corporation, where he was a team leader. He worked in a team that discovered and appraised the giant oil field in offshore China, Suizong 36 1, and received a government award for his contributions.

Mr. Shen obtained a Bachelor of Science degree from Tongji University in 1986 and his Master of Science degree from Norwegian University of Science and Technology in 1998. Mr. Shen is a professional geologist registered in Alberta, Canada.

Hok Ming Tseung. Mr. Tseung is a director of Dongwu Cement International Ltd., Orient International Petroleum & Chemical Limited, Orient International Resources Group Limited and Orient Financial Holdings Limited. Mr. Tseung is also vice chairman of the Hong Kong Financial Service Institute and the Hong Kong China Education Fund. He was also appointed as a director of the second board of directors of the China Foreign Affairs University in March 2005.

Mr. Tseung obtained a postgraduate degree in International Economics from the Chinese Academy of Social Sciences in 1998.

Tingan Liu. Mr. Liu is the Deputy Chairman and President of China Life Insurance (Overseas) Company Limited. Mr. Liu also holds a number of positions of responsibility in various professional and industry bodies, including serving as a council member of the Financial Services Development Council of the Hong Kong S.A.R., as a member of the Listing Committee of the Stock Exchange of Hong Kong Limited, as a member of the Insurance Advisory Committee of the Government of Hong Kong S.A.R., as

a councillor of the Life Insurance Council of the Hong Kong Federation of Insurers, as an Executive Director of the Hong Kong Chinese Enterprises Association and as a Council Member and Fellow of the Hong Kong Institute of Directors. Mr. Liu received the Director of the Year Award, organised by The Hong Kong Institute of Directors, in 2009 in the category of “Private Company Executive Directors” and he was also a winner of China’s “Top 10 Economic Talents Special Award 2009”.

Mr. Liu obtained a Master’s Degree in Economics from Renmin University of China in 1988 and completed a training programme at the University of Oxford in 1991. He is a Senior Economist and a member of the Hong Kong Institute of Chartered Secretaries.

Haotian Li. Mr. Li is currently the Deputy Chief Executive Officer of BOCGI and Chairman of BOCGI’s investment committee. He is also responsible for the strategic investment department, the non-performing asset investments department and the fund’s investment management department, with the total investments under management of these divisions in excess of HK \$30 billion. Since June 2010, Mr. Li has also been a director of Bank of China Investment Limited and a director of BOCGI Zheshang Investment Fund Management (Zhe Jiang) Co., Ltd. the fund management company of ZheShang PE Fund since 2009, a RMB5 billion fund that he was instrumental in establishing and successfully launching. Prior to joining BOCGI, Mr. Li was with the corporate banking department at Bank of China headquarters (oil and gas sector coverage) from 1999 to 2008 and was actively involved in a significant number of large investments and financings.

Mr. Li obtained a Masters Degree in business administration from University of Denver in 1998 and a Bachelor of Engineering degree from Tsinghua University in 1995.

Gregory George Turnbull. Mr. Turnbull is a Partner of the Calgary office of McCarthy Tétrault LLP, which he joined in July 2002 following his previous position as partner of Donahue Ernst and Young LLP, which he joined in 2001. Mr. Turnbull was Regional Managing Partner of McCarthy Tétrault LLP’s Calgary office from January 2005 until June 2012. Mr. Turnbull was formerly a director of BNP Resources Inc. and Seaview Energy Inc.

Mr. Turnbull is currently a director of Crescent Point Energy Corp., Storm Resources Ltd., Heritage Oil plc, Heritage Oil Corporation, Hawk Exploration Ltd., Sonde Resources Corp., Porto Energy Corp. and Hyperion Exploration Corp., all publicly traded entities listed on the London Stock Exchange, the Toronto Stock Exchange or the TSX Venture Exchange. Mr. Turnbull is also currently a director of a number of private companies.

Mr. Turnbull obtained his Bachelor of Arts degree in 1976 from Queen’s University and his Bachelor of Laws degree from the University of Toronto in 1979.

Raymond Shengti Fong. Mr. Fong is currently the Chief Executive Officer of China Coal Corporation of Calgary. He was a director of Abenteuer Resources Ltd. from November 2000 to August 2008, a director of Stealth Ventures Ltd. from November 1999 to November 2007, a director of Zapata Capital Inc. from January 1998 to May 1999, a director/president of Ultra Capital Inc. from November 1996 to May 1998 and a director of United Rayore Gas Limited from 1989 to 1997.

Mr. Fong graduated with a Bachelor of Science degree from Taiwan Cheng Kung University in 1970 and obtained his Master of Science degree from Tennessee Technological University in 1971.

Robert John Herdman. Mr. Herdman is a Fellow Chartered Accountant and was formerly a partner at Price Waterhouse and PricewaterhouseCoopers LLP from 1989 to 2010 in Calgary serving the firm’s Calgary based public clients including service to companies operating in both the mining and thermal

recovery of oil sands. Following a 34 year career with PricewaterhouseCoopers LLP, Mr. Herdman retired from practice in 2010. He currently serves on the boards of directors of TriOil Resources Ltd., Black Diamond Limited, Chinook Energy Inc. and Blackline GPS Corp., all of which are listed on the Toronto Stock Exchange or TSX Venture Exchange. He recently completed a six year term on the board of governors of the Chartered Accountants Education Foundation and has served on a number of other committees overseeing the practice of accounting in Alberta and as a director for a number of non-profit making organisations. Mr. Herdman was formerly a director of Western Financial Group Inc.

Mr. Herdman graduated with a Bachelor of Education degree from the University of Calgary in 1974.

Wazir Chand (Mike) Seth. Mr. Seth has over 40 years of experience in the oil and natural gas industry. He is President of Seth Consultants Ltd. From January 1989 to June 2006, he served as Chairman, President and Managing Director of McDaniel & Associates Consultants Ltd., one of the pre-eminent oil and gas engineering evaluators in Canada and internationally.

Mr. Seth is currently on the board of directors of Enerplus Corporation, Connacher Oil and Gas Limited and Corridor Resources Inc., all of which are publicly traded entities listed on the Toronto Stock Exchange or TSX Venture Exchange. He is also the founder and director of Energy Navigator Inc., a private software development firm servicing the petroleum industry. Mr. Seth has previously served as a director of Reliable Energy Ltd., Open Range Energy Corp., Torquay Oil Corp., Redcliffe Exploration Inc. and Triton Energy Corp.

Mr. Seth graduated from the University of British Columbia in 1966 with a Bachelor of Applied Science degree in mechanical engineering and is a registered professional engineer in the province of Alberta.

Gerald Franklin Stevenson. Mr. Stevenson has over 37 years of experience in oil and natural gas operations including senior management positions at a number of Canadian and international energy companies. Mr. Stevenson is currently on the board of directors of Southwest Energy Trust. He was head of oil & gas acquisitions and divestitures for CIBC World Markets Inc. in Calgary, Alberta from January 2006 to April 2011 where he was responsible for selling oil and gas companies or individual oil and gas properties, and was involved in mergers & acquisitions and financing activities.

Mr. Stevenson was at Suncor Inc. from July 1985 to June 1991, North Canadian Oils Limited from July 1991 to June 1993, Waterous & Co from July 1993 to August 1997, February 2000 to October 2001, and March 2003 to July 2005, Enerplus Resources Fund from October 2001 to March 2003, where he was Vice President and an officer responsible for acquisitions and divestitures. He was Vice President, Production of Hurricane Hydrocarbons Ltd. from April 1998 to October 1998 and was appointed Interim President, Chief Executive Officer and director of Hurricane Hydrocarbons in October 1998.

Mr. Stevenson obtained his Bachelor of Engineering (mechanical) degree in 1965 and his Master of Science (mechanical engineering) degree in 1967 from the University of Saskatchewan. Mr. Stevenson is a professional engineer registered in Province of Alberta.

Except as disclosed in herein, no proposed director of the Corporation at the date of this Circular has any relationships with any other directors, senior management or substantial or controlling shareholders of the Corporation.

To the knowledge of the management of the Corporation, no proposed director of the Corporation, at the date of this Circular:

- (a) is subject to any investigation, hearing or proceeding brought or instituted by any judicial, regulatory, governmental authority or securities regulatory authority (including the Hong Kong Takeovers Panel or any other securities regulatory commission or panel, or any judicial proceeding in which violation of any securities law, rule or regulation is or was alleged;
- (b) has at any time been refused admission to membership of any professional body or been censured or disciplined by any such body to which he belongs or belonged or been disqualified from membership in any such body or has at any time held a practising certificate or any other form of professional certificate or licence subject to special conditions;
- (c) is now or has at any time been a member of a triad or other illegal society;
- (d) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (e) is now or has been subject to any penalties or sanctions imposed by the court relating to a securities legislation or by a securities regulatory authority or has entered in a settlement agreement with a securities regulatory authority; or
- (f) is now or has been subject to any other penalties or sanctions imposed by the court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Except as disclosed herein, to the knowledge of the management of the Corporation, no proposed director of the Corporation, is at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) within a year of after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or the assets of the proposed director.

Mr. Turnbull was a director of Action Energy Inc., a corporation engaged in the exploration, development and production of oil and gas in Western Canada. Action Energy Inc. was placed into receivership on October 28, 2009 by its major creditor and Mr. Turnbull resigned as a director immediately thereafter.

Mr. Hibberd was an independent director of Challenger Energy Corp. ("**Challenger**") from December 1, 2005 to September 16, 2009. Challenger obtained a creditor protection order under the *Companies and Creditors Arrangement Act* (Canada) (the "**CCAA**"), from the Court of Queen's Bench of Alberta, Judicial District of Calgary on February 27, 2009. On June 19, 2009, Challenger announced that it had entered into an arrangement agreement providing for the acquisition by Canadian Superior Energy Inc. of Challenger. On September 17, 2009, all common shares of Challenger were exchanged for common shares of Canadian Superior.

Mr. Hibberd was formerly a director of Skope Energy Inc. (a TSX listed oil and gas company), which commenced proceedings in the Court of Queen's Bench of Alberta under the CCAA to implement a restructuring in November 2012 which was completed on February 19, 2013.

Mr. Herdman served as a director of SemBioSys Genetics Inc. ("**SemBioSys**"), a development stage biotechnology company, until May 1, 2012. On June 22, 2012, a secured creditor of SemBioSys was granted an order under the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to take possession of and deal with specific assets of SemBioSys which had been pledged to that creditor. The receiver was discharged on November 30, 2012 pursuant to court order.

Save as otherwise disclosed above, there is no other information required to be disclosed under Rule 13.51(2) of the Listing Rules.

4. Appointment of Auditors

At the Meeting, Shareholders will be asked to pass an ordinary resolution to re appoint Deloitte LLP as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at a remuneration to be determined by the Board. Deloitte LLP has acted as the auditors of the Corporation since February 28, 2008.

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote in FAVOUR OF the appointment of Deloitte LLP as auditors of the Corporation.

5. Post IPO Share Option Scheme Amendments

The Corporation is proposing certain amendments to the terms of its share option scheme which was implemented in January of 2012 in connection with its initial public offering in Hong Kong and listing on the SEHK (the "**Post IPO Share Option Scheme**" or the "**Scheme**"). For a description of the current terms of the Scheme, not including the proposed amendment, please refer to Schedule B attached hereto.

In its application to list on the TSX, Sunshine undertook to the TSX to propose certain amendments to its Post IPO Share Option Scheme to comply with TSX policies governing security based compensation arrangements. The Corporation also proposes certain other amendments as described below.

Insider Participation Limit

Currently, Sunshine's Post IPO Share Option Scheme requires Shareholder approval for certain option grants made to certain individuals who are insiders of the Corporation or their associates. However, the Scheme does not presently restrict insiders from collectively holding, in the aggregate, Shares to be issued on the exercise of granted options ("**Shares underlying options**") representing 10% of the issued and outstanding Shares of the Corporation at any time or under grants made within a 12 month period, both of which are TSX requirements.

As such, Sunshine proposes that the Post IPO Share Option Scheme be amended to add a definition of "insider" consistent with the definition of "insider" under the TSX Company Manual. The definition of "insider" under the Scheme adopts the definition of "reporting insider" under applicable Canadian securities law, which definition includes the following: (a) the Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") or Chief Operating Officer ("**COO**") of Sunshine and any significant shareholder of Sunshine; (b) the directors of Sunshine and any significant shareholder of Sunshine; (c) persons responsible for a principal business unit of Sunshine; (d) significant shareholders of Sunshine; (e) significant shareholders of Sunshine (on a post-conversion beneficial ownership basis) and the directors, CEO, CFO and COO of each such significant shareholder so determined; (f) any management company providing management or administrative services to Sunshine and every director, CEO, CFO, COO and significant shareholder of such company; (g) individuals performing functions similar those performed by the persons described above; (h) Sunshine itself, if it has purchased, redeemed or acquired any of its own securities (for so long as it continues to hold such securities); and (i) any other insider (within the meaning of that term under applicable Canadian securities law and which term includes the directors and officers of Sunshine's subsidiaries) who receives material information concerning Sunshine before such information is generally disclosed and who has the ability to exercise significant power or direction over Sunshine's business, operations, capital or development. The definition of "insider" to be added to the Scheme is consistent with the definition of "connected person" under Chapter 14 of the Listing Rules.

The Post IPO Share Option Scheme will be amended to provide that the number of securities issued to Sunshine insiders within any one year period, and the number of securities issuable to Sunshine insiders at any time, will not exceed 10% of Sunshine's total issued and outstanding securities. This restriction is in addition to the existing restrictions regarding the grant of options to a substantial shareholder or an independent non-executive director as required under Rule 17.04(1) of the Listing Rules. Please see Schedule B of this Circular for further details on these restrictions.

Amendment Provisions

Currently, Sunshine's Post IPO Share Option Scheme permits the Board to amend the Scheme at any time where such amendments are not of a material nature, do not change the terms of any options granted under the Scheme and do not relate to certain matters specified in the listing rules of the SEHK to the advantage of participants under the Scheme. However, the Scheme does not presently provide that certain amendments to the Scheme will require shareholder approval regardless of whether they are to the benefit of participants under the Scheme. Sunshine proposes amending the Post IPO Share Option Scheme to require shareholder approval for any amendment that would: (i) remove or exceed the limits for options granted to "connected persons" (as defined under the Listing Rules) and insiders under the Scheme; (ii) reduce the price at which Shares are purchased under the Scheme; (iii) expand the definition of "Participants" under the Scheme; or (iv) amend the amendment provisions of the Scheme.

Additionally, Sunshine proposes amending the Scheme to permit the Board to make amendments to the Scheme or any grant of Options made thereunder provided it obtains the prior approval of the SEHK, TSX or any other applicable regulatory authority or stock exchange and provided it obtains the consent or deemed consent of any participant whose rights would be materially prejudiced by the amendment.

Exercise Price

With the Shares now also listed and trading on the TSX, the Corporation is of the view that it is appropriate that the exercise price of stock options under the Post IPO Share Option Scheme be established by reference to the Corporation's trading price for its Shares (calculated with reference to the higher of the closing price on the date of the option grant, the value-weighted average trading price for the five trading days prior to the grant or the average closing price for the five trading days prior to the grant) on either the SEHK or the TSX (whichever is higher) and expressed, for convenience, in Canadian dollars, since most of the Corporation's employees and operations are in Canada.

The Shareholders will be asked at the Meeting to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution to approve the proposed amendments, described above, to the Post IPO Share Option Scheme, to be effective immediately:

“BE IT RESOLVED THAT:

1. The share option scheme (the “**Post IPO Share Option Scheme**”) of Sunshine Oilsands Ltd. (the “**Corporation**”) approved by the Corporation's shareholders on January 26, 2012 is hereby amended, with such amendments to take substantially the form of those amendments (the “**Amendments**”) attached as Exhibit 1 of Schedule C to the management information circular (the “**Circular**”) of the Corporation dated March 27, 2013.
2. The implementation of the Amendments in the manner set forth in the Amendments is hereby approved.
3. Any one officer of the Corporation is hereby authorized and directed to execute and deliver all such documents, whether or not under corporate seal, and to take all such actions as are, in his or her opinion, necessary or desirable to give effect to the foregoing resolution, including finalizing the form of Amendments.”

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote in FAVOUR OF the ordinary resolution approving the amendment of the Post IPO Share Option Scheme.

6. Option Term Extensions During Blackout Periods

Sunshine currently has two share option plans in effect: (i) the Post IPO Share Option Scheme; and (ii) the share option plan initially adopted on May 7, 2009, as amended on June 13, 2010 (the “**Pre IPO Plan**”). Sunshine has ceased to grant stock options under the terms of the Pre IPO Plan, but the terms of this stock option plan continues to govern unexercised and outstanding options thereunder.

Sunshine proposes amending the Pre IPO Plan and the Post IPO Share Option Scheme to permit the extension of the term of outstanding share options where such options would expire within a blackout period in connection with its continuous disclosure requirements. In the case of the Post IPO Share

Option Scheme, this extension provision would not operate to extend option terms beyond the maximum term of 10 years as prescribed by the Listing Rules.

Pursuant to Sunshine's Corporate Disclosure and Trading Policy, directors, officers, employees and consultants of Sunshine with access to material undisclosed information are not permitted to trade in any securities of Sunshine during blackout periods.

TSX policies on security based compensation arrangements (such as stock option plans) permit such arrangements to provide that the expiration of an option's term may be the later of a fixed expiration date or a date shortly after the expiration date should such date fall within or immediately after a blackout period, provided certain requirements are met.

As such, Sunshine proposes that the Pre IPO Plan and the Post IPO Share Option Scheme be amended to extend option terms that would otherwise expire within a blackout period to permit the exercise of the option up to a date that is 10 business days from the end of the blackout period. This amendment would apply equally to all participants under the Pre IPO Plan and the Post IPO Share Option Scheme.

The Shareholders will be asked at the Meeting to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution to approve the proposed amendments to the Pre IPO Plan and the Post IPO Share Option Scheme, to be effective immediately:

"BE IT RESOLVED THAT:

1. The share option scheme of Sunshine Oilsands Ltd. (the "**Corporation**") approved by the Corporation's shareholders on January 26, 2012 (the "**Post IPO Share Option Scheme**") is hereby amended, with such amendments to the Post IPO Share Option Scheme to take substantially the form of those amendments (the "**Post IPO Scheme Amendments**") attached as Exhibit 2 of Schedule C to the management information circular (the "**Circular**") of the Corporation dated March 27, 2013.
2. The implementation of the Post IPO Scheme Amendments in the manner set forth in the Post IPO Scheme Amendments is hereby approved.
3. The share option plan of the Corporation initially adopted on May 7, 2009, as amended on June 13, 2010 (the "**Pre IPO Plan**"), is hereby amended, with such amendments to the Pre IPO Plan to take substantially the form of those amendments attached as Exhibit 3 of Schedule C to the Circular (the "**Pre IPO Plan Amendments**").
4. The implementation of the Pre IPO Plan Amendments in the manner set forth in the Pre IPO Plan Amendments is hereby approved.
5. Any one officer of the Corporation is hereby authorized and directed to execute and deliver all such documents and to take all such actions as are necessary or desirable to give effect to the foregoing resolutions, including finalizing the form of the Post IPO Scheme Amendments and the Pre IPO Plan Amendments."

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote in FAVOUR OF the ordinary resolution approving the amendments to the Post IPO Share Option

Scheme and the Pre IPO Plan to permit option term extensions for options that expire during or immediately after blackout periods.

7. Approval of Renewal of the 10% Scheme Mandate Limit to the Post IPO Share Option Scheme

The Post IPO Share Option Scheme establishes a fixed maximum number of Shares that may be issued pursuant to grants under the Scheme (together with grants under the Pre IPO Plan). This limit was initially set at 10% of Sunshine's outstanding Shares upon its listing on the SEHK. As discussed in greater detail below, this limit may be "refreshed" by the Shareholders of the Corporation from time to time to apply a new 10% limit based on the outstanding Shares on the date approval for the "refresh" is granted by Shareholders. The new limit would apply to new grants of options made from the approval date of the "refresh" under the Scheme. Option grants under the Pre IPO Plan would count towards this limit, but options grants made under the Scheme prior to the approval date for the "refresh" would not count. All options granted under the Pre IPO Plan together with all pre- and post-approval date grants made under the Scheme cannot exceed 30% of the issued and outstanding Shares in issue at any one time.

As at the Latest Practicable Date, the maximum number of Shares reserved for issuance under Sunshine's Post IPO Share Option Scheme is 79,708,344 and the number of Shares reserved for issuance under the Pre IPO Plan is 97,236,374. The term "maximum number Shares reserved for issuance" refers to the maximum number of Shares that can be issued on the exercise of options under the respective option plans (including outstanding options and yet-to-be-granted options up to the maximum number of options that can still be granted under the applicable plan limits), and these numbers diminish as options are exercised for Shares, but these numbers do not diminish as options are canceled or lapse according to their terms. In total, the Corporation has 176,944,718 Shares reserved for issuance under its Post IPO Share Option Scheme and Pre IPO Plan.

As at the Latest Practicable Date and prior to any "refresh", the Corporation has 66,590,755 options outstanding under its Post IPO Share Option Scheme and has room under its Post IPO Share Option Scheme to grant a further 11,244,006 options thereunder. As at the Latest Practicable Date, there are 91,368,706 outstanding options under the Pre IPO Plan.

Assuming Sunshine will have 2,865,138,161 issued and outstanding Shares on the Meeting date, the proposed "refresh" of the Post IPO Share Option Scheme will result in a new maximum number of options that can be granted following the "refresh" under the Post-IPO Share Option Scheme of 195,145,110. This number represents the sum of 286,513,161 (being 10% of the assumed number of issued and outstanding Shares of the Corporation, based on figures as at the Latest Practicable Date) less 91,368,706 (being the assumed outstanding number of Pre IPO Plan options based on figures as at the Latest Practicable Date). This number is in addition to the outstanding options that were granted under the Post IPO Share Option Scheme prior to the "refresh", being 66,590,755 as at the Latest Practicable Date. The Shares issuable on exercise of the 66,590,755 outstanding options under the Post IPO Share Option Scheme (as at the Latest Practicable Date) together with the potential 195,145,110 Shares issuable under the new number of options the Corporation can grant pursuant to the "refresh" (as calculated above) will result in a total number of Shares reserved for issuance under the Post IPO Share Option Scheme of 261,735,865.

Following the "refresh" and based on the calculations above, this will result in an additional 182,027,521 Shares being reserved for issuance under the Post IPO Share Option Scheme, on top of the current 79,708,344 Shares reserved for issuance under the Scheme as at the Latest Practicable Date and the 97,236,374 Shares reserved for issuance under the Pre IPO Plan.

The Proposed Refresh

As discussed above, under the rules of the Post IPO Share Option Scheme:

- (a) the total number of Shares which may be issued upon the exercise of all options to be granted under the Post IPO Share Option Scheme and any other share option schemes of the Corporation is subject to the limit imposed under the rules of the Post IPO Share Option Scheme, being 10% of the Corporation's issued share capital as at the date of implementation of the Post IPO Share Option Scheme, which may be refreshed pursuant to the rules of the Post IPO Share Option Scheme ("**10% Scheme Mandate Limit**"); and
- (b) the overall maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post IPO Share Option Scheme and any other share option schemes of the Corporation must not in aggregate exceed 30% of the Shares in issue from time to time ("**30% Overall Limit**"); and
- (c) unless approved by the Shareholders in general meeting, the total number of Shares issued and to be issued upon the exercise of options granted and to be granted to each participant (other than a substantial shareholder or an independent non-executive director of the Corporation or any of their respective associates, who shall be subject to a lower threshold) of the Post IPO Share Option Scheme and any other share option schemes of the Corporation (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the issued capital of the Corporation.

The Corporation may seek approval from the Shareholders in general meeting for refreshing the 10% Scheme Mandate Limit so that the total number of Shares which may be issued upon the exercise of all options to be granted under the Post IPO Share Option Scheme and any other share option schemes of the Corporation shall be re-set at 10% of the Shares in issue as at the date of the approval of the limit as "refreshed". In this regard, options previously granted under the Post IPO Share Option Scheme will not be counted for the purpose of calculating the 10% Scheme Mandate Limit as "refreshed".

The 10% Scheme Mandate Limit as at the date of implementation of the Post IPO Share Option Scheme on March 1, 2012 was 284,092,144, representing 10% of Shares outstanding when Shares were listed on the SEHK (and representing approximately 9.9% of the Shares outstanding as at the Latest Practicable Date). Unless the 10% Scheme Mandate Limit is "refreshed", as at the Latest Practicable Date, only 11,244,006 further options can be granted under the Post IPO Share Option Scheme.

If the 10% Scheme Mandate Limit is "refreshed", on the basis of 2,865,138,161 Shares in issue as at the Latest Practicable Date and assuming that, prior to the Meeting, no Shares are issued (whether upon exercise of options granted under the Post IPO Share Option Scheme or otherwise) or repurchased by the Corporation, the 10% Scheme Mandate Limit will be re-set at 286,513,816 Shares and the Corporation will be allowed to grant further options under the Post IPO Share Option Scheme and other share option schemes carrying the rights to subscribe for a maximum of 286,513,816 Shares (the "**Available Limit**"). This number does not include the number of options currently granted under the Post IPO Share Option Scheme.

The Directors consider that it will be for the benefit of the Corporation and its Shareholders as a whole that eligible participants of the Post IPO Share Option Scheme are granted rights to obtain equity holdings

of the Corporation through the grant of options under the Post IPO Share Option Scheme. This will motivate the eligible participants to contribute to the success of the Corporation. For these reasons, the Directors will propose the passing of an ordinary resolution at the Meeting for “refreshing” the 10% Scheme Mandate Limit.

On the basis of 2,865,138,161 Shares in issue as at the Latest Practicable Date, the 30% Overall Limit represents a total of 859,541,448 Shares. As at the Latest Practicable Date, there are outstanding options to subscribe for 66,590,755 Shares granted under the Post IPO Share Option Scheme and outstanding options to subscribe for 91,368,706 Shares granted under the Pre IPO Plan. Accordingly, the Available Limit arising from the “refreshing” of the 10% Scheme Mandate Limit together with the 66,590,755 Shares underlying options granted under the Post IPO Share Option Scheme and the 91,368,706 Shares underlying options granted under the Pre IPO Plan does not exceed the 30% Overall Limit as at the Latest Practicable Date.

On the basis of an Available Limit of 286,513,816 Shares underlying new option grants (based on the calculations above and the number of outstanding Shares as at the Latest Practicable Date) less the 91,368,706 Shares underlying outstanding options granted under the Pre IPO Plan, the Corporation anticipates having room under the Scheme to issue additional options exercisable into 195,145,110 Shares. Note that, if the Shareholders approve the proposed amendments to the Post IPO Share Option Scheme imposing an insider participation limit, the number of options Sunshine will be able to grant under the Scheme following the “refresh” will be capped with respect to insiders.

The renewal of the 10% Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders to approve the proposed renewal of the 10% Scheme Mandate Limit at the Meeting; and
- (b) the SEHK and the TSX granting the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares as at the date of the Meeting, which may fall to be allotted and issued pursuant to the exercise.

Application will be made to the SEHK and the TSX for the listing of, and permission to deal in such number of Shares which may fall to be allotted and issued pursuant to the exercise of the options to be granted under the 10% Scheme Mandate Limit so refreshed.

The Shareholders will be asked at the Meeting to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution to approve the proposed renewal of the 10% Scheme Mandate Limit, to be effective immediately (the “**Share Option Renewal Resolution**”):

“BE IT RESOLVED THAT:

1. subject to and conditional upon the Toronto Stock Exchange and the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of Sunshine Oilsands Ltd. (the “**Corporation**”) which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Corporation on January 26, 2012 (the “**Post IPO Share Option Scheme**”), representing ten percent (10%) of the issued share capital of the Corporation as at the day on which this resolution is passed, pursuant to the rules of the Post IPO Share Option Scheme:

- (a) approval be and is hereby granted for refreshing the 10 percent. mandate under the Post IPO Share Option Scheme (the “**Refreshed Scheme Mandate**”) provided that the total number of shares of the Corporation which may be allotted and issued upon the exercise of all options to be granted under the Post IPO Share Option Scheme and any other share option schemes of the Corporation under the limit as refreshed hereby shall not exceed ten percent (10%) of the aggregate nominal amount of the issued share capital of the Corporation as at the day on which this resolution is passed (options previously granted under the Post IPO Share Option Scheme and any other share option schemes of the Corporation (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Post IPO Share Option Scheme or any other share option schemes of the Corporation) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and
- (b) the directors of the Corporation or a duly authorised committee thereof be and are hereby authorized: (i) at their absolute discretion, to grant options to subscribe for shares of the Corporation within the Refreshed Scheme Mandate in accordance with the rules of the Post IPO Share Option Scheme, and (ii) to allot, issue and deal with Shares pursuant to the exercise of options granted under the Post IPO Share Option Scheme within the Refreshed Scheme Mandate.”

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote in FAVOUR OF the ordinary resolution approving the Share Option Renewal Resolution.

8. Approval of the Employee Share Savings Plan

Sunshine proposes to establish an employee share savings plan (the “**ESSP**”). The ESSP is intended to encourage employees of the Corporation to invest in Shares through payroll deductions and matching cash contributions made by the Corporation to provide an incentive to employees.

Application has been or will be made to the SEHK and the TSX for listing of and permission to deal with the Shares issued as part of the ESPP.

The following section provides a brief summary of the principal terms of the ESSP, and is qualified in its entirety by the terms and provisions of the ESSP, the full text of which is attached hereto as Schedule D.

Participants

All Canadian employees of the Corporation and its subsidiaries who participate in the Corporation’s regular benefit plans (as determined by the administrative committee of the Board established to administer the ESSP) may participate in the ESSP. Employees working outside of Canada are not eligible to participate, and the ESSP also excludes from participation all “connected persons” (as such term is defined under the Listing Rules and which term includes, for the purposes of the ESSP, any person who was a director of Sunshine within the preceding 12 months).

Administration

The Board will appoint an administrative committee to whom it will delegate the full power and authority to administer the ESSP. The administrative committee will be comprised of a limited number of the

members of the Corporation's senior management, but will not include the Corporation's Chief Executive Officer. As such, the administrative committee will not include any "connected persons" (as such term is defined under the Listing Rules). An independent administrator appointed under the ESSP will handle the day to day administration of the ESSP on behalf of the administrative committee. The independent administrator will be an independent third party selected by the administrative committee capable of administering stock option or employee share purchase plans. The administrator will not be a "connected person" (as such term is defined under the Listing Rules).

Contributions

Eligible employees may participate in the ESSP by way of semi-monthly payroll deductions. An employee who elects to participate in the ESSP may not contribute more than 5% of his or her monthly base salary. Participants may change their level of contribution at any time under the ESSP, with changes becoming effective the next calendar month. After the production of first steam for commercial injection at the Corporation's West Ells steam assisted gravity drainage production facility, a participant in the ESSP may elect to contribute up to 7% of his or her monthly base salary in any month towards Share purchases under the ESSP. Every month, Sunshine will match 100% of a participating employee's contributions to the ESSP for that month.

Contributions to the ESSP will be automatically invested by the administrator every month in Shares issued by the Corporation from treasury at the prevailing market price, that being not less than the higher of: (a) the trading day's closing price as stated in the daily quotation sheets issued by the TSX or SEHK (as converted to Canadian dollars at the Bank of Canada noon Hong Kong - Canada exchange rate in effect on such day), whichever is higher; or (b) the volume weighted average trading price of the Shares on the TSX or the SEHK for the five trading days immediately preceding the day in question (whichever is higher).

Shares purchased will be recorded monthly on the share register maintained by the administrator in book entry only form.

Issuance Thresholds

The number of Shares that may be purchased under the ESSP, together with all Shares reserved and allotted for issuance under any other security based compensation arrangements of Sunshine (including the Pre IPO Plan and Post IPO Share Option Scheme), cannot exceed 10% of the total issued and outstanding Shares of the Corporation from time to time on a non-diluted basis, nor can the total number of Shares that may be purchased under the ESSP exceed the number of Shares in any shareholder mandate passed in respect of the ESSP. The Corporation is seeking a mandate which will be set at 1% of the total issued and outstanding Shares on the date the resolution is passed as part of resolutions for the Meeting. Additionally, no one individual may purchase a number of Shares in excess of 1% of the total issued and outstanding Shares of the Corporation under the ESSP in any 12 month period.

The number of Shares issuable to insiders of Sunshine under the ESSP, together with any other security based compensation arrangements of Sunshine, at any time cannot exceed 10% of the issued and outstanding Shares of the Corporation on a non-diluted basis, nor can the total number of Shares that may be issuable to insiders exceed the number of Shares set out in any shareholder mandate passed in respect of the ESSP. The Corporation is seeking a mandate which will be set at 1% of the total issued and outstanding Shares on the date the resolution is passed as part of resolutions for the Meeting. The total number of Shares issued to insiders, as a group within a one-year period, under the ESSP, together with all Shares reserved and allotted for issuance under any other security based compensation arrangements of Sunshine (including the Pre IPO Plan and Post IPO Share Option Scheme), cannot exceed 10% of the

total number of issued and outstanding Shares as at the end of such one year period (which period is determined with reference to the relevant dates of issuances to insiders).

As disclosed above, the 10% outstanding Share limit under the ESSP covers Shares issued under the ESSP together with Shares issuable on the exercise of options granted under the Post IPO Share Option Scheme and the Pre IPO Plan. This limit is in addition to the limits required under the Listing Rules. Please note that the shareholder mandate proposed to be passed in respect of the ESSP as a part of the resolutions for the Meeting is that the total number of Shares that may be purchased under the ESSP cannot exceed 1% of the total issued and outstanding Shares on the date the resolution is passed as part of resolutions for the Meeting.

As at the Latest Practicable Date, the Corporation has 2,865,138,161 Shares outstanding. Assuming no change in the Share capital of the Corporation between the Latest Practicable Date and the date the resolution approving the 1% shareholder mandate is approved, this will produce a fixed maximum of 28,651,381 Shares that can be issued under the ESSP. Notwithstanding the above limits and the fixed maximum mandate the Corporation is seeking, the Corporation does not expect that the portion of Shares to be issued pursuant to the ESSP in one year for the foreseeable future to exceed more than 0.5% of the issued and outstanding Shares of the Corporation.

Dividends

If and when any dividends are declared on Shares held in a participant's account, the administrator will allocate the appropriate amount to such person's account.

Withdrawals

Participants in the ESSP may withdraw up to 100% of the Shares held on their account by the administrator up to two times per calendar year, and upon such request, the administrator will deliver all Shares held on the requesting person's account to such person. Any fractional shares otherwise issuable to a participant will be converted to cash and credited to such participant's account.

Trades

Provided no blackout period is in effect, upon a participant's written request, the administrator will execute trades on behalf of such participant of Shares purchased under the ESSP. All fees and related expenses incurred as a result will be borne solely by the participant.

Suspension and Cancellation

A participant may elect to reduce or suspend contributions to the ESSP on 15 days prior written notice, effective the following calendar month. Participants who have suspended contributions may only resume contributions to the Plan after three (3) clear calendar months have passed. Suspensions that continue for longer than six months are deemed to be cancellations.

Upon cancellation, the administrator will pay to the participant all assets to which such participant has become entitled under the ESSP within 30 days.

Participation in the plan will automatically cease for a participant when such participant's employment by the Corporation or its subsidiary is terminated for any reason whatsoever. Participation in the plan will automatically cease for a participant on such participant's death.

Amendment of the ESSP

The Board may elect to amend, suspend or terminate the ESSP at any time without participant approval, provided that the ESSP may not be amended, suspended or terminated without first: (i) obtaining the approval of any regulatory authority or stock exchange; and (ii) obtaining the consent or deemed consent of a participant where such action materially prejudices the rights of that participant. The Board may not amend the plan without obtaining Shareholder approval where such amendment: (i) removes or exceeds the issuance thresholds described above; (ii) reduces the purchase price of Shares under the ESSP; (iii) expands the definition of "Participant" under the ESSP; or (iv) amends the amendment provisions of the ESSP. Additionally, the Board may at any time, without the prior approval of the shareholders of the Corporation, amend any term within the ESSP, provided that: (i) it obtains the required approval of any regulatory authority or stock exchange; and (ii) it obtains the consent or deemed consent of a participant if the amendment would materially prejudice the rights of that participant under the ESSP.

The Shareholders will be asked at the Meeting to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution to approve the adoption of the ESSP, to be effective immediately:

"BE IT RESOLVED THAT:

1. The Employee Share Savings Plan ("ESSP") of Sunshine Oilsands Ltd. (the "**Corporation**"), in the form attached as Schedule D to the Management Information Circular of the Corporation dated March 27, 2013, is hereby approved.
2. In accordance with the terms of the ESSP, the Corporation is hereby authorized to match one hundred percent (100%) of a participating employee's contributions to the ESSP in that month.
3. The Board of Directors of the Corporation is hereby granted a specific mandate to allot and issue, pursuant to the ESSP, a maximum number of new shares equal to one percent (1%) of the shares in issue and outstanding as at the date this resolution is passed during the period from the date this resolution is passed until the earliest of: (a) the conclusion of the Corporation's next annual general meeting; (b) the end of the period within which the Corporation is required by any applicable law or its by-laws to hold its next annual general meeting; and (c) the date on which the resolution granting such authorization is varied or revoked by ordinary resolution of the Shareholders in general meeting.
4. Any one officer of the Corporation is hereby authorized and directed to execute and deliver all such documents, whether or not under corporate seal, and take all such action as are, in his or her opinion, necessary or desirable to give effect to the foregoing resolutions."

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote in FAVOUR OF the ordinary resolution approving the adoption of the ESSP.

9. General Mandate to Issue Shares

At the meeting, the Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution giving the Board a general and unconditional mandate to allot,

issue or otherwise deal with unissued Shares up to a maximum of twenty percent (20%) of the aggregate issued and outstanding share capital of the Corporation until the next annual meeting. The purpose of the proposed mandate is to increase the flexibility of the Corporation to raise new capital as and when the Board determines appropriate.

At the Meeting, the Shareholders will be asked to approve the following ordinary resolution:

“BE IT RESOLVED THAT:

1. Subject to paragraph (3) of this resolution, the exercise by the board of directors (the “**Board**”) of the Sunshine Oilsands Ltd. (the “**Corporation**”) during the Relevant Period (as hereinafter defined) to allot, issue and otherwise deal with additional shares in the share capital of the Corporation or securities convertible into such shares or options, warrants, or similar rights to subscribe for any such shares or such convertible securities and to make or grant offers, agreements and options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws be and is hereby generally and unconditionally approved.
2. The approval of paragraph (1) of this resolution shall authorize the Board during the Relevant Period to cause the Corporation to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period.
3. The aggregate share capital of the Corporation which may be allotted or conditionally or unconditionally agreed to be allotted (whether pursuant to an option or otherwise), issued or otherwise dealt with by the Board pursuant to the approval in paragraph (1) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription or conversion rights attaching to any securities or warrants which may be issued by the Corporation or any securities which are convertible into common shares of the Corporation from time to time or (iii) the exercise of options granted under the stock option plan of the Corporation or similar arrangements from the time being adopted for the grant or issue to officers and/or employees of the Corporation and/or any of its subsidiaries of common shares or rights to acquire common shares of the Corporation, or (iv) any issues of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Incorporation in force from time to time, shall not exceed twenty percent (20%) of the aggregate issued and outstanding share capital of the Corporation as at the date of passing of this resolution.
4. For the purpose of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual meeting of the Corporation;
 - (ii) the expiration of the period within which the next annual meeting of the Corporation is required to be held under any

applicable laws or under the Articles of Incorporation of the Corporation; and

- (iii) the time of the passing of an ordinary resolution of the Corporation in a general meeting revoking or varying the authority set out in this resolution.

“**Rights Issue**” means an offer of shares open for a period fixed by the Board to holders of shares whose names appear on the register of members of the Corporation on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Corporation).

- 5. The directors and officers of the Corporation are hereby authorized to do all things necessary in order to give effect to the foregoing resolution.”

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote in FAVOUR OF the ordinary resolution approving the general mandate given to the Board regarding issuance of Shares in accordance with the Listing Rules of the SEHK.

10. Repurchase of Shares

At the meeting, the Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution giving the Board a general and unconditional mandate to authorize the Corporation to repurchase Shares up to a maximum of ten percent (10%) of the aggregate issued and outstanding share capital of the Corporation until the next annual meeting (the “**Share Repurchase Mandate**”).

An explanatory statement as required by the Listing Rules, providing the requisite information regarding the grant of the Share Repurchase Mandate is set out in Schedule “A” to this Circular.

At the Meeting, the Shareholders will be asked to approve the following ordinary resolution:

“BE IT RESOLVED THAT:

- 1. Subject to paragraph (3) of this resolution, the exercise by the board of directors (the “**Board**”) of Sunshine Oilsands Ltd. (the “**Corporation**”) during the Relevant Period (as defined below) of all the powers of the Corporation to repurchase securities of the Corporation on the SEHK or on any other stock exchange on which the securities of the Corporation may be listed which is recognized by the Securities and Futures Commission of Hong Kong and the SEHK for this purpose (the “**Recognized Stock Exchange**”), subject to and in accordance with the Listing Rules and all other applicable laws and the requirements of the SEHK or any other Recognized Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved.

2. The aggregate number of the shares of the Corporation authorized to be repurchased by the Corporation pursuant to the approval in paragraph (1) above during the Relevant Period shall not exceed 10% of the aggregate issued and outstanding share capital of the Corporation as at the date of the passing of this resolution and the said approval shall be limited accordingly.
3. For the purpose of this resolution:

“**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual meeting of the Corporation;
 - (ii) the expiration of the period within which the next annual meeting of the Corporation is required to be held under any applicable laws or under the Articles of Incorporation of the Corporation; and
 - (iii) the time of the passing of an ordinary resolution of the Corporation in a general meeting revoking or varying the authority set out in this resolution; and
4. The directors and officers of the Corporation are hereby authorized to do all things necessary in order to give effect to the foregoing resolution.”

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote in FAVOUR OF the ordinary resolution approving the general mandate to the Board regarding the repurchase of Shares until the next annual meeting.

11. Share Consolidation

The Board believes it is in the best interests of the Corporation to consolidate the Corporation’s issued and outstanding Shares, Class G Shares and Class H Shares on the basis of one (1) post consolidation share of each respective class for each ten (10) outstanding pre consolidation shares of the same class (the “**Share Consolidation**”). If the proposed Share Consolidation is implemented, the number of Shares issued and outstanding will be reduced from approximately 2,865,138,161 Shares to approximately 286,513,816 Shares, from approximately 58,890,000 Class G Shares to approximately 5,889,000 Class G Shares and from approximately 22,200,000 Class H Shares to approximately 2,220,000 Class H Shares (using outstanding share numbers as of the Latest Practicable Date).

If approved, the Share Consolidation would be implemented at a date to be fixed by order of the Board, but which date shall not be any later than 60 days from the date of shareholder approval of the Share Consolidation. If the Share Consolidation is approved, the Corporation will consult with the SEHK, the TSX, the Corporation’s transfer agents and legal counsel to determine the steps and procedures required to effect the Share Consolidation, to make the relevant arrangements (e.g. board lot arrangements) and to prepare an indicative timeline of how it will implement the Share Consolidation. If the Share Consolidation is approved, the Corporation will make an announcement regarding the Share Consolidation on or before 10 business days from the date of such approval, at which time the Corporation will provide further information regarding the date fixed by the Board for the Share Consolidation and the proposed timing for the implementation of the Share Consolidation.

The Board expects to proceed with the Share Consolidation, barring the happening of any circumstances which would result in the Share Consolidation not being in the best interests of the Corporation and its shareholders. In determining that the Share Consolidation is in the best interest of the Corporation, the Board has considered, among other matters, the price of the Shares listed on the TSX and SEHK, prevailing financial market conditions in Canada, Hong Kong and globally as well as matters relevant to the Corporation's business, operations and strategy for further development. In fixing the date of the Share Consolidation for which approval is being sought, the Board will consider the best interests of the Corporation and its shareholders in light of the timing and regulatory requirements of the SEHK and TSX, applicable requirements under Canadian and Hong Kong securities law and the prevailing market conditions for the Corporation's Shares listed on the TSX and SEHK, in addition to such other matters as the Board, in its discretion, deems appropriate to consider.

The Corporation enacted a share split in early 2012 in order to facilitate the Corporation's IPO on the SEHK. The Board now believes that, with the listing on the TSX in late 2012, the Corporation needs to balance the differences in what are considered to be typical preferred share price trading ranges in each jurisdiction. A higher share price range is more commonly acceptable on the TSX, where the Corporation expects to see more interest from new investors, and a share consolidation is the most efficient way to rapidly bring the Corporation's Share price into a substantially higher range.

There can be no assurances whatsoever that any increase in the market price per Share will result from the proposed Share Consolidation and there is no assurance whatsoever that a higher Share price will generate increased investor interest if the proposed Share Consolidation is implemented.

To be effective, the Share Consolidation must be approved by a special resolution of the Shareholders in accordance with the ABCA and the Articles. Additionally, the holders of the Class G Shares must approve the Share Consolidation by special resolution voting separately as a class, and the holders of the Class H Shares must approve the Share Consolidation by special resolution voting separately as a class. The Share Consolidation also requires the approval of the Toronto Stock Exchange and the SEHK, which approval will be sought, if and when the Board determines to proceed with the Share Consolidation.

In order to be effective under the ABCA and the Articles, the special resolution approving the Share Consolidation must be passed in separate class votes by not less than two thirds (2/3) of the votes cast by holders of each respective class of shares present in person or by proxy at the Meeting. Therefore, the Shareholders will be asked to consider and, if deemed advisable, approve a resolution amending the Articles of the Corporation at the Meeting to effect the Share Consolidation (the "**Consolidation Resolution**"). If one or more classes of shareholders voting on the Consolidation Resolution fail to approve such resolution, the Corporation will not be authorized to effect the Share Consolidation.

If the Consolidation Resolution is approved by the Shareholders and holders of the Class G Shares and Class H Shares and if all regulatory requirements for the Share Consolidation are complied with, the Share Consolidation will become effective on the date set by the Board and approved by the Toronto Stock Exchange and the SEHK, with such date being not later than 60 days from the date of shareholder approval of the Share Consolidation.

Promptly following the announcement by the Corporation of the effective date of the Share Consolidation, registered Shareholders and holders of Class G Shares and Class H Shares will respectively be sent a transmittal letter by either Alliance Trust Company (in Canada) or Computershare Hong Kong Investor Services Ltd. (in Hong Kong), containing instructions on how to exchange their share certificates representing pre consolidation shares of the applicable class for new share certificates representing post consolidation shares of such class.

Beneficial Shareholders holding their shares through an Intermediary should note that such Intermediaries may have different procedures for processing the Share Consolidation than those that will be put in place by the Corporation for the Registered Shareholders. If you hold your Shares through an Intermediary and if you have any questions in this regard, you are encouraged to contact your Intermediary.

No fractional shares of the Corporation will be issued in connection with the Share Consolidation and, in the event that a Shareholder or a holder of Class G Shares or Class H Shares would otherwise be entitled to receive a fractional share upon such Share Consolidation, the respective number of shares to be received by such shareholder will be rounded up or down to the nearest whole share.

If approved and implemented, the Share Consolidation will occur simultaneously for all of the Shares, Class G Shares and Class H Shares, and the consolidation ratio will be the same for all such share classes. Except for any variances attributable to fractional shares, the change in the number of issued and outstanding shares that will result from the Share Consolidation will cause no change in the capital attributable to the shares and will not materially affect any shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of shares of the affected class.

In addition, the Share Consolidation will not materially affect any Shareholder's proportionate voting rights. Each Share outstanding after the Share Consolidation will be entitled to one vote and will be fully paid and non-assessable. The Class G Shares and Class H Shares outstanding after the Share Consolidation will not carry the right to vote at any meeting of the shareholders of the Corporation (subject to the provisions of the ABCA).

At the Meeting, the Shareholders will be asked to approve the following special resolution (the "**Consolidation Resolution**"):

"BE IT RESOLVED THAT:

1. Pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**"), and subject to the approval of each of the Toronto Stock Exchange (the "**TSX**") and the Stock Exchange of Hong Kong Limited (the "**SEHK**"), Sunshine Oilsands Ltd. (the "Corporation") is hereby authorized to consolidate all of the issued and outstanding Class "A" Common Voting Shares (the "**Common Shares**") of the Corporation on the basis of a ratio of one (1) post consolidation Common Share for each ten (10) outstanding pre consolidation Common Shares;
2. Pursuant to the ABCA, and subject to the approval of each of the TSX and SEHK, the Corporation is hereby authorized to consolidate all of the issued and outstanding Class "G" Preferred Non-Voting Shares (the "**Class G Shares**") of the Corporation on the basis of a ratio of one (1) post consolidation Class G Share for each ten (10) outstanding pre consolidation Class G Shares;
3. Pursuant to the ABCA, and subject to the approval of each of the TSX and SEHK, the Corporation is hereby authorized to consolidate all of the issued and outstanding Class "H" Preferred Non-Voting Shares (the "**Class H Shares**") of the Corporation on the basis of a ratio of one (1) post consolidation Class H Share for each ten (10) outstanding pre consolidation Class H Shares;
4. The consolidation of the Common Shares, the consolidation of the Class G Shares and the consolidation of the Class H Shares as contemplated in the

foregoing resolutions (such consolidations collectively being the “**Share Consolidation**”) shall occur simultaneously.

5. The board of directors of the Corporation is authorized to fix the date of the Share Consolidation in its sole discretion, provided such date is no later than 60 days from the date of the passing of these resolutions;
6. Upon the Share Consolidation, no fractional Common Shares, no fractional Class G Shares and no fractional Class H Shares will be issued and the number of Common Shares, Class G Shares or Class H Shares to be received by a shareholder of the Corporation will be either rounded up or down to the nearest whole share, as applicable;
7. The Corporation be and is hereby authorized to amend its Articles under section 173(1)(f) of the ABCA and to make all requisite corporate filings, as applicable, in order to reflect the Share Consolidation, and any one officer or director of the Corporation is authorized to execute and deliver such filings in the prescribed form to the Alberta Registrar of Corporations;
8. Any one director or officer of the Corporation be and is hereby authorized to do all such further acts and things and execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in their opinion may be necessary or desirable to give effect to the foregoing special resolutions, including, for greater certainty, fixing the effective date of the Share Consolidation within the time frame authorized in these special resolutions; and
9. Notwithstanding any of the foregoing, the Board be and is hereby authorized to revoke, without further approval of or notice to the Shareholders, this special resolution at any time prior to the completion thereof, notwithstanding the approval by the Shareholders of the same, if the Board determines in its sole discretion such revocation to be in the best interest of the Corporation.”

Unless instructed otherwise, the persons named in the accompanying Proxy intend to vote in FAVOUR OF the special resolution approving the amendment of the Articles to give effect to the Consolidation Resolution.

12. Other Matters

Management knows of no other matters to come before the Meeting other than as referred to in the notice of the Meeting. Should any other matters properly come before the Meeting, the Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee of the Board (the “**Compensation Committee**”) exercises general responsibility regarding overall employee and executive officer compensation. The Compensation Committee is currently comprised of Messrs. Robert J. Herdman (Chair), Gregory G. Turnbull, QC; Hok

Ming Tseung, Raymond S. Fong and Gerald F. Stevenson. A majority of the Compensation Committee members are independent directors.

The objective of the Corporation's executive compensation policy is to create a remuneration package that will both attract and retain experienced and qualified individuals to assist the Corporation in the furtherance of its business. Such remuneration packages generally consist of competitive salaries and stock option grants pursuant to the Post IPO Share Option Scheme.

Components of Compensation

Salaries

Base salary provides employees and executive officers with a level of fixed cash compensation that is consistent with market practice. The base salary of each executive officer, including the Named Executive Officers (as defined below), compensates them for performing day-to-day responsibilities and is set in the context of the market. Each individual's total compensation package reflects the complexity of their role. Base salary also typically provides a reference point on which other components of compensation are established, such as short term incentives.

Short Term Incentive (Discretionary Cash Bonus)

In addition to base salaries, the Corporation may award discretionary cash bonuses to employees and executive officers of the Corporation, including the Named Executive Officers (as defined below). The Corporation does not have a formal bonus plan and the amount of bonuses paid is not set in relation to any formula or specific criteria but is a result of a subjective determination based on, in the case of non-executive employees, the employee's contribution in adding share value and reducing costs and the employee's contribution to overall corporate goals. In the case of executive officers and Named Executive Officers (as defined below), including the President and Chief Executive Officer, bonus awards are discretionary and while there are no specific targets or criteria set out, matters such as achievement of corporate goals are considered. No maximum bonus has been established for any executive officers. The award of cash bonuses has not traditionally been targeted at maintaining the Corporation's cash compensation at any specific level relative to its peer group

Option based Awards

The purpose of the Post IPO Share Option Scheme is to advance the interests of the Corporation by encouraging the directors, officers, and employees of, or providers of services to, the Corporation and its subsidiaries to acquire Shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the Corporation's Shareholders generally; (iii) encouraging such persons to remain associated with the Corporation; and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation. All option based awards for the executive officers individually, and for the Corporation's employees in the aggregate, are reviewed by the Compensation Committee based on recommendations by the Executive Co-Chairmen or Chief Executive Officer of the Corporation. After the Compensation Committee has considered and determined what stock options should be granted, it makes a recommendation to the Board for consideration and, if deemed appropriate, approval. Previous grants of stock options, individual and corporate performance, competitive pressures and numerous other factors are taken into account when the Compensation Committee and the Board are considering new stock option grants.

A description of the Post IPO Share Option Scheme is set forth in Schedule B attached hereto, and proposed amendments to the Post IPO Share Option Scheme are summarized in the disclosure under the

headings “*Post IPO Stock Share Option Scheme Amendments*” and “*Option Term Extensions During Blackout Periods*” and provided as exhibits to Schedule C attached hereto.

Employee Share Savings Plan

The purpose of the Employee Share Savings Plan is to provide an opportunity for employees of the Corporation to purchase Shares from the Corporation’s treasury at market price through voluntary automatic payroll deductions, thereby attracting, retaining, encouraging and rewarding employees to use their combined best efforts on behalf of the Corporation and to ensure that employees have a share in the increased profitability and value of the Corporation, thereby aligning their interests with those of shareholders.

A description of the ESSP is set forth under the heading “*Approval of Employee Share Savings Plan*” and the full text of the ESSP is attached as Schedule D hereto.

Compensation Governance

Please refer to the disclosure under the heading “*Corporate Governance Disclosure – Committees – Compensation Committee*”.

Risk Oversight

In carrying out its mandate, the Compensation Committee reviewed the elements of compensation of the Corporation to identify risks arising from the Corporation's compensation policies and program that are reasonably likely to have a material adverse effect on the Corporation. The Compensation Committee concluded that the compensation program and policies of the Corporation provide a reasonable balance among different forms of compensation and do not encourage its senior executives to take such inappropriate or excessive risks.

The Compensation Committee meets twice annually to ensure full assessment and analysis of compensation policies and practices with management. Compensation changes are made as appropriate to ensure that Sunshine is competitive in the market place.

Insider Trading Policy

Sunshine’s Corporate Disclosure and Trading Policy prohibits directors, officers, employees, consultants and other insiders with knowledge of confidential or material information about the Corporation from trading in securities of the Corporation including during defined blackout periods.

Subject to complying with such policy, Sunshine encourages certain of its officers and employees to voluntarily acquire Sunshine securities as an incentive to align the performance and interests of those persons with the long term interests of Sunshine and its shareholders

Summary Compensation Table

The following table provides a summary of compensation earned during the years ended December 31, 2010, 2011, and 2012 by the Executive Co Chairmen, the President and Chief Executive Officer, the Chief Financial Officer, the Executive VP, Corporate Operations, the former Chief Financial Officer, and the Senior Vice President, Operations of the Corporation (collectively the “**Named Executive Officers**”).

Unless otherwise indicated, all dollar amounts in this Circular are expressed in Canadian dollars. In addition, all amounts contained in this Statement of Executive Compensation have been derived from the Corporation's financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS).

Name & Principal Position	Year	Salary (\$)	Share Based Awards (\$) ⁽⁷⁾⁽⁸⁾	Option Based Awards	Annual Incentive Plans (\$) ⁽⁸⁾	Long Term Incentive Plans	Pension Value (\$)	All Other Compensation (\$) ⁽⁹⁾	Total Compensation (\$)
Michael J. Hibberd⁽¹⁾ <i>Co-Chairman</i>	2012	-	-	3,881,500	3,500,000	-	-	532,000	7,913,500
	2011	-	-	-	520,000	-	-	486,393	1,006,393
	2010	-	3,019,852	395,383	400,000	-	-	96,663	3,911,898
Songning Shen⁽²⁾ <i>Co-Chairman</i>	2012	-	-	3,881,500	3,500,000	-	-	534,000	7,915,500
	2011	-	-	-	520,000	-	-	487,393	1,007,393
	2010	-	3,019,852	395,383	400,000	-	-	96,663	3,911,898
John Zahary⁽³⁾ <i>President and Chief Executive Officer</i>	2012	465,517	-	1,975,000	280,000	-	-	6,236	2,726,753
	2011	-	1,934,040	467,079	-	-	-	-	2,401,119
	2010	-	-	-	-	-	-	-	-
Robert A. Pearce⁽⁴⁾ <i>Senior Vice President, Finance and Chief Financial Officer (current)</i>	2012	32,989	-	340,000	-	-	-	779	373,768
	2011	-	-	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-	-
Tom Rouse⁽⁵⁾ <i>Chief Financial Officer (former); Strategic Advisor</i>	2012	208,974	-	320,000	233,000	-	-	25,626	787,600
	2011	204,167	-	-	135,000	-	-	23,729	362,896
	2010	178,300	658,877	247,115	100,000	-	-	7,462	1,191,754
David Sealock⁽⁶⁾ <i>Executive VP, Corporate Operations</i>	2012	237,000	-	700,000	280,000	-	-	6,695	1,223,695
	2011	204,167	-	-	135,000	-	-	31,949	371,116
	2010	177,500	658,877	247,115	100,000	-	-	7,495	1,190,987

Notes:

- (1) Mr. Hibberd was Co-Chief Executive Officer from August, 2007 to October 5, 2008. He has been the Executive Co-Chairman since October 6, 2008. Compensation information disclosed in this table for Mr. Hibberd includes compensation for Mr. Hibberd's role as a director.
- (2) Mr. Shen was Co-Chief Executive Officer from August, 2007 to October 5, 2008. He has been the Executive Co-Chairman since October 6, 2008. Compensation information disclosed in this table for Mr. Shen includes compensation for Mr. Shen's role as a director.
- (3) Mr. Zahary was appointed President and Chief Executive Officer on December 20, 2011.
- (4) Mr. Pearce was appointed Senior Vice President, Finance and Chief Financial Officer on November 20, 2012.
- (5) Mr. Rouse resigned as Vice President, Finance and Chief Financial Officer on November 20, 2012. Mr. Rouse continues to provide finance consulting services to the Corporation under a consulting agreement. Amounts disclosed for Mr. Rouse in 2012 include his compensation for serving as Vice President, Finance and Chief Financial Officer up to November 20, 2012 and his compensation for finance consulting services (this latter compensation amounting to approximately \$4,000).
- (6) Mr. Sealock was appointed Executive Vice President, Corporate Operations on June 14, 2010 and was Vice President, Corporate Operations from July 1, 2008 to June 14, 2010.
- (7) These share based awards relate to the Class G Shares issued in 2010.
- (8) Share based awards and option based awards are valued at the "call option value" using the Black Scholes model. The Corporation chose to use an average of peers for its volatility assumption for the grant date fair value since the Corporation's volatility over the prior five years is not expected to be representative of the forward volatility of the Corporation's shares over the period that options are expected to be outstanding. All values are calculated based on International Financial Reporting Standards.
- (9) These amounts relate to vacation pay and benefits such as parking, health and medical coverage. In the case of the Co-Chairmen, these amounts include fees earned for serving as a director and fees paid pursuant to their respective advisory services contracts. For Mr. Hibberd, these advisory service fees amounted to \$450,000 in 2012. For Mr. Shen, these advisory service fees amounted to \$450,000 in 2012.

Narrative Discussion of Summary Compensation Table

Please refer to the disclosure under the heading “Statement of Executive Compensation – Compensation Discussion and Analysis” and the above footnotes to the Summary Compensation Table for a description and explanation of any significant factors necessary to understand the information disclosed in the Summary Compensation Table. The Corporation did not make any downward re pricing of stock options during the fiscal period ended December 31, 2012.

Incentive Plan Awards

Outstanding Share Based Awards and Option Based Awards

The following table sets forth for each Named Executive Officers, the option based awards and the share based awards that were outstanding as at December 31, 2012. The number of securities to be issued on the exercise of unexercised options (“**securities underlying unexercised options**”) has been adjusted to reflect the 20 for 1 share split made effective on February 10, 2012. As a result, the option exercise price has been divided by 20 and rounded to the nearest \$0.01.

Name	Option-based Awards ⁽¹⁾				Share-based Awards ⁽²⁾		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares That Have Not Vested (#) ⁽³⁾	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-based Awards Not Paid Out or Distributed (\$)
Michael J. Hibberd <i>Co-Chairman</i>	7,150,000	0.64	July 10, 2017	3,131,160	5,940,000	Nil	2,024,000
	1,620,000	0.38	Dec 10, 2017				
	2,990,000	0.80	Dec 10, 2017				
	7,146,000	0.14	Jan 9, 2013				
	1,404,000	0.20	Mar 31, 2013				
	1,380,000	0.20	Jun 13, 2013				
	1,980,000	0.20	Aug 1, 2013				
	2,400,000	0.28	Mar 2, 2015				
Songning Shen <i>Co Chairman</i>	7,150,000	0.64	July 10, 2017	3,131,160	5,940,000	Nil	2,024,000
	1,620,000	0.38	Dec 10, 2017				
	2,990,000	0.80	Dec 10, 2017				
	7,146,000	0.14	Jan 9, 2013				
	1,404,000	0.20	Mar 31, 2013				
	1,380,000	0.20	Jun 13, 2013				
	1,980,000	0.20	Aug 1, 2013				
	2,400,000	0.28	Mar 2, 2015				
John Zahary <i>President and Chief Executive Officer</i>	1,500,000	0.64	July 10, 2017	90,000	2,160,000	Nil	\$736,000
	4,500,000	0.38	Dec 10, 2017				
	2,000,000	0.64	May 17, 2017				
	2,000,000	0.48	Dec 20, 2016				
Robert A. Pearce <i>Senior Vice President, Finance and Chief Financial Officer (current)</i>	2,000,000	0.38	Dec 10, 2017	\$40,000			
Tom Rouse <i>Chief Financial Officer (formerly)</i>	1,000,000	0.64	July 10, 2017	740,000	1,296,000	Nil	441,600
	900,000	0.20	Mar 31, 2013				
	1,100,000	0.20	Jun 13, 2013				
	800,000	0.20	Aug 1, 2013				
	1,500,000	0.28	Mar 2, 2015				

Name	Option-based Awards ⁽¹⁾				Share-based Awards ⁽²⁾		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares That Have Not Vested (#) ⁽³⁾	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-based Awards Not Paid Out or Distributed (\$)
David Sealock	1,000,000	0.64	July 10, 2017	900,000	1,296,000	Nil	441,600
<i>Executive Vice</i>	2,000,000	0.38	Dec 10, 2017				
<i>President,</i>	3,000,000	0.20	Jun 13, 2013				
<i>Corporate</i>	400,000	0.20	Aug 1, 2013				
<i>Operations</i>	1,500,000	0.28	Mar 2, 2015				

Notes:

- (1) The value of both the vested and unvested unexercised in the money option at December 31, 2012, is based on a closing price at December 31, 2012, on the Toronto Stock Exchange of CAD\$ 0.40 which is the equivalent closing value on the same date on the Stock Exchange of Hong Kong of HK \$3.09 at the Bank of Canada December 31, 2012 exchange rate of 7.7905.
- (2) The Class G Shares and Class H Shares have not fully vested as at December 31, 2012.
- (3) Shares noted are Class G Shares. As at December 31, 2012, these Class G Shares were entitled to convert to common shares on the basis of one Class G Share or Class H Share (as applicable) for 0.46 Shares. Details of the escalating conversion schedule are noted in the 2012 audited financial statements.

The following table sets forth for each Non-Executive Director, the option based awards and the share based awards that were outstanding as at December 31, 2012. The number of securities underlying unexercised options has been adjusted to reflect the 20 for 1 share split effected February 10, 2012. As a result, the option exercise price has been divided by 20 and rounded to the nearest \$0.01.

Name	Option-based Awards ⁽¹⁾				Share-based Awards ⁽²⁾		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares That Have Not Vested (#) ⁽³⁾	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-based Awards Not Paid Out or Distributed (\$)
Hok Ming Tseung	1,000,000	0.28	Mar 2, 2015	122,400	8,100,000	Nil	2,760,000
	150,000	0.64	July 10, 2017				
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
Tingan Liu	-	-	-	Nil	-	Nil	-
Haotian Li	150,000	0.64	July 10, 2017	2,400	-	Nil	-
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
	1,000,000	0.48	Feb 17, 2016				
Raymond S. Fong	150,000	0.64	July 10, 2017	122,400	-	Nil	-
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
	200,000	0.14	Jan 9, 2013				
	100,000	0.20	Mar 31, 2013				
	400,000	0.28	Mar 2, 2015				

Name	Option-based Awards ⁽¹⁾				Share-based Awards ⁽²⁾		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares That Have Not Vested (#) ⁽³⁾	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout of Vested Share-based Awards Not Paid Out or Distributed (\$)
Wazir C. (Mike) Seth	150,000	0.64	July 10, 2017	380,000	-	Nil	-
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
	1,200,000	0.14	Jan 9, 2013				
	100,000	0.20	Mar 31, 2013				
	400,000	0.28	Mar 2, 2015				
Gregory G. Turnbull	150,000	0.64	July 10, 2017	140,000	324,000	Nil	110,400
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
	200,000	0.14	Jan 9, 2013				
	100,000	0.20	Mar 31, 2013				
	400,000	0.28	Mar 2, 2015				
Robert J. Herdman	150,000	0.64	July 10, 2017	2,400	-	Nil	-
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
	1,000,000	0.48	Jul 14, 2016				
Gerald F. Stevenson	150,000	0.64	July 10, 2017	2,400	-	Nil	-
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
	1,000,000	0.48	Jul 14, 2016				

Notes:

- (1) The value of both the vested and unvested unexercised in the money options at December 31, 2012, is based on a closing price at December 31, 2012, on the Toronto Stock Exchange of CAD \$0.40 which is the equivalent closing value on the same date on the Stock Exchange of Hong Kong of HK \$3.09 at the Bank of Canada December 31, 2012 exchange rate of 7.7905.
- (2) The Class G Shares and Class H Shares have not fully vested as at December 31, 2012.
- (3) Shares noted are Class G Shares and Class H Shares. As at December 31, 2012, these Class G Shares and Class H Shares were entitled to convert to Shares on the basis of one Class G Share or Class H Share (as applicable) for 0.46 Shares. Details of the escalating conversion schedule are noted in the 2012 audited financial statements.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officers, the incentive plan awards that were earned during the year ended December 31, 2012.

Name	Option based awards – Value vested during the year (\$)	Share based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael J. Hibberd <i>Co-Chairman</i>	256,000	2,833,600	3,500,000
Songning Shen <i>Co-Chairman</i>	256,000	2,833,600	3,500,000
John Zahary <i>President and Chief Executive Officer</i>	Nil	1,030,400	280,000
Robert A. Pearce <i>Senior Vice President Finance and Chief Financial Officer</i>	Nil	Nil	Nil

Name	Option based awards – Value vested during the year (\$)	Share based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Tom Rouse <i>Chief Financial Officer (former)</i>	160,000	618,240	233,000
David Sealock <i>Executive Vice President, Corporate Operations</i>	160,000	618,240	280,000

Notes:

- (1) The amount of Class G Shares and Class H Shares that were entitled to convert to common shares on the basis of one Class G or Class H Share (as applicable) for 0.46 Shares as at September 1, 2012. The value represents the entitled conversion amount multiplied by the share price on September 1, 2012. No amounts above were actually converted on September 1, 2012. Details of the escalating conversion schedule are noted in the 2012 audited financial statements.

The following table sets forth for each Non-Executive Director, the incentive plan awards that were earned during the year ended December 31, 2012.

Name	Option based awards – Value vested during the year (\$)	Share based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Hok Ming Tseung	106,667	3,864,000	Nil
Tingan Liu	Nil	Nil	Nil
Haotian Li	Nil	Nil	Nil
Raymond S. Fong	42,667	Nil	Nil
Wazir C. (Mike) Seth	42,667	Nil	Nil
Gregory G. Turnbull	42,667	600,000	Nil
Robert J. Herdman	40,000	Nil	Nil
Gerald F. Stevenson	40,000	Nil	Nil

Notes:

- (1) The amount of Class G Shares and Class H Shares that were entitled to convert to Shares on the basis of one Class G Share or Class H Share (as applicable) for 0.46 Shares as at December 31, 2012. The value represents the entitled conversion amount multiplied by the share price on September 1, 2012. No amounts above were actually converted on Dec 31, 2012. Details of the escalating conversion schedule are noted in the 2012 audited financial statements.

Narrative Discussion of Option based and Share based Awards

Please refer to the disclosure under the heading “*Statement of Executive Compensation – Option based Awards.*”

A description of the, Post IPO Share Option Scheme is set forth in Schedule B attached hereto, and proposed amendments to the Post IPO Share Option Scheme are summarized in the disclosure under the headings “*Post IPO Stock Share Option Scheme Amendments*” and “*Option Term Extensions During Blackout Periods*” and provided as exhibits to Schedule C attached hereto.

Pension Plan Benefits

The Corporation has no defined benefit plans, retirement plans or deferred compensation plans or other forms of retirement compensation for any of its employees.

Termination and Change of Control Benefits

The Corporation has entered into executive employment agreements with certain of the Named Executive Officers, including an executive employment agreement (the “**Chief Executive Agreement**”) with John Zahary (the “**Chief Executive**”) and executive employment agreements (the “**Executive Agreements**”) with Robert Pearce and David Sealock (each, an “**Executive**”).

The following is a description of the Chief Executive Agreement and Executive Agreements and certain of their terms and provisions in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an Executive’s responsibilities.

Termination Payments under the Chief Executive Agreement

The table below lists the compensation that would be paid to the Chief Executive upon termination in addition to base salary and bonus earned as of the termination date and unused vacation pay, assuming a termination date of December 31, 2012.

Type of Termination	Cash payments (\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Pre IPO Plan (\$)	Class G and H Preferred Shares (\$)
Resignation ⁽¹⁾	None	None	Determination of option expiry at the Board’s discretion.	At the Board’s discretion, unvested options expire 90 days after termination.	Shares are convertible, redeemable or retractable within 30 days after termination, unless extended at the Board’s discretion.
Termination (voluntary for good reason or involuntary without just cause) ⁽²⁾	Lump sum equal to 17/12 of the sum of: (a) 120% base annual salary; and (b) the average of last bonus paid and 125% of base annual salary.	None	Determination of option expiry at the Board’s discretion.	At the Board’s discretion, unvested options expire 90 days after termination.	Shares are convertible, redeemable or retractable within 30 days after termination, unless extended at the Board’s discretion.
Termination (on change of control and for good reason) ⁽²⁾⁽³⁾	17 monthly payments equal to 1/12 of the sum of: (a) 120% base annual salary; and (b) the average of last bonus paid and 125% of base annual salary.	None	All options vest and are exercisable.	All options vest and are exercisable.	All shares automatically convert.
Termination (for just cause)	None	None	All options expire immediately on termination.	At the Board’s discretion, unvested options expire 90 days after termination.	Shares are convertible, redeemable or retractable within 30 days after termination, unless extended at the Board’s discretion.
Death	None	None	Determination of option expiry at the Board’s discretion.	Accelerated vesting at the Board’s discretion; otherwise, only vested options can be exercised and expire according to their term.	Shares are convertible, redeemable or retractable within 30 days after termination, unless extended at the Board’s discretion.

Type of Termination	Cash payments (\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Pre IPO Plan (\$)	Class G and H Preferred Shares (\$)
On Permanent Disability	25% of base annual salary	Continued long-term disability coverage.	Determination of option expiry at the Board's discretion.	Accelerated vesting at the Board's discretion; otherwise, only vested options can be exercised and expire according to their term.	Shares are convertible, redeemable or retractable within 30 days after termination, unless extended at the Board's discretion.

Notes:

- (1) Assuming Mr. Zahary's resignation is accepted and he continues employment with the Corporation during the 30 day notice period.
- (2) Within five days of the termination date, the Chief Executive must provide written resignations of all director and officer positions held in the Corporation and its subsidiaries (if any) and execute a full and final release in favour of the Corporation.
- (3) With good reason (as defined under common law and the terms of the Chief Executive Agreement), the Chief Executive may elect to terminate his employment within six months of a change of control of the Corporation. A change of control includes the direct or indirect acquisition of 50% or more of the outstanding voting securities of the Corporation by persons acting jointly or in concert, an amalgamation/merger/arrangement of the Corporation resulting in holders of the other entity holding more than 50% of the outstanding voting securities of the Corporation and the sale or lease of all or substantially all the assets of the Corporation other than in the ordinary course of business or to a subsidiary or affiliate.

Termination Payments under the Executive Agreements

The table below lists the compensation that would be paid to an Executive upon termination in addition to base salary earned as of the termination date and unused vacation pay, assuming a termination date of December 31, 2012.

Type of Termination	Cash payments (\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Pre IPO Plan (\$)	Class G and H Preferred Shares (\$)
Resignation⁽¹⁾	None	None	Determination of option expiry at the Board's discretion.	At the Board's discretion, unvested options expire 90 days after termination unless they expire earlier.	Shares are convertible, redeemable or retractable within 30 days after termination, unless extended at the Board's discretion.
Termination (involuntary without just cause)⁽²⁾	Base salary and Lump sum of \$12,000 (or more at the Board's discretion) and 50% of average bonuses paid in the past two years.	Directors' and officers' insurance policy covering claims made within two years of termination	Determination of option expiry at the Board's discretion.	At the Board's discretion, unvested options expire 90 days after termination unless they expire earlier.	Shares are convertible, redeemable or retractable within 30 days after termination, unless extended at the Board's discretion.
Termination (on change of control and for good reason)⁽²⁾⁽³⁾	Base salary and Lump sum of \$12,000 (or more at the Board's discretion) and 50% of average bonuses paid in the past two years.	Directors' and Officers' insurance policy covering claims made within two years of termination	The Executive may exercise all options granted.	The Executive may exercise all options granted.	All shares automatically convert.
Termination (for just cause)	None	None	All options expire immediately on termination.	At the Board's discretion, unvested options expire 90 days after termination unless they expire earlier.	Shares are convertible, redeemable or retractable within 30 days after termination, unless extended at the Board's discretion.

Type of Termination	Cash payments (\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Pre IPO Plan (\$)	Class G and H Preferred Shares (\$)
Death	Prorated bonus until the time of death.	Nil	Determination of option expiry at the Board's discretion.	Accelerated vesting at the Board's discretion; otherwise, only vested options can be exercised and expire according to their term.	Shares are convertible, redeemable or retractable within 30 days after termination, unless extended at the Board's discretion.

Notes:

- (1) Assuming the resignation is accepted and the Executive continues employment with the Corporation during the eight week notice period for such resignation.
- (2) Following termination, the Executive must provide written resignations of all director and officer positions held in the Corporation and its subsidiaries (if any) and execute a full and final release in favour of the Corporation, in a form reasonably satisfactory to Sunshine and limited to employment obligations and specifically excluding indemnity obligations.
- (3) With good reason (as defined under the terms of Executive Agreement) following a change of control of the Corporation, the Executive may elect to terminate his employment within 15 days of the later of the change of control or the arising of the good reason. A change of control includes: (i) a change in the holding of shares of the Corporation resulting in a person not affiliated with the Corporation, directly or indirectly and acting jointly or in concert, being in a position to exercise effective control over the Corporation (with a person or persons holding securities entitled to 50% or more of the votes attaching to all shares of the Corporation being deemed to exercise such control); (ii) a merger/ amalgamation /transfer/sale/reorganization resulting in the holders of the Corporation's shares before such transaction holding less than 50% of the Corporation's shares following such transaction; and (iii) any event or transaction deemed a change of control by the Corporation's Board.

Estimated Termination Payments

The table below shows estimated compensation amounts other than base salary earned as of the termination date and unused vacation pay if the Chief Executive had been terminated on December 31, 2012.

Termination Payments for John Zahary

Type of Termination	Cash payments (\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Pre IPO Share Option Plan (\$)	Class G Preferred Shares (\$)	Total Payout (\$)
Resignation⁽¹⁾	3,750	-	-	-	736,000	739,750
Termination (voluntary for good reason or involuntary without just cause)⁽²⁾	1,361,771	-	-	-	736,000	2,097,771
Termination (on change of control and for good reason)⁽³⁾	1,361,771	-	90,000	-	1,600,000	3,051,771
Termination (for just cause)⁽²⁾	-	-	-	-	736,000	736,000
Death⁽²⁾	-	-	-	-	736,000	736,000
On Permanent Disability⁽²⁾	112,500	1,662	-	-	736,000	850,162

Notes:

- (1) Assuming the Corporation elects to terminate Mr. Zahary immediately upon receipt of his resignation notice.
- (2) For the purposes of the table above, the estimated value of the options and Shares at December 31, 2012 is equivalent to the amount of vested options and Shares outstanding at December 31, 2012 multiplied by the TSX closing price on December 31, 2012 (being \$0.40) less the cost of the options and Shares.
- (3) For the purposes of the table above, the estimated value of the options and Shares at December 31, 2012 is equivalent to the total amount of vested and unvested options and Shares outstanding at December 31, 2012 multiplied by the TSX closing price on December 31, 2012 (being \$0.40) less the cost of the options and Shares.

Termination Payments for the Executives

The tables below show estimated compensation amounts other than base salary earned as of the termination date and unused vacation pay if each of the Executives had been respectively terminated on December 31, 2012.

Robert Pearce

Type of Termination	Cash payments(\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Class G Preferred Shares (\$)	Total Payout (\$)
Resignation ⁽¹⁾	-	-	13,333	-	13,333
Termination (involuntary without just cause) ⁽²⁾	292,000	-	13,333	-	305,333
Termination (on change of control and for good reason) ⁽³⁾	292,000	-	40,000	-	332,000
Termination (for just cause) ⁽²⁾	-	-	13,333	-	13,333
Death ⁽²⁾	-	-	13,333	-	13,333

Notes:

- (1) Assuming Mr. Pearce's resignation is accepted and he continues employment with the Corporation during the eight week notice period for such resignation.
- (2) For the purposes of the table above, the estimated value of the options and Shares at December 31, 2012 is equivalent to the amount of vested options and Shares outstanding at December 31, 2012 multiplied by the market closing price on December 31, 2012 (being \$0.40) less the cost of the options and shares.
- (3) For the purposes of the table above, the estimated value of the options and shares at December 31, 2012 is equivalent to the total amount of vested and unvested options and shares outstanding at December 31, 2012 multiplied by the TSX closing price on December 31, 2012 (being \$0.40) less the cost of the options and Shares.

Termination Payments for David Sealock

Type of Termination	Cash payments (\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Pre IPO Share Option Plan (\$)	Class G Preferred Shares (\$)	Total Payout (\$)
Resignation ⁽¹⁾	-	-	-	860,000	441,600	1,301,600
Termination (involuntary without just cause) ⁽²⁾	365,750	-	-	860,000	441,600	1,667,350
Termination (on change of control and for good reason) ⁽³⁾	365,750	-	40,000	860,000	441,600	1,707,350
Termination (for just cause) ⁽²⁾	-	-	-	860,000	441,600	1,301,600
Death ⁽²⁾	280,000	-	-	860,000	441,600	1,581,600

Notes:

- (1) Assuming Mr. Sealock's resignation is accepted and he continues employment with the Corporation during the eight week notice period for such resignation.
- (2) For the purposes of the table above, the estimated value of the options and Shares at December 31, 2012 is equivalent to the amount of vested options and Shares outstanding at December 31, 2012 multiplied by the TSX closing price on December 31, 2012 (being \$0.40) less the cost of the options and Shares.

- (3) For the purposes of the table above, the estimated value of the options and Shares at December 31, 2012 is equivalent to the total amount of vested and unvested options and Shares outstanding at December 31, 2012 multiplied by the TSX closing price on December 31, 2012 (being \$0.40) less the cost of the options and Shares.

Tom Rouse

Mr. Tom Rouse stepped down as Sunshine's Vice-President and Chief Financial Officer on November 20, 2012 and was replaced by Mr. Robert A. Pearce, who assumed the role of Senior Vice President, Finance and Chief Financial Officer. In transitioning from Sunshine's Chief Financial Officer, Mr. Rouse was paid his accrued salary and vacation pay up to his termination date. Mr. Rouse entered into a consulting agreement with the Corporation, with market-based terms, and retained his options and Class G Shares.

Executive Co-Chairmen

The Corporation has also entered into consulting agreements with each of Messrs. Hibberd and Shen (the "**Executive Co-Chairmen**") with respect to the provision of advisory services to guide and supervise the activities of Sunshine's executive management, which services include financial planning services, capital market strategy services, and government and investor relations services. These agreements do not contain terms requiring any payments on termination of the agreements or on a change of control.

Director Compensation for 2012

Director Compensation Table

Name⁽¹⁾	Fees Earned (\$)	Share Based Awards⁽²⁾ (\$)	Option Based Awards⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total(\$)
Hok Ming Tseung	67,000	-	174,000	-	-	4,600,000	4,841,000
Tingan Liu	-	-	-	-	-	-	-
Haotian Li	61,000	-	174,000	-	-	-	235,000
Kevin Flaherty	-	-	-	-	-	-	-
Raymond S. Fong	76,000	-	174,000	-	-	75,000	325,000
Zhijan Qin	-	-	-	-	-	-	-
Wazir C. (Mike) Seth	75,000	-	174,000	-	-	75,000	324,000
Gregory G. Turnbull	70,000	-	174,000	-	-	100,000	344,000
Robert J. Herdman	89,000	-	174,000	-	-	75,000	338,000
Gerald F. Stevenson	79,000	-	174,000	-	-	75,000	328,000

Notes:

- (1) Compensation for Michael J. Hibberd and Songning Shen is disclosed under the Summary Compensation Table above.
- (2) Share based and option based awards are valued at the "call option value" using the Black Scholes model. The Corporation chose to use an average of peers for its volatility assumption for the grant date fair value since the Corporation's volatility over the prior five years is not expected to be representative of the forward volatility of the Corporation's shares over the period that options are expected to be outstanding. All values are calculated based on International Financial Reporting Standards.

Narrative Discussion of Director Compensation to December 31, 2012

The Corporation's non-executive directors do not have service contracts with respect to their roles as directors. All directors are reimbursed for reasonable expenses incurred by them in their capacity as directors, including travel and other out of pocket expenses incurred in connection with meetings of the Board or its committees. The Corporation pays its directors \$40,000 per year as an annual retainer and a \$1,000 per meeting fee. An additional \$20,000 retainer is paid to each Co-Chairman of the Board, and \$10,000 is paid to the chair of the Audit Committee and \$5,000 is paid to chairs of all other committees of the Board. The Corporation has not in the past incurred any large amounts in this area. In addition, the directors are entitled to participate in the Post IPO Share Option Scheme. Director compensation has been reviewed during 2012.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth information, as at December 31, 2012, with respect to compensation plans under which equity securities are authorized for issuance, aggregated for all equity compensation plans. The number of shares to be issued upon exercise of outstanding options has been adjusted to reflect the 20 for 1 share split effective as of February 10, 2012.

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans ⁽¹⁾⁽²⁾
Equity compensation plans approved by Shareholders	192,505,688 ⁽³⁾	\$0.37	17,154,030
Equity compensation plans not approved by Shareholders	-	-	-
Total	192,505,688⁽³⁾	\$0.37	17,154,030

Notes:

- (1) Note the amount of shares remaining for future issuance is calculated by taking 10% of the Class "A" common shares outstanding at the date the Shares became listed on SEHK, less the number of options outstanding on December 31, 2012. The amount is further reduced by the amount of options exercised in the year of 2012.
- (2) The total number of Shares issuable on December 31, 2012 was 6.78% of the issued and outstanding Shares as at that date.
- (3) As at the Latest Practicable Date, the number of Shares underlying options granted is 157,959,461 (representing 5.51% of the issued and outstanding shares as at that date), being comprised of 91,368,706 Shares underlying options granted pursuant to the Post IPO Share Option Scheme (representing 3.19% of the issued and outstanding Shares as at the Latest Practicable Date) and 66,590,755 Shares underlying options granted pursuant to the Pre IPO Plan (representing 2.32% of the issued and outstanding Shares as at the Latest Practicable Date).

Narrative Discussion of Equity Compensation Plan Information

Descriptions of the key features of the Corporation's various stock option plans are set forth in Schedule B attached hereto and proposed amendments to the Corporation's various stock option plans are described under the heading "*Post IPO Stock Share Option Scheme Amendments*" and "*Option Term Extensions During Blackout Periods*" and provided as exhibits to Schedule C attached hereto.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and during the most recently completed financial year, none of the Corporation's current and former directors, executive officers or employees set out in this Circular, nor any of their respective associates or affiliates, are indebted to the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To best of the knowledge of the Corporation's management, none of Sunshine's directors or executive officers, nor any person who beneficially owns directly or indirectly or exercises control or direction over securities carrying more than 10% of the voting rights attaching to the shares in the capital of the Corporation, nor any known associate or affiliate of these persons had any material interest, direct or indirect in any transaction since the commencement of the Corporation's most recently completed financial year which has materially affected the Corporation, or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

CORPORATE GOVERNANCE DISCLOSURE

Effective June 30, 2005, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Corporation is also subject to National Instrument 52-110, which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board and the Corporation's management are committed to good corporate governance and consider good corporate governance to be central to the effective and efficient operation of the Corporation. The Corporation believes that good corporate governance helps it to compete more efficiently, be more successful and sustain its success and ultimately build long term shareholder value. The Board is responsible for the governance of the Corporation. Below is a discussion of the Corporation's approach to corporate governance.

Independence of Members of the Board

NI 58-101 and NP 58-201 emphasize the importance of the constitution and independence of corporate boards. An "independent" director, under these instruments and policies, is a director who has no direct or indirect material relationship with the Corporation. For these purposes, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgement. Notwithstanding the foregoing, certain individuals are deemed by the applicable legislation to be considered to have a material relationship with the Corporation. The Board has concluded that six of the Corporation's 10 existing directors are not independent directors as provided in the table below:

<u>Name of Director</u>	<u>Independent</u>	<u>Not Independent</u>	<u>Reason For Non-Independent Status</u>
Michael J. Hibberd		✓	Mr. Hibberd is Executive Co-Chairman of the Board
Songning Shen		✓	Mr. Shen is Executive Co-Chairman of the Board
Hok Ming Tseung		✓	Mr. Hok Ming Tseung directly owns a substantial number of Shares of the Corporation. Mr. Hok Ming Tseung directly and indirectly holds an 82% interest in Orient International Resources Group Limited, which itself directly owns 266,666,640 shares in the Corporation. In addition, Mr. Hok Ming Tseung directly holds a 100% interest in Orient Financial Holdings Limited, which itself directly owns 13,566,395 shares in the Corporation.

<u>Name of Director</u>	<u>Independent</u>	<u>Not Independent</u>	<u>Reason For Non-Independent Status</u>
Tingan Liu		✓	Mr. Liu was nominated to the Board by China Life Insurance (Overseas) Company Limited (China Life) pursuant to an investment made by China Life into the Corporation. China Life is one of the Corporation's strategic investors.
Haotian Li		✓	Mr. Li was nominated to the Board by Bank of China Group Investment Limited (BOCGI) pursuant to an investment made by Charter Globe Limited (a wholly owned subsidiary of BOCGI) into the Corporation. BOCGI is one of the Corporation's strategic investors.
Gregory G. Turnbull		✓	Mr. Turnbull acts as a partner of the law firm McCarthy Tétrault LLP, which acts as legal counsel to the Corporation.
Raymond S. Fong	✓		
Robert J. Herdman	✓		
Wazir C. (Mike) Seth	✓		
Gerald F. Stevenson	✓		

Participation of Directors in Other Reporting Issuers

<u>Name of Director</u>	<u>Name of Other Reporting Issuer</u>	<u>Listing</u>
Michael J. Hibberd	Heritage Oil plc Heritage Oil Corporation Canacol Energy Ltd. Greenfields Petroleum Corporation Montana Exploration Corp. Pan Orient Energy Corp.	London Stock Exchange Toronto Stock Exchange, London Stock Exchange Toronto Stock Exchange, Colombia Stock Exchange TSX Venture Exchange TSX Venture Exchange TSX Venture Exchange
Gregory G. Turnbull	Crescent Point Energy Corp. Hawk Exploration Ltd. Heritage Oil plc Heritage Oil Corporation Hyperion Exploration Corp. Sonde Resources Corp. Storm Resources Ltd. Porto Energy Corp.	Toronto Stock Exchange TSX Venture Exchange London Stock Exchange Toronto Stock Exchange, London Stock Exchange TSX Venture Exchange Toronto Stock Exchange, NYSE Amex TSX Venture Exchange TSX Venture Exchange
Raymond S. Fong	China Coal Corporation	TSX Venture Exchange
Robert J. Herdman	TriOil Resources Ltd. Black Diamond Limited Chinook Energy Inc. Blackline GPS Corp.	TSX Venture Exchange Toronto Stock Exchange Toronto Stock Exchange TSX Venture Exchange
Wazir C. (Mike) Seth	Enerplus Corporation Connacher Oil and Gas Limited Corridor Resources Inc. Lateral Capital Corporation	Toronto Stock Exchange, New York Stock Exchange Toronto Stock Exchange Toronto Stock Exchange TSX Venture Exchange
Hok Ming Tseung	Dongwu Cement International Ltd.	HKEx

The independent directors of the Corporation do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. To facilitate open and

candid discussion among the independent directors, the Board holds in camera sessions at Board meetings without the presence of management or those directors who are executives. The independent directors may in the future consider holding regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

The co-chairmen of the Board are non-independent directors. To provide leadership for the independent directors, each of the Corporate Governance Committee, Compensation Committee, Reserves Committee and Audit Committee is comprised of a majority of independent directors and each is chaired by an independent director. The ability to establish ad hoc committees comprised of a majority, or entirely, of independent directors provides the Board with the further ability to exercise independent oversight of management, and the chair of each such ad hoc committee provides leadership for such committee.

Board Mandate

The Board is generally responsible for managing the business and affairs of the Corporation. The primary responsibility of the Board is to promote the best interests of the Corporation and maximize Shareholders' value. This responsibility includes: (i) approving annual capital expenditure budgets and general and administrative expense budgets and reviewing fundamental operating, financial and other corporate plans, strategies and objectives; (ii) outlining key operating parameters including debt levels and ratios; (iii) evaluating the performance of the Corporation and executive officers; (iv) determining, evaluating and fixing the compensation of executive officers; (v) adopting policies of corporate governance and conduct; (vi) considering risk management matters; (vii) reviewing the process of providing appropriate financial and operational information to Shareholders and the public generally; and (viii) evaluating the overall effectiveness of the Board.

The Board explicitly acknowledges its responsibility for the stewardship of the Corporation. The Board reviews with management matters of strategic planning, business risk identification, succession planning, communications policy and integrity of internal control and management information systems. The Board fulfils its responsibilities through regular meetings. It meets a minimum of four (4) times per year. In addition, the Board meets at such other times as may be required.

Position Descriptions

The Board has developed written position descriptions for its Co-Chairs and the Chairs of the Corporation's various committees. The Board has also developed written terms of reference for each of the Corporation's committees.

The Board has developed a written position description for the President and Chief Executive Officer of the Corporation.

Orientation and Continuing Education

The Board orients new directors of the Corporation by holding training sessions to review the Corporation's constituting documents, its board mandate, the terms of references for each of the Corporation's Committees, and provides an overview of the Corporation's technical operations. The Board also makes arrangements to introduce all new directors to the Corporation's senior management. Senior management provides each new director with a general overview of the Corporation's financial, corporate and internal operations and control structures. From time to time, the Board uses the expertise of its Canadian and Hong Kong legal counsel, to provide continuing education to its directors regarding applicable statutory, regulatory and other compliance requirements to which the Corporation is subject.

Ethical Business Conduct

The Board has approved and adopted a written corporate code of conduct (the “**Code**”) for its directors, officers and employees. The Code is posted on the Corporation’s intranet and is easily accessible by all directors, officers and employees of the Corporation. The Corporation mandates that each and every director, officer and employee of the Corporation review and sign the Code, thereby consenting to abide by it. Strict compliance with the Code is monitored by the executive directors and, from time to time, by the Corporation’s Canadian and Hong Kong legal counsel.

The Board ensures that each director exercises independent judgment in all transactions and agreements by encouraging directors to seek independent legal counsel as and when necessary. Each director is asked at each board and committee meetings if they have any material interest to disclose, and if there exists any material interest, such director(s) abstains from voting on the transaction and/or agreement in which such director(s) has a material interest.

Nomination of Directors

The Corporate Governance Committee is responsible for recruiting and recommending to the full Board nominees for election as directors. The goal of the Corporate Governance Committee is to achieve a Board that provides effective oversight of the Corporation through the appropriate diversity of experience, expertise, skills, specialized knowledge and other qualifications and attributes of the individual directors. Important general criteria for Board membership include, but are not limited to, the following:

- (a) members of the Board should be individuals of high integrity and independence, with substantial accomplishments, and should have prior or current associations with institutions noted for their excellence;
- (b) members of the Board should have demonstrated leadership ability, with broad experience, diverse perspectives, and the ability to exercise sound business judgment; and
- (c) the composition of the Board should reflect the benefits of diversity as to gender, ethnic background and experience.

The Corporate Governance Committee is comprised of a majority of independent directors and the Chair of the Corporate Governance Committee is an independent director. The Corporate Governance Committee has adopted a written terms of reference which describes the committee’s responsibilities, powers and operations.

Election of Directors

Effective March 26, 2013, the Board passed a policy which provides that, in the event that a director candidate is elected but receives more votes withheld than cast in favour of the director at the meeting appointing directors, he or she is expected to submit a letter of resignation within seven (7) days. Within 90 days of the voting results, the Board shall consider the circumstances of such vote, the particular attributes of the director candidate including his or her knowledge, experience and contribution at Board meetings and determine whether to accept or reject the resignation and will issue a press release announcing the resignation or explain the reasons justifying its decision not to accept the resignation.

Assessments

The Corporate Governance Committee is responsible for assessing the performance of the Board and its Chair, the Board committees and individual directors on an ongoing basis. Directors are encouraged to comment broadly, positively and negatively, on any issue concerning the Board, Board committees and director performance. From time to time, the Co Chairmen of the Board meet informally with each director, to discuss performance of the Board, Board committees and other issues.

Committees of the Corporation

Corporate Governance Committee

The Corporation established a corporate governance committee (the “**Corporate Governance Committee**”) to deal with nomination and corporate governance issues, with written terms of reference. These terms of reference can be accessed at the Corporation’s website at www.sunshineoilsands.com/about/committee-charters.html.

The primary functions of the Corporate Governance Committee in respect of nominations include, but are not limited to:

- (a) making recommendations to the Board on relevant matters relating to the appointment or re appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer; and
- (b) assessing the independence of independent non-executive directors.

Further, the Corporate Governance Committee has certain duties in respect of other corporate governance matters, including:

- (c) to consider and review the Corporation’s corporate governance principles, practices and processes and to make recommendations to the Board;
- (d) to review and monitor the training and continuous professional development of directors and senior management; and
- (e) to review the Corporation’s compliance with the Code on Corporate Governance.

The Corporate Governance Committee meets at least once annually.

The current members of the Corporate Governance Committee are Mr. Stevenson, who is the chairman, and Messrs. Hibberd, Fong, Seth, Herdman, Turnbull and Li.

Compensation Committee

The Corporation has established a remuneration committee (known as and referred to herein as the “**Compensation Committee**”) with written terms of reference. These terms of reference can be accessed at the Corporation’s website at www.sunshineoilsands.com/about/committee-charters.html.

The current members of the Compensation Committee are Mr. Herdman, who is the chairman, and Messrs. Tseung, Turnbull, Stevenson and Fong.

The primary duties of the Compensation Committee are to review and make recommendations to the Board in respect of the compensation of the directors, officers and employees of the Corporation. The Compensation Committee also reviews compensation and other human resource philosophies and policies and undertakes the review of bonuses, stock options and share purchase plan(s) (if any). Further, the Compensation Committee submits an annual report for inclusion in the Corporation's relevant public documents. The Compensation Committee meets at least twice annually.

Reserves Committee

The Corporation has established a reserves committee (the "**Reserves Committee**") which has the primary responsibility for reviewing procedures relating to the disclosure of information with respect to oil and gas activities, including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements. These terms of reference of the Reserves Committee can be accessed at the Corporation's website at www.sunshineoilsands.com/about/committee-charters.html.

Specifically, the Reserves Committee's responsibilities include, but are not limited to:

- (a) reviewing and approving management's recommendations for the appointment of independent evaluators;
- (b) reviewing procedures for providing information to the independent evaluators;
- (c) meeting with management and the independent evaluators to review the reserves data and reports;
- (d) recommending to the Board whether to approve the content of the independent evaluators' reports; and
- (e) reviewing procedures for reporting on other information associated with oil sands producing activities and generally reviewing all public disclosure of estimates of reserves.

The Reserves Committee is comprised of four members of the Board, who must each meet certain independence criteria as set out by the Board in the committee's written terms of reference. The Reserves Committee meets at least once annually. The Reserves Committee is currently comprised of Mr. Seth, who is the chairman, and Messrs. Shen, Stevenson and Fong.

Audit Committee

The Corporation has established an audit committee (the "**Audit Committee**"). The purpose of the Audit Committee is to provide assistance to the Board in fulfilling its legal fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. The Audit Committee has a defined mandate and is responsible for reviewing and overseeing the external audit function, recommending the external auditor and the terms of such appointment or discharge, reviewing external auditor reports and significant findings and reviewing and recommending for approval to the Board all public financial disclosure information such as financial statements, management's discussion and analysis, AIFs and prospectuses. The Audit Committee also pre approves all non-audit services to be conducted by the external auditors and ensures that management has effective internal control systems, investigates any recommendations for improvement of internal controls and meets at least annually with the Corporation's external auditors without management present

and at least quarterly with management present. Sunshine does not have internal auditors and, given the size of the Corporation, Sunshine considers this to be practical and appropriate. The Audit Committee convenes at least quarterly with the Corporation's auditors and management and as circumstances otherwise warrant.

Audit Committee Charter

The full text of Audit Committee's charter is set forth in the attached Schedule E.

Composition of the Audit Committee

The Audit Committee is comprised of Mr. Herdman, who is the chairman, and Messrs. Stevenson, Seth and Liu. Each of the members of the Audit Committee is financially literate under Section 1.5 of NI 52-110. Messrs. Herdman, Stevenson and Seth are independent as such term is described under Section 1.4 of NI 52-110. After the Meeting, it is anticipated that Mr. Liu will step down from the Audit Committee so that it is comprised of only independent directors in order to comply with applicable independence requirements.

Relevant Education and Experience

The following is a description of the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member.

1. Mr. Robert J. Herdman

Mr. Herdman is a Fellow Chartered Accountant and was formerly a partner at Price Waterhouse and PricewaterhouseCoopers LLP from 1989 to 2010 in Calgary serving the firm's Calgary based public clients including service to companies operating in both the mining and thermal recovery of oil sands. Following a 34 year career with PricewaterhouseCoopers LLP, Mr. Herdman retired from practice in 2010. He currently serves on the boards of directors of TriOil Resources Ltd., Black Diamond Limited, Chinook Energy Inc., and Blackline GPS Corp. He recently completed a six year term on the board of governors of the Chartered Accountants Education Foundation and has served on a number of other committees overseeing the practice of accounting in Alberta and as a director for a number of non-profit making organisations. Mr. Herdman graduated with a bachelor of education degree from the University of Calgary in 1974.

2. Mr. Gerald F. Stevenson

Mr. Stevenson has over 37 years of experience in oil and natural gas operations including senior management positions at a number of Canadian and international energy companies. Mr. Stevenson is currently on the board of directors of Southwest Energy Trust. He was head of oil & gas acquisitions and divestitures for CIBC World Markets Inc. in Calgary, Alberta from January 2006 to April 2011 where he was responsible for selling oil and gas companies or individual oil and gas properties, and was involved in mergers & acquisitions and financing activities.

Mr. Stevenson was at Suncor Inc. from July 1985 to June 1991, North Canadian Oils Limited from July 1991 to June 1993, Waterous & Co from July 1993 to August 1997, February 2000 to October 2001, and March 2003 to July 2005, and Enerplus Resources Fund from October 2001 to March 2003, where he was responsible for acquisitions and divestitures. He was vice president, production of Hurricane Hydrocarbons from April 1998 to October 1998 and was appointed interim President, Chief Executive Officer and director of Hurricane Hydrocarbons in October 1998.

3. Mr. Wazir C. (Mike) Seth

Mr. Seth has over 40 years of experience in the oil and natural gas industry. He is President of Seth Consultants Ltd. From January 1989 to June 2006, he served as chairman, president and managing director of McDaniel & Associates Consultants Ltd., one of the preeminent oil and gas engineering evaluators in Canada and internationally.

Mr. Seth is currently on the board of directors of Enerplus Corporation, Connacher Oil and Gas Limited, Corridor Resources Inc. and Lateral Capital Corporation. He is also the founder and director of Energy Navigator Inc., a private software development firm servicing the petroleum industry. Mr. Seth has previously served as a director of Redcliffe Exploration Inc. and Triton Energy Corp.

4. Mr. Tingan Liu

Mr. Liu is the deputy chairman and president of China Life Insurance (Overseas) Company Limited. Mr. Liu also holds a number of positions of responsibility in various professional and industry bodies, including serving as a member of the Listing Committee of the Stock Exchange of Hong Kong Limited, as a member of the Insurance Advisory Committee of the Government of Hong Kong S.A.R., as a councillor of the Life Insurance Council of the Hong Kong Federation of Insurers, as an executive director of the Hong Kong Chinese Enterprises Association and as a council member and fellow of the Hong Kong Institute of Directors. Mr. Liu received the Director of the Year Award, organised by The Hong Kong Institute of Directors, in 2009 in the category of "Private Company Executive Directors" and he was also a winner of China's "Top 10 Economic Talents Special Award 2009".

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Corporation's Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, including tax advisory and compliance services. The Audit Committee has the authority to establish financial thresholds for fees for non-audit services to be provided by the external auditors without advance approval of the Audit Committee. See the Other Responsibilities provisions of the Audit Committee Charter which is attached hereto as Schedule E.

External Auditor Service Fees

The fees paid to the Corporation's external auditor in each of the last two fiscal years are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees⁽¹⁾</u>	<u>Audit Related Fees⁽²⁾</u>	<u>Tax Fees⁽³⁾</u>	<u>All Other Fees⁽⁴⁾</u>
December 31, 2012	\$422,945	Nil	\$25,360	Nil
December 31, 2011	\$724,842	\$388,720	Nil	Nil

Notes:

- (1) The aggregate fees billed by the Corporation's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Corporation's auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the "Audit fees" column.
- (3) The aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice, and tax planning.

- (4) The aggregate fees billed by the Corporation's auditor for products and services provided other than the services reported under (1), (2), and (3) above.

RECOMMENDATION

The directors consider that the election of directors for the ensuing year, the appointment of auditors, the proposed amendments to the Corporation's stock option plans, the adoption of the ESSP, the proposed grant of the general mandate to issue Shares, the Share Repurchase Mandate and the Share Consolidation are all in the best interests of the Corporation and its Shareholders as a whole. Accordingly, the directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the Meeting.

ADDITIONAL INFORMATION

Additional financial information is provided for in our financial statements and management's discussion and analysis for the year ended December 31, 2012. Documents affecting the rights of security holders, along with other information relating to the Corporation, may be found on the Corporation's website at www.sunshineoilsands.com.

RESPONSIBILITY STATEMENT

This Circular, for which the directors of the Corporation collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Corporation. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the Board.

(signed) "*Songning Shen*"

Songning Shen
Co-Chairman

(signed) "*Michael John Hibberd*"

Michael J. Hibberd
Co-Chairman

DATED at Calgary, Alberta, this 27 day of March, 2013.

SCHEDULE A
EXPLANATORY STATEMENT RELATING TO SHARE REPURCHASE

This Schedule serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the shareholders for their consideration of the Share Repurchase Mandate.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this document.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the SEHK to repurchase their shares on the SEHK or other stock exchanges subject to certain restrictions. The Corporation is empowered to repurchase its own shares, subject to the requirements of the ABCA.

SHARE CAPITAL

As at the Latest Practicable Date, the issued and outstanding Shares of the Corporation numbered 2,865,138,161. Subject to the passing of the repurchase resolution and on the basis that no further shares are issued or repurchased prior to the Meeting, the Corporation would be allowed to repurchase up to a maximum of 286,513,816 Shares under the Share Repurchase Mandate during the Relevant Period, representing 10% of the issued and outstanding share capital of the Corporation as at the Latest Practicable Date.

REASONS FOR THE REPURCHASES

The Board believes that the flexibility afforded to them by the Share Repurchase Mandate would be in the best interests of the Corporation and the Shareholders. Repurchases pursuant to such mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Corporation's Shares or the net assets and/or the earnings per share and will only be made when the Board believes that such actions will benefit the Corporation and the Shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing Shares, the Corporation may only apply funds legally available for such purpose in accordance with its Articles and subject to the requirements of the ABCA. It is expected that the Corporation will fund any repurchase of shares from its available internal resources.

IMPACT ON THE WORKING CAPITAL OR GEARING POSITION

If the Share Repurchase Mandate is exercised in full at any time during the Relevant Period, there may be a material adverse effect on the working capital levels of the Corporation or its gearing levels, as compared with the position disclosed in the Corporation's audited financial statements for the year ended December 31, 2012 (the most recent published audited financial statements). However, the Board does not propose to exercise such mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Corporation at the time of the relevant repurchases unless the Board determines that such repurchases are, taking into account of all relevant factors, in the best interests of the Corporation.

SHARE PRICES

The highest and lowest prices at which the Corporation's Shares have been traded on the SEHK and TSX for the past twelve months preceding the issue of this Circular were as follows:

SEHK Trading Prices

	Per Share Highest	Lowest
	HK\$	HK\$
2012		
March 1 – March 31	4.86	4.41
April 1 – April 25	4.92	4.57
May 1- May 31	4.76	4.50
June 1 – June 30	4.72	4.47
July 1 – July 31	4.63	4.50
August 1 – August 31	4.61	4.33
September 1 – September 30	4.41	2.56
October 1 – October 31	3.24	2.58
November 1- November 30	3.79	2.56
December 1 – December 31	3.13	2.65
2013		
January 1 – January 31	3.48	3.02
February 1 – February 28	3.15	2.57
March 1 – March 27	2.78	2.05

TSX Trading Prices

	Per Share Highest	Lowest
	CAD\$	CAD\$
2013		
January 1 – January 31	0.41	0.38
February 1 – February 28	0.40	0.33
March 1 – March 27	0.38	0.27

EFFECT OF THE CODE OF TAKEOVERS AND MERGERS AND SHARE REPURCHASES OF HONG KONG (“TAKEOVERS CODE”)

A Shareholder's proportionate interest in the voting rights of the Corporation will increase upon the Corporation's exercise of its powers to repurchase Shares pursuant to the Share Repurchase Mandate, and such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase in his/her or their shareholding interest, could obtain or consolidate control of the Corporation and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code.

In addition, assuming that there is no issue of Shares between the Latest Practicable Date and the date of repurchase, an exercise of the Share Repurchase Mandate whether in whole or in part will not result in less than 25% of the issued share capital of the Corporation being held by the public, being the prescribed

minimum percentage of shares required by the SEHK. The board of directors have no intention to exercise the Share Repurchase Mandate to the extent that it may result in a public shareholding of less than the prescribed minimum percentage.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention to sell Shares to the Corporation in the event that the Share Repurchase Mandate is approved by the Shareholders.

The Corporation has not been notified by any “connected person” (as defined in the Listing Rules) that he has a present intention to sell Shares to the Corporation or has undertaken not to sell Shares held by him to the Corporation in the event that the Share Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF DIRECTORS

The directors have undertaken to the SEHK that they will exercise the power of the Corporation to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, Canadian laws and the constitutional documents of the Corporation.

SHARE PURCHASE MADE BY THE CORPORATION

The Corporation made purchases of the Corporation’s Shares in the previous six months. Between September and the end of October 2012, Sunshine repurchased 61,172,000 Common Shares for cancellation at an average price per Common Share of approximately HK\$3.06 (CAD \$0.39), for total consideration of approximately CAD\$23,934,207. The date of each purchase and the purchase price per Share is set out below:

Date	Price Per Share	
	HK\$	CAD\$ (equivalent)
18 September 2012	3.5000	0.4398
19 September 2012	3.5000	0.4399
20 September 2012	3.4670	0.4371
21 September 2012	3.3332	0.4194
24 September 2012	3.2991	0.4171
25 September 2012	3.2421	0.4085
26 September 2012	3.0196	0.3833
27 September 2012	2.8475	0.3604
28 September 2012	3.1155	0.3952
3 October 2012	3.2020	0.4075
4 October 2012	3.1264	0.3960
5 October 2012	2.9955	0.3772
8 October 2012	2.9779	0.3750
9 October 2012	2.9815	0.3764
10 October 2012	3.5000	0.4398

SCHEDULE B SHARE OPTION PLAN DESCRIPTIONS

Post IPO Share Option Scheme

The Corporation adopted the Post IPO Share Option Scheme on January 26, 2012. The purpose of the Scheme is to attract skilled and experienced personnel, to incentivise them to remain with the Corporation and to motivate them to strive for the future development and expansion of the Corporation by providing them with the opportunity to acquire equity interests in the Corporation.

As at the Latest Practicable Date, there were 66,590,755 Shares underlying options granted under the Scheme (representing 3.19% of the issued and outstanding Shares as at that date).

Present Terms of the Scheme

The following section provides a brief summary of the principal terms of the Post IPO Share Option Scheme, without giving effect to the amendments for which Shareholder approval is being sought at the Meeting, and is qualified in its entirety by the terms and provisions of the Scheme, the full text of which is available under the Corporation's profile at www.sedar.com.

Participants

The Board may, in its discretion, select any directors, officers and employees of the Corporation, the Corporation's subsidiaries and any other persons to participate in the Post IPO Option Scheme.

Option Issuance Thresholds

The aggregate number of Shares that may be issued under the Scheme (together with Shares underlying options granted under any other share option scheme) is 284,092,143, representing 10% of Shares outstanding when the Scheme was implemented (and representing approximately 9.9% of the Shares outstanding as at the Latest Practicable Date). This threshold may be increased at a later date with the approval of Shareholders provided that the new limit may not exceed 10% of Shares issued and outstanding as at such date (excluding Shares underlying options granted under the Scheme and any other share option scheme prior to such date). The Corporation may exceed this limit where shareholder approval has been sought and obtained in accordance with the provisions of the Scheme.

The aggregate number of Shares issued or to be issued to any one person under the Scheme at any time in any 12 month period (together with any Shares underlying options granted during such period under any other share option scheme) must not exceed 1% of Shares issued and outstanding at the time, unless shareholder approval has been sought and obtained in accordance with the provisions of the Scheme (and with the person receiving such option grant abstaining from voting).

Shareholder approval (excluding the votes of all "connected persons" of Sunshine, as "connected person" is defined in the SEHK listing rules) is required where any grant of options under the Scheme to a substantial shareholder (as defined in the SEHK listing rules) or an independent non-executive director, or any of their respective associates, would result in the Shares issued and to be issued upon the exercise of all options (including those already granted and including options exercised, cancelled and outstanding) and any other share option schemes of the Corporation in the 12 month period up to and including the grant date would represent in the aggregate over 0.1% Shares in issue on the grant date and have an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the SEHK on the grant date, in excess of HK\$5 million. Grants to directors, chief executives (as defined

in the SEHK listing rules) or substantial shareholders falling below this threshold require the prior approval of the independent non-executive directors (excluding the vote of the independent non-executive director receiving shares under the grant, if any).

Exercise Price

The Board has the authority under the Scheme to determine the exercise price for the Shares underlying options granted under the Scheme, but the Scheme provides that such exercise price will not be less than the higher of: (a) the closing price of the Shares as stated in the daily quotation sheets issued by the SEHK on the offer date, which must be a business day; and (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the SEHK for the five business days immediately preceding the offer date.

Other Terms of Options Granted

The Board has discretion to specify the terms on which options are granted under the Post IPO Share Option Scheme. Such terms may include, among other things: (a) vesting periods; (b) performance targets that must be reached before an option can be exercised; (c) the period during which an option may be exercised (the “**exercise period**”), which shall not expire later than 10 years from the date on which the option is offered; and (d) any other terms either on a case by case basis or generally.

An option granted to a person in accordance with the Post IPO Share Option Scheme is not assignable or transferable and the person must not sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party in relation to any option.

Expiry

Option granted under the Scheme lapse automatically and will not be exercisable on the earliest of: (a) the expiry of the exercise period; (b) the date of termination of the grantee’s employment or service by the Corporation or any of its subsidiaries for cause; (c) the date on which the grantee: (i) becomes an officer, director, employee, consultant, adviser, partner of, or a shareholder or other proprietor owning more than a 5% interest in, any competitor; or (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any competitor; (d) the date on which an unconditional general offer, by way of takeover or otherwise, made to all the Shareholders (other than the offeror and any person or person acting jointly or in concert with the offeror) closes; (e) the date, where a plan or scheme of arrangement was made to all Shareholders and was approved at the requisite meeting, that is the record date for determining entitlements under such scheme of arrangement; (f) the date on which a compromise or arrangement (other than as described above) under the ABCA becomes effective; (g) the date of the commencement of the winding up of the Corporation; (h) the expiry of the period for exercising the option referred following a termination for reasons other than for cause; (i) the date on which the person transfers the option; (j) the date on which the person is declared bankrupt or enters into any arrangement or composition with his creditors generally; and (k) in respect of Shares underlying options which are subject to vesting conditions, the date on which the conditions to vesting of the relevant Shares underlying the option are not satisfied.

If the Grantee’s employment or service with the Corporation or its subsidiary is terminated for any reason other than for cause (including any reason of resignation, retirement, death, disability or non-renewal of the employment, service or other agreement upon its expiration) prior to the expiry of the exercise period of any option, then the Board shall determine at its absolute discretion whether the grantee will be entitled to exercise the options in respect of vested and unvested shares as at the date of the grantee’s employment or service is terminated. If the Board determines that such option may not be exercised following such

termination of employment or service, such option shall automatically expire on the date of the termination.

Amendment of the Scheme

The Board may alter any of the terms of the Post IPO Share Option Scheme at any time, provided that any alterations to the key terms of the Post IPO Share Option Scheme (including inter alia those that relate to who can participate, the issuance thresholds, determining the exercise price and the cancellation and termination of options granted) to the advantage of participants or any changes to the terms of the options granted under the Scheme must be approved by Shareholders in a general meeting and provided that any alterations to the amendment provisions of the Scheme or which are, in the opinion of the Board, of a material nature must be approved by Shareholders in a general meeting.

Pre IPO Plan

The Corporation originally adopted the Pre IPO Plan on May 7, 2009 and amended on June 13, 2010. The purpose of the Pre IPO Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees of, or providers of services to, the Corporation and its subsidiaries to acquire Shares, thereby aligning the interests of such persons with the interests of the Corporation's shareholders generally; encouraging them to remain associated with the Corporation; and furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

Following its listing on the SEHK, the Corporation ceased to grant options under the Pre IPO Plan. New option grants are governed by the terms and provisions of the Post IPO Share Option Scheme. However, unexercised options granted under the Pre IPO Plan continue to be governed by the terms and provisions of the Pre IPO Plan.

As at the Latest Practicable Date, there were 91,368,706 Shares underlying options granted under the Pre IPO Plan (representing 2.32% of the issued and outstanding Shares as at that date).

Present Terms of the Pre IPO Plan

The following section provides a brief summary of the principal terms of the Pre IPO Plan, without giving effect to the amendments for which Shareholder approval is being sought at the Meeting, and is qualified in its entirety by the terms and provisions of the Pre IPO Plan, the full text of which is available under the Corporation's profile at www.sedar.com.

Participants

The Board may, in its discretion, select any directors, officers or employees of, or providers of services to, the Corporation and its subsidiaries to participate in the Pre IPO Plan.

Exercise Price

The Board had the authority under the Pre IPO Plan to determine the exercise price for options granted under the Pre IPO Plan.

Other Terms of Options Granted

The Board had discretion to specify the terms on which options were granted under the Pre IPO Plan. Such terms included, among other things, the vesting period and the exercise period (not to be later than five years from the date on which the option was granted, unless otherwise agreed by the Board).

Any option granted to a person in accordance with the Pre IPO Plan is not assignable or transferable. Only the grantee may exercise the options, and in the event of the death or permanent disability or normal retirement of the grantee, only a person to whom the grantee's rights under the options pass may exercise the options.

Expiry

Subject to the Board's discretion, when a grantee under the Pre IPO Plan ceases to be a director, officer or employee of, or provider of services to, the Corporation or its subsidiaries for any reason other than death, permanent disability or normal retirement, the unvested options shall expire immediately and the vested options shall expire at 5:00 p.m. (Calgary time) on the earlier of: (a) the date of the expiry of the exercise period and (b) the 90th day after the date on which the grantee ceases to be in such capacities. Notwithstanding the foregoing, subject to the Board's discretion, when a grantee under the Pre IPO Plan ceases to be a director, officer or employee of, or provider of services to, the Corporation or its subsidiaries for any reason other than voluntary resignation or being dismissed by the Corporation or subsidiary for cause, the unvested options shall expire immediately and the vested options shall expire until the earlier of (a) the expiry of the exercise period and (b) if the Shares are freely tradable on a recognized stock exchange on the day the grantee ceases to be in such capacities, the 90th day after that date.

In the event of the death, permanent disability or normal retirement of a person, the Board may accelerate vesting in the event of death of any option previously granted to that person. Absent accelerated vesting, options will be exercisable in the event of death or permanent disability only to the extent the grantee was entitled to exercise the option at the date of his or her death or permanent disability and only by a person to whom the grantee's rights under the option will pass.

In the event of normal retirement, options that would have vested in the year following the retirement will accelerate, such that they vest upon normal retirement. The options will be exercisable until earlier of: (a) the expiration of the exercise period; and (b) the date that is 12 months after the date of the death, permanent disability or normal retirement of the grantee.

In the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, a grantee under the Pre IPO Plan shall be entitled to exercise his or her unexercised options, whether vested or not, until the earlier of (a) the expiration of the exercise period; and (b) the date of closing of such transaction.

Termination and Amendment of the Pre IPO Plan

The Board may suspend or terminate the Pre IPO Plan without Shareholder's approval.

The Board may alter any of the terms of the Pre IPO Plan at any time, provided that: (a) such alteration will not materially affect the rights of any grantee under the Pre IPO Plan or other share option scheme; (b) any alterations to the key terms or any increase in the maximum number of Shares issuable under the Pre IPO Plan must be approved by a majority of the votes cast at a Shareholder's meeting; and (c) any alterations to an option held by an insider, including a change in the exercise price or expiry date, must be

approved by a majority of the votes cast at a Shareholder's meeting, excluding the votes attached to Shares beneficially owned by such insider.

**SCHEDULE C
SHARE OPTION PLAN AMENDMENTS**

Exhibit 1

The text of the Corporation's Post IPO Share Option Scheme (as defined in the Circular, to which this Schedule is attached) will be amended as follows:

The following definition will be inserted after the definition of "Hong Kong" under paragraph 1.1:

Insider has the same meaning as the term "reporting insider" under National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*, as amended from time to time;

The following will be added as new paragraph 4.3:

- 4.3 For greater certainty, the number of Shares underlying Options that may be granted to Insiders of the Company under this Scheme and any other share option schemes of the Company within any 12-month period will not exceed 10% of the Shares then in issue and the number of Shares underlying Options that may be granted to Insiders of the Company at any time will not exceed 10% of the Shares then in issue.

Paragraph 5.1 of the Scheme presently provides as follows:

- 5.1 The Exercise Price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:
- (a) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the Offer Date, which must be a Business Day; or
 - (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Business Days immediately preceding the Offer Date,

provided that for the purpose of determining the Exercise Price where the Shares have been listed on the Stock Exchange for less than five Business Days, the issue price of the Shares in the Global Offering shall be used as the closing price of the Shares for any Business Day falling within the period before the listing of Shares on the Stock Exchange.

Paragraph 5.1 will be deleted in its entirety and the following will be added as paragraph 5.1 in its place:

- 5.1 The Exercise Price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:
- (a) the trading day's closing price as stated in the daily quotation sheets issued by the Stock Exchange or the Toronto Stock Exchange (whichever is higher) on the Offer Date, which must be a Business Day;
 - (b) the volume weighted average trading price (VWAP) of the Shares on the Stock Exchange or the Toronto Stock Exchange (whichever is higher) for the five trading days immediately preceding the Offer Date; or

- (c) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange or the Toronto Stock Exchange (whichever is higher) for the five trading days immediately preceding the Offer Date,

which price, for convenience, shall be expressed in or converted to Canadian dollars at the Bank of Canada noon Hong Kong – Canada exchange rate in effect on that day;

In reading the above, please note that “**Business Day**” is defined in the Scheme to mean “any day on which the Stock Exchange is open for the business of dealing in securities”. The term “trading days” is not defined in the Scheme, but refers to: (i) in respect of the Toronto Stock Exchange, those days on which the Toronto Stock Exchange is open for the business of dealing in securities; and (ii) in respect of the Stock Exchange, Business Days.

The following will be added as new paragraph 13.5:

- 13.5 Notwithstanding the provisions of **paragraph 13.1**, the Board may not, without the prior approval of the Shareholders in a general meeting, make amendments to this Scheme for any of the following purposes:
 - (a) any amendment to remove or exceed any of the limits set out in **paragraph 4**;
 - (b) to reduce the price at which Shares are purchased under the Scheme;
 - (c) to expand the definition of Participants under this Scheme; or
 - (d) to amend the provisions of this **paragraph 13.5**.

The following will be added as new paragraph 13.6:

- 13.6 The Board may, at any time and from time to time, without the prior approval of the Shareholders, amend any term within this Scheme or in any grant of Options made hereunder, provided that:
 - (a) any required approval of the Stock Exchange and/or the Toronto Stock Exchange, or any regulatory authority or stock exchange is obtained; and
 - (b) the consent or deemed consent of the Participant is obtained, if the amendment would materially prejudice the rights of the Participant under this Scheme.

Exhibit 2

The text of the Corporation’s Post IPO Share Option Scheme (as defined in the Circular, to which this Schedule is attached) will be amended as follows:

The definition of “**Option Period**” under paragraph 1.1 of the Scheme presently provides as follows:

Option Period means, in respect of any particular Option, the period to be determined and notified by the Board to the Grantee at the time of making an Offer, which shall not expire later than 10 years from the Offer Date;

The definition of “**Option Period**” under paragraph 1.1 will be deleted in its entirety and the following will be added as the definition of “Option Period” in its place:

Option Period means, in respect of any particular Option, the period to be determined and notified by the Board to the Grantee at the time of making an Offer, which shall not expire later than 10 years from the Offer Date; *provided that* if the last date on which an Option may be exercised in such Option Period falls within a period during which, pursuant to the policies of the Company or otherwise, trading in Company's shares is prohibited (a “**blackout period**”) or within 2 Business Days from the end of a blackout period, the Option Period shall be extended to the date that is 10 Business Days following the end of the blackout period, except where such extension would result in the Option Period for any particular Option expiring later than 10 years from the Offer Date;

Exhibit 3

The text of the Corporation’s Pre IPO Plan (as defined in the Circular to which this Schedule is attached) will be amended as follows:

Section 9(a) of the Pre IPO Plan presently provides as follows:

- (a) no Option shall be exercisable for a period exceeding five (5) years from the date the Option is granted;

Section 9(a) will be deleted in its entirety and the following will be added as paragraph 9(a) in its place:

- (a) no Option shall be exercisable for a period exceeding five (5) years from the date the Option is granted; *provided that* if the last date on which an Option may be exercised in an Option Period falls within a period during which, pursuant to the policies of the Corporation or otherwise, trading in the Corporation’s shares is prohibited (a “**blackout period**”) or within 2 business days from the end of a blackout period, the Option Period shall be extended to the date that is 10 business days following the end of the blackout period;

**SCHEDULE D
TEXT OF EMPLOYEE SHARE SAVINGS PLAN**

1. PURPOSE OF THE PLAN

- 1.1 Sunshine Oilsands Ltd. hereby establishes and adopts this Employee Share Savings Plan (the “**Plan**”) for Employees (as defined herein) of the Corporation and its Subsidiaries (as defined herein).
- 1.2 The purpose of the Plan is to provide an opportunity for Employees of the Corporation and its Subsidiaries to purchase Shares (as defined herein) from the Corporation’s treasury at the Market Price (as defined herein) through voluntary automatic payroll deductions, thereby attracting, retaining, encouraging and rewarding Employees to use their combined best efforts on behalf of the Corporation and to ensure that Employees have a share in the increased profitability and value of the Corporation.
- 1.3 The Corporation will support the acquisition of Shares by the Participants (as defined herein) pursuant to the Plan through matching Participant contributions to the Plan. Contributions by Participants and the Corporation will be made to the Administrator (as defined herein) for the purchase of Shares on a regular basis.
- 1.4 The Plan shall be effective May •, 2013 until terminated as provided herein.

2. DEFINITIONS

In the Plan, the following terms shall have the meanings set forth below:

“**Account**” means an account created by the Administrator for a Participant in which the assets held by the Administrator for such Participant under the terms of the Plan are held and recorded and “**Accounts**” means all such accounts;

“**Administrative Committee**” means a committee appointed by the Board of Directors which shall have full power and authority to administer the Plan on behalf of the Corporation;

“**Administrator**” means the administrator appointed by the Board of Directors from time to time who shall act on behalf of the Administrative Committee in the day to day administration of the Plan;

“**Aggregate Participant Contribution**” means the aggregate sum of the Employee Contributions pursuant to section 8.1 and the Corporation Contributions pursuant to section 8.2;

“**Board of Directors**” means the board of directors of the Corporation from time to time;

“**Connected Person**” has the meaning given in the listing rules of the SEHK as well as any person who was a director of the Corporation within the preceding 12 months;

“**Corporation**” means Sunshine Oilsands Ltd., any successor corporation resulting from the amalgamation or business combination of the Corporation, any other corporation or entity resulting from any other form of corporate reorganization, a Subsidiary or affiliate of the Corporation, as applicable and, if so determined by the Administrative Committee, may include a joint venture or partnership involving the Corporation;

“**Election to Purchase Shares**” means an election, substantially in the form as set forth in Schedule “A” hereto, setting out the terms of an Employee’s election to participate in, and purchase Shares under, the Plan;

“**Employee**” means a person employed in Canada under a non-unionized permanent full time or part time contract of employment with the Corporation who participates in the Corporation’s regular benefit plans (which fact shall be determined exclusively by the Administrative Committee in its sole judgment) including, without limitation, any such person who is also an officer of the Corporation, but does not include a Connected Person;

“**First Steam**” means the production of first steam for commercial injection at the Corporation’s West Ells steam assisted gravity drainage production facility;

“**Market Price**” means on a particular day with reference to Shares, not less than the higher of:

- (a) the trading day’s closing price as stated in the daily quotation sheets issued by the TSX or SEHK (whichever is higher); or
- (b) the volume weighted average trading price (VWAP) of the Shares on the TSX or the SEHK for the five trading days immediately preceding the day in question (whichever is higher) as calculated by the Corporation and reported to the Administrator,

which price, for convenience, shall be expressed or converted to Canadian dollars at the Bank of Canada noon Hong Kong – Canada exchange rate in effect on that day;

“**Monthly Basic Compensation**” means the monthly base salary of an Employee but does not include, without limitation, overtime pay, bonus payments, the value of other benefits or amounts contributed by the Corporation under this Plan;

“**Participant**” means any eligible Employee (as determined exclusively by the Administrative Committee in its sole judgment) who has elected to participate in the Plan, who has submitted an Election to Purchase Shares and who has not subsequently withdrawn from the Plan;

“**SEDI Filer**” means a person or company that is required to make SEDI filing in accordance with National Instrument 55-102 – System for Electronic Disclosure by Insiders;

“**SEDI Filings**” means information that is filed under securities legislation or securities directions in SEDI format, or the act of filing information under securities legislation or securities directions in SEDI format, as the context indicates;

“**SEHK**” means The Stock Exchange of Hong Kong Limited;

“**Shares**” means Class “A” Common Voting Shares in the capital of the Corporation as presently constituted; provided that upon any subdivision, consolidation or reorganization of such shares or other change in the corporate structure or share capital of the Corporation, “Shares” shall mean such shares as are subdivided, consolidated, reorganized or changed, with such adjustment in the number thereof as may be thereby deemed appropriate by the Administrative Committee;

“**Subsidiary**” means a corporation or other entity which is controlled by the Corporation (and includes a joint venture in which the Corporation or an entity controlled by the Corporation participates). For the purposes of this definition, the Corporation controls a body corporate or other entity if:

- (a) in case of a body corporate:
 - (i) securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are held, other than by way of security only, by or for the benefit of the Corporation, and
 - (ii) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate; and
- (b) in the case of an entity other than a body corporate, more than 50% of the voting or equity interests of such entity are controlled, directly or indirectly, by or for the benefit of the Corporation; and

“**TSX**” means the Toronto Stock Exchange.

3. ELIGIBILITY FOR MEMBERSHIP IN THE PLAN

3.1 The Plan is open to all eligible Employees (as determined exclusively by the Administrative Committee in its sole judgment) subject to the rules set forth below. Participation in the Plan is entirely voluntary. Employees working outside of Canada are not eligible to participate in the Plan.

- (a) *Enrolment.* An existing Employee shall be eligible to become a Participant in the Plan on the first day of the calendar month following receipt by the Corporation of an executed Election to Purchase Shares from the Employee, unless such receipt takes place on the first day of the month, in which event eligibility shall become effective on such date. The Election to Purchase Shares authorizes the Corporation or a Subsidiary, as applicable, to make regular payroll deductions for contributions to the Plan. Notwithstanding the foregoing, if the date upon which an existing Employee becomes eligible to become a Participant falls within a blackout period, such Employee will become eligible to become a Participant on the day after the end of such blackout period.
- (b) *New Hires.* Subject to any administrative processes and reasonable timelines that the Corporation needs to put in place, a new Employee shall be eligible to become a Participant in the Plan immediately upon the commencement of employment and following receipt by the Corporation of an executed Election to Purchase Shares from such Employee. Notwithstanding the foregoing, a new Employee shall be able to participate in the Plan by no later than one (1) month after the date of commencement of his or her employment.
- (c) *Termination of Employment.* Participation in the Plan shall automatically cease on the day that (i) the Participant’s employment by the Corporation and its Subsidiaries, as the case may be, is terminated for any reason whatsoever, or (ii) the Participant dies.

- (d) *Re Employment.* Except in cases of leave of absence approved in writing by the Corporation or a Subsidiary, a former Employee who is subsequently re employed by the Corporation or its Subsidiary shall be considered a new Participant for the purposes of the Plan.
- (e) *Leave of Absence.* A Participant who is on leave of absence or is absent due to illness, disability, or any other leave of absence approved by the Corporation, and is not being paid directly by the Corporation, shall not be permitted to make any contribution for that period of absence; but during that period of absence, such Participant shall be deemed to remain in the employ of the Corporation for all other purposes of the Plan.
- (f) *Election to Purchase Shares.* For each Employee who requests information about the Plan, the Corporation shall have delivered to such Employee information outlining the terms and forms of the Plan together with an Election to Purchase Shares application to become a Participant. Execution of an Election to Purchase Shares by the Employee and admittance by the Corporation of the Employee as a Participant shall be deemed to be an acceptance by the Employee of the terms and forms of the Plan without further action or other formality.

4. SHARES SUBJECT TO THE PLAN

- 4.1 At no point will the total number of Shares that may be purchased under this Plan exceed more than 10% of the total issued and outstanding Shares of the Corporation from time to time on a non-diluted basis, including any Shares reserved and allotted for issuance under any other security based compensation arrangements of the Corporation. In addition, at no point will the total number of Shares that may be purchased under this Plan exceed the number of Shares set out in any shareholder mandate passed in respect of this Plan.
- 4.2 The number of Shares issuable to insiders (such term as defined under applicable securities laws or stock exchange rules) of the Corporation, at any time under this Plan and including any other security based compensation arrangements of the Corporation, shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis. In addition, at no point will the total number of Shares that may be issuable to insiders (such term as defined under applicable securities laws or stock exchange rules) under this Plan exceed the number of Shares set out in any shareholder mandate passed in respect of this Plan. Notwithstanding the foregoing and for greater certainty, Connected Persons are not eligible to participate in this Plan.
- 4.3 The number of Shares issued to insiders (such term as defined under applicable securities laws or stock exchange rules) of the Corporation, as a group within a one year period under this Plan and including any other security based compensation arrangements of the Corporation, shall not exceed 10% of the total number of issued and outstanding Shares as at the end of such one year period. Notwithstanding the foregoing and for greater certainty, Connected Persons are not eligible to participate in this Plan.
- 4.4 No one individual may purchase a number of Shares in excess of 1% of the total issued and outstanding Shares of the Corporation pursuant to this Plan in any 12 month period.

5. CONTRIBUTIONS

5.1 Employee Contributions

- (a) Subject to section 5.1(b), each Participant shall contribute to the Plan semi-monthly, at the Participant's option designated in writing by the Participant, an amount up to a monthly maximum of five percent (5%) of the Participant's Monthly Basic Compensation.
- (b) Upon the Corporation achieving First Steam, the maximum amount that a Participant may contribute to the Plan may, at the Participant's election in the form prescribed by the Corporation from time to time, be increased to seven percent (7%) of the Participant's Monthly Basic Compensation.
- (c) The contributions shall be made through payroll deductions by the Corporation. The Corporation, as agent of the Participant, shall make such deductions semi-monthly and contribute them on the Participant's behalf to the Administrator monthly.
- (d) The Participant may, up to a maximum of two times per year, change his contribution level to be effective the following calendar month, by filing the form prescribed by the Corporation from time to time, indicating the change with the Corporation and the Administrator at least 15 days prior to the end of a calendar month.

5.2 *Corporation Contributions.* The Corporation will contribute monthly to a Participant's Account an amount equal to 100% of the Participant's contribution for that month as set forth in section 5.1 herein.

5.3 *Participant Accounts.* The Administrator shall maintain a separate Account for each Participant to which shall be credited all of such Participant's contributions. The Administrator shall allocate absolutely to each Participant's Account the contributions made by the Participant and the Corporation on behalf of the Participant.

5.4 *Fees.* Subject to Section 9.1, all fees, costs and expenses incurred by the Corporation in connection with the issuance of Shares pursuant to this Plan shall be paid by the Corporation.

6. DIVIDEND PAYMENTS

6.1 Dividends, if any, on Shares held in a Participants' Accounts will be allocated to the appropriate Accounts by the Administrator upon receipt of such amounts by the Administrator.

7. PURCHASE OF SHARES

7.1 *Purchase of Shares.* Subject to section 7.2, contributions to the Plan shall be automatically invested by the Administrator monthly in Shares issued from the Corporation's treasury at the prevailing Market Price, once such contribution and related payroll information has been made and received by the Administrator.

- 7.2 *SEDI Filings.* Each Participant that is deemed to be a SEDI Filer must comply at all times with SEDI Filings and other related obligations under applicable securities laws and regulations. Within one week of the end of each month, the Administrator shall provide to the Corporation a complete list of all Shares purchased on behalf of all Participants.
- 7.3 *Share Certificates.* Certificates for Shares purchased under the Plan will not be issued to the Participants. Shares will be recorded monthly on the share register maintained by the Administrator in book entry form only. However, if a Participant requests (in the form prescribed by the Corporation from time to time) the delivery of physical share certificates for the purpose of depositing such securities in registered retirement savings accounts, tax free savings accounts or similar other accounts, the Administrator will furnish, as soon as practicable, physical share certificates to such Participant evidencing the aggregate number of Shares purchased on behalf of the Participant pursuant to the Plan. All fees and related expenses incurred as a result of such transaction shall be borne solely by the Participant.
- 7.4 *Trading in Shares.* Provided no blackout period is in effect with respect to the Corporation, upon the request of the Participant (in the form prescribed by the Corporation from time to time), the Administrator will execute trades on behalf of Participants for Shares purchased under this Plan. All fees and related expenses incurred as a result of such execution of trades by the Administrator on behalf of the Participant shall be borne solely by the Participant.

8. VESTING OF EMPLOYEE AND CORPORATION CONTRIBUTIONS TO THE PLAN

- 8.1 *Employee Contributions.* Subject to section 8.3 hereof, all assets in the Participant's Account contributed by a Participant shall be fully vested immediately upon receipt of such assets by the Administrator.
- 8.2 *Corporation Contributions.* Subject to section 8.3 hereof, all assets in the Participant's Account contributed by the Corporation shall be fully vested immediately upon receipt of such assets by the Administrator.

9. WITHDRAWALS AND SUSPENSIONS

- 9.1 A Participant may withdraw up to 100% of the Shares in such Participant's Account a maximum of two (2) times during the calendar year. The Administrator shall satisfy such withdrawal requests by delivering all Shares (other than fractional Shares), requested to be withdrawn by the Participant, held in the Participant's Account to the Participant. The value of any fractional Shares requested to be withdrawn shall be converted to cash by the Administrator and allocated to such Participant's Account. All fees and related expenses incurred as a result of such transaction shall be borne solely by the Participant.
- 9.2 The form to be used by a Participant for the withdrawal of Shares shall be prescribed by the Corporation from time to time which shall indicate, among other things, the number of Shares such Participant wishes to withdraw and the particulars relating to the registration of the Shares that are to be delivered, if any.
- 9.3 The Corporation shall have the right (in its sole and absolute discretion), for any reason which under the circumstances the Corporation deems equitable or desirable in any

specific case or cases, to direct the Administrator to pay to a Participant withdrawing from the Plan all or any portion of the assets held in such Participant's Account.

- 9.4 A Participant may elect at any time to reduce or suspend contributions to the Plan by giving at least 15 days prior notice to the Corporation to that effect (in the form prescribed by the Corporation from time to time), with the reduction or suspension being effective the following calendar month. During a period of suspension, the Corporation shall not make any Corporation contributions to the Plan on account of such Participant, but otherwise the rights and obligations of such Participant, the Corporation and the Administrator shall remain in full force and effect.
- 9.5 Unless otherwise permitted by the Administrative Committee, any Participant that suspends his or her contributions may only resume contributions to the Plan after three (3) clear calendar months have passed after the month in which the Participant suspended contributions. In such circumstances, the Participant shall provide notice to the Corporation to that effect (in the form prescribed by the Corporation from time to time) at least 15 days prior to the beginning of a month that the Participant is eligible to resume contributions.
- 9.6 If a suspension lasts longer than six (6) months (or if a Participant advises when suspending his or her contributions that such suspension will be of a permanent nature), it shall be deemed to have been a cancellation of participation by the Participant and treated in accordance with the provisions of section 9.7 hereof.
- 9.7 Upon cancellation of participation in the Plan, all assets in a Participant's Account to which a Participant has become entitled pursuant to the terms of this Plan, shall be payable by the Administrator within 30 days after the termination of such membership.

10. DISTRIBUTION ON RETIREMENT, DEATH OR TERMINATION

- 10.1 A Participant who retires or whose employment is terminated for any reason is entitled to the assets in such Participant's Account at such time of retirement or termination. If specific instructions as to the method of distribution are not received from the Participant within 90 days of retirement or termination, the Corporation will advise the Administrator to make payment to the Participant by delivering to the Participant all Shares (other than any fractional Shares) and any cash held in the Participant's Account. The value of any fractional Shares shall be distributed in cash in an amount equal to the fraction multiplied by the Market Price on the TSX. If expressly requested in writing by the Participant to the Corporation within 90 days of retirement or termination, the Administrator will sell all of the Shares in the Participant's Account as soon as reasonably practicable at the market price on the TSX and distribute the cash proceeds to the Participant.
- 10.2 Following the death of a Participant, the assets in such Participant's Account will be distributed by the Administrator to such Participant's estate or beneficiary, if any, designated in such Participant's Election to Purchase Shares, and as instructed by the Corporation. The distribution shall be made by the Administrator in accordance with the written instructions of the Corporation and the legal representative of the Participant's estate by:

- (a) the delivery of all Shares (other than any fractional Shares) and any cash held in the Participant's Account;
- (b) the distribution of cash realized from the sale of such Shares by the Administrator; or
- (c) a combination thereof to be determined by the Administrator.

The value of any fractional Shares shall be distributed in cash in an amount equal to the fraction multiplied by the Market Price. If the legal representative of the Participant's estate fails to make an election within 180 days of the Participant's death, then the Administrator shall, upon being instructed by the Corporation, make delivery in accordance with the provisions set forth in subsection 10.2(a) above.

10.3 Benefits arising under the Plan which are unpaid at the time of a Participant's death shall be paid or transferred to the Participant's estate or, subject to applicable law, the Participant's beneficiary, if any, as designated in the Participant's Election to Purchase Shares, as confirmed to the Administrator by the Corporation.

11. AMENDMENT AND TERMINATION OF THE PLAN

11.1 The Corporation reserves the right, at any time, by action of a majority vote of its Board of Directors, to amend, suspend or terminate the Plan and to fix a date for any such action, provided that no such amendment, suspension or termination may be made without obtaining the required approval of any regulatory authority or stock exchange or the consent or deemed consent of a Participant where such action materially prejudices the rights of that Participant.

11.2 In the event of termination of the Plan, each Participant shall be entitled to 100% of the assets of such Participant's Account, which shall be distributed to each Participant within 30 days following termination of the Plan.

11.3 Notwithstanding the provisions of section 11.1, the Board of Directors may not, without the prior approval of the shareholders of the Corporation, make amendments to this Plan for any of the following purposes:

- (a) any amendment to remove or exceed any of the limits set out in section 4;
- (b) to reduce the price at which Shares are purchased under the Plan;
- (c) to expand the definition of Participant under this Plan; or
- (d) to amend the provisions of this section 11.3.

11.4 The Board of Directors may, at any time and from time to time, without the prior approval of the shareholders of the Corporation, amend any term within this Plan, provided that:

- (a) any required approval of the SEHK and/or TSX, or any regulatory authority or stock exchange is obtained; and

- (b) the consent or deemed consent of the Participant is obtained, if the amendment would materially prejudice the rights of the Participant under this Plan.

12. ADMINISTRATOR

- 12.1 The Corporation has appointed the Administrator to act as the initial Administrator of the Plan. The Corporation may change the Administrator from time to time and minor adjustments to the procedures and forms utilized under this Plan may be required to accommodate a change in the Administrator.
- 12.2 The Administrator is authorized and directed by the Corporation and the Participants to purchase Shares pursuant to this Plan. The Administrator agrees to make such purchases on a monthly basis forthwith upon the receipt of the Aggregate Participant Contribution. Shares purchased with an Aggregate Participant's Contribution shall be allocated by the Administrator to such Participant's Account.
- 12.3 The Administrator shall maintain an Account for each Participant showing a record of the assets held in each such Participant's Account to date under the Plan. The Administrator shall furnish to Participants an on line statement indicating thereon:
 - (a) the total amount of the contributions made by such Participant;
 - (b) the total amount of the contributions made by the Corporation on behalf of or for the account of such Participant;
 - (c) the number of Shares in such Participant's Account;
 - (d) any withdrawals in such Participant's Account;
 - (e) any residual cash amounts in such Participant's Account; and
 - (f) any fees or charges deducted from such Participant's Account.
- 12.4 Each statement provided under Section 12.3 shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary shall have been received by the Administrator within 30 days after the mailing of such statement. Such statement shall be made available on line to a Participant.
- 12.5 The Administrator shall be entitled to rely on all certificates, reports, opinions and other documents furnished by any officer of the Corporation or of any broker, accountant, auditor or counsel to the Corporation.
- 12.6 No amendment, change or modification to the Plan shall be made which will, without the Administrator's consent, alter the duties of the Administrator under the Plan.
- 12.7 The Corporation may, upon 90 days written notice, remove the Administrator and appoint a successor to fill any vacancy created by any reason whatsoever.

13. ADMINISTRATIVE COMMITTEE

- 13.1 The Board of Directors of the Corporation shall appoint the Administrative Committee which will have full power and authority to administer the Plan on behalf of the Corporation. The Board of Directors shall have the right to terminate the appointment of any member of the Administrative Committee and appoint another person, whose appointment shall become effective immediately upon such appointment.
- 13.2 The Administrator shall act on behalf of the Administrative Committee in the day to day administration of the Plan, based upon the written instructions from the Human Resources Department or Treasury Department of the Corporation.
- 13.3 Receipt of any notice or instruction from a Participant by the Corporation (whether directly from the Participant or via the Administrator) shall constitute receipt of the notice or instruction by the Administrative Committee.
- 13.4 Subject to the provisions of the Plan, the Administrative Committee shall be authorized to interpret the Plan and to establish, amend and rescind any rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. The Administrative Committee may correct any defect, supply any omission and reconcile any inconsistency in the Plan and, to the extent it shall be deemed desirable by the Administrative Committee, to carry it into effect. The determinations of the Administrative Committee in the administration of the Plan, as described herein, shall be final and conclusive.
- 13.5 A majority of the members of the Administrative Committee present at a meeting, in person or by telephone, or the consent in writing signed by all members of the Administrative Committee, shall be the acts of the Administrative Committee and shall be final, conclusive and binding upon all parties including, without limitation, the Corporation, its Subsidiaries, its shareholders, the Participants and all persons or entities claiming by or through the Participants.

14. MISCELLANEOUS PROVISIONS

- 14.1 The fiscal year of the Plan shall coincide with the calendar year.
- 14.2 The Corporation reserves the right, at any time to prescribe, modify, amend or rescind the provisions of this Plan or to suspend this Plan; provided that no prescription, modification, amendment, rescission or suspension shall deprive a Participant of benefits vested in the Participant under the Plan or, subject to the provisions of section 8 herein, divert the use of the funds in the Accounts for purposes other than the exclusive benefit of Participants or their beneficiaries.
- 14.3 Participants shall provide to the Corporation or the Administrator, as applicable, any information that might be required of them in the administration of the Plan.
- 14.4 The Plan and trust entered into between the Corporation and Administrator pursuant to the Plan shall not give any Employee the right to be employed, or to continue to be employed, by the Corporation.

- 14.5 No right or interest of any Participant or assets in any Participant's Account in or under the Plan shall be subject to assignment, sale, transfer, pledge, encumbrance or charge, in whole or in part, either directly or by operation of law or otherwise in any manner otherwise than by death or mental incompetency, and shall be exercisable, during the Participant's lifetime, only by the Participant. No attempted assignment, sale, transfer, pledge, encumbrance or charge thereof shall be effective and any attempt to do so shall be void. Any attempt to violate the provisions of this section 14.5 shall be deemed a decision by the Participant to terminate participation in the Plan whereupon the Participant shall no longer be considered a member of the Plan, and whereupon all the Participant's contribution credited to a violating Participant's Account with the Administrator shall be immediately refunded to the Participant and the Participant shall no longer be considered a member of the Plan.
- 14.6 No Participant, Participant's estate or any other person shall have any right in or to any part of the corpus or income of the trust funds of the Plan, or any part of the assets thereof (including, without limitation, the assignment of any part of the Plan as a pledge or collateral for any loan or debt), except as and when and to the extent expressly provided by the Plan.
- 14.7 Registration in the Plan will not give any Participant, Participant's estate or Participant's designated beneficiary any right or claim to any payment except as such payment is provided for under the provisions of the Plan and only to the extent that assets are available in the hands of the Administrator for the making of such payment and to the extent provided for in the Plan.
- 14.8 Any act or matter to be taken or decided by the Corporation under the Plan may be taken by or decided by the Board of Directors or the Administrative Committee, unless otherwise expressly set forth in this Plan.
- 14.9 The laws of the Province of Alberta shall apply to this Plan, any amendments thereto, and the administration thereof, and all rights and obligations thereunder shall be determined in accordance with such laws and according to such Province and the situs of the trust shall be deemed to be in Alberta.
- 14.10 Any purchase, sale or offering of Shares under the Plan shall be made on the express condition that an application to purchase Shares may not be made, nor may the issuance of any Shares thereunder be effected, under circumstances which would constitute a violation of any applicable law or regulation or any listing requirement, by law or regulation of the TSX, SEHK or any other stock exchange on which the Shares are listed. A purchase, sale or offering of Shares, or any other matters, under the Plan shall not apply to an Employee resident in any country other than Canada if the Corporation determines, in its sole discretion, that such offering or the fulfilment of the terms thereof by, on behalf of or in connection with such Employee would create administrative, financial or other difficulties as a result of local laws, regulations or other restrictions including, without limitation, compliance with applicable securities laws and regulations.
- 14.11 Nothing contained in this Plan shall restrict or limit or be deemed to restrict or limit the rights or power of the Board of Directors in connection with any allotment and issuance of any securities of the Corporation.

14.12 Any word contained herein importing gender shall include the masculine and feminine and neuter. All references in this Plan to the words “herein”, “hereby”, “hereto”, “hereof”, and words of similar import refer to this Plan as a whole and not to any particular section or schedule unless otherwise stated or the context otherwise requires.

ADOPTED effective this ____ day of _____, 2013.

SUNSHINE OILSANDS LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

SCHEDULE E
TERMS OF REFERENCE OF THE AUDIT COMMITTEE

SUNSHINE OILSANDS LTD.

1. The Board of Directors' Mandate for the Audit Committee

(a) Purpose

The Audit Committee (the “**Audit Committee**”) is a committee of non-executive directors appointed by the Board of Directors of the Corporation (the “**Board of Directors**”). The Audit committee’s mandate is, inter alia, to provide assistance to the Board of Directors in fulfilling its financial reporting and control responsibility to the shareholders and the investment community. The committee is, however, independent of the Board of Directors and the Corporation and in carrying out their role shall have the ability to determine its own agenda and any additional activities that the Audit Committee shall carry out.

(b) Composition of Committee

(a) The Committee will be comprised of at least three non-executive directors of the Corporation, all of whom will be financially literate. In addition, at least one member of the Audit Committee shall have accounting or related financial expertise as such qualifications are interpreted by the Board of Directors in accordance with rule 3.10(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). A majority of the members of the Committee must also be “independent” in accordance with the Listing Rules. A “financially literate” director is a director who has the ability to read and understand a set of financial instruments that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Corporation.

(b) Unless otherwise designated by the Board, the members of the Committee shall elect a Chairperson (the “**Chair**”) from among the independent non-executive directors present and the Chair shall preside at all meetings of the Committee.

(c) Reliance on Experts

In contributing to the Committee’s discharging of its duties under this mandate, each member of the Committee shall be entitled to rely in good faith upon:

(a) financial statements of the Corporation represented to him or her by an officer of the Corporation or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with GAAP consistently applied; and

(b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

(d) Limitations on Committee's Duties

In contributing to the Committee's discharging of its duties under the Terms of Reference (defined at II below), each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in the Terms of Reference is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to endeavour to gain reasonable assurance (but not to ensure) that the relevant activities are being conducted effectively and that the objectives of the Corporation's financial reporting are being met and to enable the Committee to report thereon to the Board.

2. Audit Committee Terms of Reference

The Audit Committee's Terms of Reference (the "**Terms of Reference**") outline how the Committee will satisfy the requirements set forth by the Board in its mandate. Terms of Reference reflect the following:

- operating principles;
- operating procedures; and
- specific responsibilities and duties.

(a) Operating Principles

The Committee shall fulfill its responsibilities within the context of the following principles:

(i) Committee Values

The Committee expects the management of the Corporation to operate in compliance with corporate policies, reflecting laws and regulations governing the Corporation and to maintain strong financial reporting and control processes.

(ii) Communications

The Committee and members of the Committee expect to have direct, open and frank communications throughout the year with management, other Committee Chairpersons, the external auditors, and other key Committee advisors or Corporation staff members as applicable.

(iii) Financial Literacy

All Committee members should be sufficiently versed in financial matters to read and understand the Corporation's financial statements and also to understand the Corporation's accounting practices and policies and the major judgments involved in preparing the financial statements.

(iv) Annual Audit Committee Work Plan

The Committee, in consultation with management and the external auditors, shall develop an annual Committee work plan responsive to the Committee's responsibilities as set out in these Terms of Reference. In addition, the Committee, in consultation with management and the external auditors, shall

participate in a process for review of important financial topics that have the potential to impact the Corporation's financial disclosure.

The work plan will be focused primarily on the annual and interim financial statements of the Corporation. However, the Committee may at its sole discretion, or the discretion of the Board, review such other matters as may be necessary to satisfy the Committee's Terms of Reference.

(v) Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chair in consultation with Committee members, senior management and the external auditors and shall be circulated on a timely basis prior to the Committee meetings.

(vi) Committee Expectations and Information Needs

The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors at a reasonable time in advance of meeting dates.

(vii) External Resources

To assist the Committee in discharging its responsibilities, the Committee may at its discretion, in addition to the external auditors, at the expense of the Corporation, retain one or more persons having special expertise, including independent counsel.

(viii) In Camera Meetings

At the discretion of the Committee, the members of the Committee shall meet in private sessions with the external auditors.

(ix) Reporting to the Board

The Committee, through its Chair, shall report after each Committee meeting to the Board at the Board's next regular meeting.

(x) Committee Self-Assessment

The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.

(xi) The External Auditors

The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall report directly to and be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues, either specific to the Corporation or to the financial reporting environment in general, to the Committee.

(b) Operating Procedures

- A. The Committee shall meet at least four times annually, or more frequently (if any) as circumstances dictate. At least once a year the Committee shall meet with the external and internal auditors without executive Board members present.
- B. Meetings shall be held at the call of the Chair, upon the request of two members of the Committee or at the request of the external auditors.
- C. A quorum shall be a majority of the Committee members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Committee or the Board.
- D. At all meetings of the Committee every question shall be decided by a majority of the votes cast, with each member of the Committee, including the Chair, having one vote, and with the Chair having no tie breaker vote.
- E. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the independent non-executive directors the Chair for the purposes of the meeting.
- F. A member or members of the Committee may participate in Committee meetings 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.
- G. Unless the Committee otherwise specifies, the secretary of the Corporation (or his or her deputy), or such other person as designated by the Committee shall act as the secretary (the "Secretary") of all meetings of the Committee.
- H. Minutes of the Committee will be maintained by the Secretary and made available to each director of the Corporation as soon as practicable following a Committee meeting.

(c) Specific Responsibilities and Duties

The specific responsibilities and duties of the Committee include:

(i) Financial Reporting:

- (a) review, prior to public release, the Corporation's annual and quarterly financial statements with management and, to the extent required, the external auditors. In its review of such financial statements the Committee shall focus in particular on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgemental areas;
 - (iii) significant adjustments resulting from the audit or review;
 - (iv) the going concern assumption;
 - (v) compliance with accounting standards; and

(vi) compliance with stock exchange and legal requirements.

The Committee shall report thereon to the Board before such financial statements are approved by the Board;

- (b) receive from the external auditors reports of their audit of the annual financial statements and if the auditors are engaged, their reviews of the quarterly financial statements;
- (c) review, prior to public release, and, if appropriate, recommend approval to the Board, of news releases and reports to shareholders issued by the Corporation with respect to the Corporation's annual and quarterly financial statements;
- (d) review and, if appropriate, recommend approval to the Board of prospectuses, material change disclosures of a financial nature, management discussion and analyses, annual information forms and similar disclosure documents to be issued by the Corporation;
- (e) assess whether the Corporation's accounting policies are being adequately disclosed in the Corporation's financial reporting;
- (f) review and validate procedures for the receipt, retention and resolution of complaints received by the Corporation from any party regarding accounting, auditing or internal controls. For greater certainty, the Committee's responsibilities in this area will not include complaints about minor operational issues. Examples of minor operational issues include late payment of invoices, minor disputes over accounts owing or receivable, revenue and expense allocations and other similar items characteristic of the normal daily operations of the accounting department of an oil and gas corporation;

(ii) Accounting Policies:

- (a) review with management and the external auditors the appropriateness of the Corporation's financial and accounting policies and practices, disclosures, reserves, key estimates and judgments, including changes or variations thereto;
- (b) obtain reasonable assurance that the Corporation's accounting policies are in compliance with GAAP consistently applied from management and external auditors and report thereon to the Board;
- (c) review with management and the external auditors the apparent degree of conservatism of the Corporation's underlying accounting policies, key estimates and judgments and provisions along with quality of financial reporting; and
- (d) participate, if requested, in the resolution of disagreements, between management and the external auditors;

(iii) Risk and Uncertainty:

- (a) acknowledging that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Corporation, determine the Corporation's tolerance for risk and approve risk management policies, the Committee shall focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled;

- (b) review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion;
- (c) review foreign currency, interest rate and commodity price risk mitigation strategies, including the use of derivative financial instruments;
- (d) review the adequacy of insurance coverages maintained by the Corporation; and
- (e) review regularly with management, the external auditors and the Corporation's legal counsel, any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these matters have been disclosed in the financial statements;

(iv) Financial Controls and Control Deviations:

- (a) review the plans of the external auditors to gain reasonable assurance that applicable internal financial controls are comprehensive, coordinated and cost effective;
- (b) receive regular reports from management and the external auditors on all significant deviations or indications/detection of fraud and the corrective activity undertaken in respect thereto;
- (c) institute a procedure that will permit any employee, including management employees, to bring to the attention of the Board, under conditions of confidentiality, concerns relating to financial controls and reporting which are material in scope and which cannot be addressed, in the employee's judgment, through existing reporting structures in the Corporation;
- (d) review and periodically assess the adequacy of controls over financial information disclosed to the public, which is extracted or derived from the Corporation's financial statements;
- (e) to review the Corporation's statement on internal control systems (where one is included in the annual report) prior to endorsement by the Board;
- (f) to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Corporation's accounting and financial reporting function;
- (g) (where an internal audit function is in operation) to review the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Corporation; and
- (h) to consider the major findings of internal investigations and management's response;

(v) Compliance with Laws and Regulations:

- (a) review regular reports from management and others (e.g. external auditors) with respect to the Corporation's compliance with laws and regulations having a material impact on the financial statements including:
 - (i) tax and financial reporting laws and regulations;
 - (ii) legal withholding requirements; and
 - (iii) other laws and regulations which expose directors to liability; and
- (b) review the filing status of the Corporation's tax returns;

(vi) Relationship with External Auditors:

- (a) recommend to the Board the appointment, re appointment and, if necessary, dismissal, of the external auditors;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (c) approve the remuneration and the terms of engagement of the external auditors as set forth in the engagement letter and receive a copy of the finalized version of the engagement letter;
- (d) to review the external auditors management letter and management's response;
- (e) to ensure that the Board will provide a timely response to the issues raised in the external auditors management letter;
- (f) review the performance of the external auditors annually or more frequently as required;
- (g) receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services to the Corporation;
- (h) review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, and the materiality levels which the external auditors propose to employ;
- (i) meet with the external auditors in the absence of management to determine, inter alia, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;
- (j) establish effective communication processes with management and the Corporation's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee; and
- (k) establish a reporting relationship between the external auditors and the Committee such that the external auditors can bring directly to the Committee matters that, in the

judgment of the external auditors, merit the Committee's attention. In particular, the external auditors will advise the Committee as to disagreements between management and the external auditors regarding financial reporting and how such disagreements were resolved; and

(vii) Other Responsibilities:

- (a) approve annually the reasonableness of the expenses of the Co-Chairpersons of the Board and the Chief Executive Officer;
- (b) after consulting with the Chief Financial Officer and the external auditors, to consider at least annually the quality and sufficiency of the Corporation's accounting and financial personnel and other resources;
- (c) to develop and implement policy on the engagement of an external auditor to supply non audit services, including tax advisory and compliance services provided by the external auditors;
- (d) ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual;
- (e) investigate any matters that, in the Committee's discretion, fall within the Committee's duties;
- (f) perform such other functions as may from time to time be assigned to the Committee by the Board;
- (g) review and update the Terms of Reference on a regular basis for approval by the Board;
- (h) review disclosures regarding the organization and duties of the Committee to be included in any public document, including quarterly and annual reports to shareholders, information circulars and annual information forms; and
- (i) ensure that an appropriate code of conduct is in place and understood by employees and directors of the Corporation.

February 6, 2012