

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 GENERAL MEETING OF SHAREHOLDERS

**Meeting Date: June 24, 2015 at 8:00 a.m. (Hong Kong Time)
(June 23, 2015 at 6:00 p.m. (Calgary Time))**

May 19, 2015

*For identification purposes only

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**TO BE HELD AT 8:00 A.M. ON JUNE 24, 2015 (HONG KONG TIME)
AND 6:00 P.M. ON JUNE 23, 2015 (CALGARY TIME)**

NOTICE IS HEREBY GIVEN that the annual general 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 at the United Conference Centre, Room 2, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on June 24, 2015 at 8:00 a.m. (Hong Kong time), for the following purposes:

1. to receive and consider the audited financial statements of the Corporation as at and for the financial year ended December 31, 2014, the report of the board of directors of the Corporation (the “**Board**”) and the report of the auditor thereon;
2. to fix 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 the refreshing of the ten percent (10%) mandate under the Corporation’s Post IPO Share Option Scheme (the “**Refreshed Scheme Mandate**”), as more particularly described in the accompanying Circular;

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6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the refreshing of the one percent (1%) mandate under the Corporation's employee share savings plan (the "ESSP"), 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 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;
8. 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; and
9. 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 June 24, 2015 (Hong Kong time) at the United Conference Centre, Room 2, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong.

Registered Shareholders

If you hold 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 May 19, 2015 (Hong Kong Time) and 4:30 p.m. on May 19, 2015 (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 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 Limited**, 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 Limited 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 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 1010, 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 during regular business hours 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, before the Meeting (i.e. 4:30 p.m. on June 19, 2015 (Calgary time) and 4:30 p.m. on June 19, 2015 (Hong Kong time), as the case may be), 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 after the Meeting.

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

(signed) "*Tingan Liu*"

Tingan Liu
Non-Executive Chairman

(signed) "*Michael John Hibberd*"

Michael John Hibberd
Executive Vice-Chairman

Calgary, Alberta, May 19, 2015.

As at the date of this notice, the Board consists of Mr. Michael John Hibberd, Dr. Qi Jiang and Mr. Jin Hu as executive directors; Mr. Hong Luo, Mr. Hok Ming Tseung, Mr. Tingan Liu and Mr. Haotian Li as non-executive directors; and Mr. Raymond Shengti Fong, Mr. Robert John Herdman, Mr. Gerald Franklin Stevenson and Mr. Zhefei Song as independent non-executive directors

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MANAGEMENT INFORMATION CIRCULAR

May 19, 2015

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 at the United Conference Centre, Room 2, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on June 24, 2015 at 8:00 a.m. (Hong Kong time) and any adjournments thereof for the purposes set forth in the notice accompanying this Circular.

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.

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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) 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 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 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 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 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 during regular business hours at least 48 hours, excluding Saturdays, Sundays and public

holidays in Hong Kong, before the Meeting (i.e. 4:30 p.m. on June 19, 2015 (Hong Kong time)), 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 1010, 407 – 2nd Street SW, Calgary, Alberta, Canada T2P 2Y3 ensuring that the Proxy is received during regular business hours at least 48 hours, excluding Saturdays, Sundays and public holidays in Calgary, before the Meeting (i.e. 4:30 p.m. on June 19, 2015 (Calgary time)), 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, RRIFFs, RESPs, TFSA's 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 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 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 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 1010, 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 4000, 421 – 7th Avenue S.W., Calgary, Alberta, Canada T2P 4K9, during regular business hours at least 48 hours, excluding Saturdays, Sundays and public holidays in Calgary and Hong Kong, before the Meeting (i.e. 4:30 p.m. on June 19, 2015 (Calgary time) or 4:30 p.m. on June 19, 2015 (Hong Kong time), as the case may be), 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 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. 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 clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.

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” Preferred Non-Voting Shares and Class “H” Preferred Non-Voting Shares.

As at May 19, 2015 (the “**Latest Practicable Date**”) there were 3,899,986,888 Class “A” Common Voting 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**”)).

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 at the Latest Practicable Date, the only persons, firms, or corporations, owning of record or beneficially, controlling or directing, directly or indirectly, 10% or more of the issued and outstanding Shares are Mr. Sun Kwok

Ping, who directly or indirectly beneficially owns or controls 452,078,000 Shares, representing approximately 11.59% of the issued and outstanding Shares, and HKSCC Nominees Limited, which holds 3,268,239,784 Shares, representing approximately 83.80% of the issued and outstanding Shares. HKSCC Nominees Limited is a subsidiary of the Hong Kong Exchanges and Clearing Limited (“**HKEx**”) and its principal business is to act as nominee on behalf of other corporate or individual shareholders. All shares of Hong Kong listed companies, which are deposited into HKEx’s Central Clearing and Settlement System (CCASS), are registered in the name of HKSCC Nominees Limited.

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 May 19, 2015 (Hong Kong time) and (4:30 p.m. on May 19, 2015 (Calgary time), as the case may be (the “**Record Date**”). Only Shareholders 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, Dr. Qi Jiang and Mr. Jin Hu as executive directors; Mr. Hong Luo, Mr. Hok Ming Tseung, Mr. Tingan Liu and Mr. Haotian Li as non-executive directors; and Mr. Raymond Shengti Fong, Mr. Robert John Herdman, Mr. Gerald Franklin Stevenson and Mr. Zhefei Song as independent 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, 2014, the report of the Board and the report of the auditors will be placed before the Shareholders at the Meeting.

2. Fixing the Number of Directors of the Corporation

The Articles of Incorporation 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 of Incorporation and By-Law No. 1 of the Corporation, be set at eleven (11). There are presently eleven directors of the Corporation (as identified below) whose term of office shall expire 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 eleven (11).

3. Election of Directors

The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors of the Corporation, the nominees whose names are set forth in the table below. Each nominee elected will hold office until the next annual general 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 of Incorporation and By-Law No. 1 of the Corporation. 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 of the Corporation. 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 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>Tingan Liu⁽¹⁾⁽⁶⁾ Kowloon, Hong Kong China <i>Non-Executive Chairman Non-Executive Director and Hong Kong Corporate Secretary</i> Age: 53</p>	<p>Non-Executive Chairman of the Corporation since November 2014. Hong Kong Corporate Secretary of the Corporation since March 1, 2012. 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.</p>	February 1, 2011	Nil
<p>Michael John Hibberd⁽¹⁾ Calgary, Alberta Canada <i>Executive Vice-Chairman and Executive Director</i> Age: 59</p>	<p>Executive Vice-Chairman of the Corporation since November 2014. Executive Co-Chairman of the Corporation from October 2008 to November 2014. 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. Director of Petro Frontier Corp. since September 2013. Director of Pan Orient Energy Corp. since April 2005. Director of Montana Exploration Corp. since 1997.</p>	May 9, 2007	96,677,085
<p>Hok Ming Tseung⁽³⁾⁽⁷⁾ Hong Kong China <i>Non-Executive Director</i> Age: 53</p>	<p>Director of Orient International Resources Group Limited since April 2010. Director of Orient International Petroleum & Chemical Limited since December 2004. Director of Orient Financial Holdings Limited since July 2002. Director of Dongwu Cement International Ltd. since November 2011, which became a public company listed on the SEHK on June 13, 2012. Director of Jiangsu Xinmin Textile Science & Technology Co., Ltd., since September 2013, which became a public company listed on the Shenzhen Stock Exchange in April 2007.</p>	March 2, 2010	295,383,656
<p>Haotian Li⁽¹⁾ Hong Kong China <i>Non-Executive Director</i> Age: 43</p>	<p>Director of Bank of China Investment Limited, Bank Of China Group Investment Limited (“BOCGI”) and 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⁾
Raymond Shengti Fong⁽²⁾⁽³⁾⁽⁴⁾ Calgary, Alberta Canada <i>Independent Non-Executive Director</i> Age: 68	Director of Palinda International Group Limited since September 2012. Prior thereto, Chief Executive Officer of China Coal Corporation of Calgary from May 2010 to December 2012. Director of Abenteuer Resources Ltd. from November 2000 to August 2008. Director of Stealth Ventures Ltd. from November 1999 to November 2007. Director of Zapata Capital Inc. from January 1998 to June 1999 and director of United Rayore Gas Ltd. from January 1990 to January 1997.	May 9, 2007	8,250,621
Robert John Herdman⁽³⁾⁽⁴⁾ Calgary, Alberta Canada <i>Independent Non-Executive Director</i> Age: 64	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 and Director of TriOil Resources Ltd. from February 2012 to November 2013.	July 18, 2011	150,621
Gerald Franklin Stevenson⁽²⁾⁽⁴⁾ Calgary, Alberta Canada <i>Independent Non-Executive Director</i> Age: 71	Director of Southwest Energy Trust from August 2011 to April 2013. Prior thereto, from January 2006 to April 2011, head of oil & gas acquisitions and divestitures for CIBC World Markets Inc., Calgary and was VP Business Development at Enerplus, responsible for acquisitions and divestures, from October 2001 to March 2003.	July 15, 2011	184,621
Jin Hu (Jimmy Hu)⁽³⁾ Beijing China <i>Executive Director and Senior Vice President, Corporate Strategies</i> Age: 38	Senior Vice President, Corporate Strategies of the Corporation since July 2014 and Vice President at Harbin Gloria Pharmaceuticals Co. and Chairman and Chief Executive Officer of Shenzhen YongBangSiHai Private Equity Fund since 2012. Prior thereto, Executive Vice President and Chief Financial Officer of China TMK Battery Systems, Inc. from 2010 to 2012, and the financial controller of Johnson & Johnson China Ltd. from 2009 to 2010. Prior thereto, a consultant in Citi Group from 2008 to 2009, Project Lead with Ernst & Young from 2006 to 2008, accounting professional with McKesson Corporation from 2003 to 2006 and investment analyst with StockTrak Inc. from 2000 to 2003.	June 27, 2014	43,478
Zhefei Song (Bill Song)⁽³⁾⁽⁴⁾ Mississauga, Ontario Canada <i>Independent Non-Executive Director</i> Age: 45	President of Admetal Engineering Corp. since 2001 and co-founder and CEO of Telamonn Energy Services Inc. since 2012. Mr. Song established his own company, Admetal Engineering Corp. in Canada in 2001 and co-founded Telamonn Energy Services Inc. in 2012.	June 27, 2014	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⁾
Hong Luo Calgary, Alberta Canada <i>Non-Executive Director</i> Age: 51	Executive Vice President of Sinopec Canada since 2012. Prior thereto, Director of Strategy and Planning at Sinopec International Petroleum Exploration and Production Corporation (“SIPC”) from September 2009 to January 2012, President of West Africa and Asia-Pacific Exploration and Production Projects from May 2008 to August 2009.	November 28, 2014	Nil
Qi Jiang ⁽²⁾ Calgary, Alberta Canada <i>Executive Director, President and Chief Operating Officer</i> Age: 51	President & Chief Operating Officer of the Corporation since January 5, 2015. Vice President, Reservoir and Production Engineering at OSUM Oil Sands Corp. from 2012 to 2014 and Manager from 2008 to 2011.	December 15, 2014	Nil

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 options held by directors are noted under the section entitled “Incentive Plan Awards”.
- (6) On March 31, 2015, Mr. Liu resigned as the deputy chairman and president of China Life Insurance (Overseas) Company Limited effective June 30, 2015.
- (7) 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 addition, Mr. Hok Ming Tseung directly holds a 100% interest in Orient Financial Holdings Limited, which itself directly owns 13,566,395 Shares.

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

Tingan Liu. Mr. Liu is our Non-Executive Chairman and a non-executive director. He was appointed by the Board as a director on February 1, 2011 as a nominee selected by China Life pursuant to the terms of the subscription agreement for the Class B Shares, the contractual right of which is not effective following the listing of the Shares on the SEHK and has been the Non-Executive Chairman since November 28, 2014. Mr. Liu was the deputy chairman and president of China Life Insurance (Overseas) Company Limited from June 2008 until his resignation effective June 2015. 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 SEHK, as a member of the Insurance Advisory Committee of the Government of Hong Kong S.A.R., as an executive director of the Hong Kong Chinese Enterprises Association and as a deputy chairman 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” and the “Leader of Excellence Award 2013”.

Mr. Liu obtained a Master degree in Economics from Renmin University of China in 1988 and completed a scholarship programme in monetary policy and financial markets at the University of Oxford in 1991. He is a senior economist, a fellow of the Institute of Chartered Secretaries and Administrators of the United Kingdom and a fellow of the Hong Kong Institute of Chartered Secretaries.

Michael John Hibberd. Mr. Hibberd is our Executive Vice-Chairman and an executive director. Mr. Hibberd is a founder of our Corporation and held the title of Chairman and Co-Chief Executive Officer from August 7, 2007 to October 6, 2008 and Executive Co-Chairman from October 6, 2008 to November 28, 2014. Since May 9, 2007, he has been an executive director. Mr. Hibberd has extensive international energy project planning and capital markets experience. He is currently President and Chief Executive Officer of MJH Services Inc., a company founded in 1995. Mr. Hibberd currently holds directorships in the following public companies: Canacol Energy Ltd., Greenfields Petroleum Corporation, Montana Exploration Corp., PetroFrontier Corp., and PanOrient Energy Corp., all publicly traded entities listed on the Toronto Stock Exchange (“TSX”) or the TSX Venture Exchange. Mr. Hibberd was previously Chairman of Heritage Oil Plc and Heritage Oil Corporation. Mr. Hibberd was also a director of Deer Creek Energy, Zapata Energy Corporation, Iteration Energy Ltd., Avalite Inc., Sagres Energy Inc., Rally Energy Corp., Skope Energy Inc. and Challenger Energy Corp.

Mr. Hibberd obtained his Bachelor of Arts degree in 1976 and his Master of Business Administration degree in 1978 from the University of Toronto. He obtained his Bachelor of Laws degree from University of Western Ontario in 1981, was called to the bar in 1983 and is a member of The Law Society of Upper Canada.

Hok Ming Tseung. Mr. Tseung is a non-executive director appointed by the Board on March 2, 2010 as a nominee selected by Orient International Petroleum & Chemical Limited and Orient International Resources Group Limited, each of which he is a director. The Board resolved to approve the appointment of a nominee by Orient International Petroleum & Chemical Limited on August 13, 2009. Mr. Tseung is also vice chairman of the Hong Kong Financial Service Institute and the Hong Kong China Education Fund. Mr. Tseung was appointed as a director of the second board of directors of the China Foreign Affairs University on March 11, 2005. Mr. Tseung is currently a director of Dongwu Cement International Ltd. and Jiangsu Xinmin Textile Science & Technology Co., Ltd., which are publicly traded entities listed on the SEHK and Shenzhen Stock Exchange respectively.

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

Haotian Li. Mr. Li is a non-executive director appointed by the Board on February 14, 2011 as nominee selected by BOCGI pursuant to the terms of the subscription agreement for the investment by Charter Globe Limited. Mr. Li has been appointed as our authorised representative pursuant to Rules 2.11 and 3.05 of the Listing Rules. 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 nonperforming asset investments department and the funds 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 the 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 Master of Business Administration degree from the University of Denver in 1998 and a Bachelor of Engineering degree from Tsinghua University in 1995.

Raymond Shengti Fong. Mr. Fong is an independent non-executive director appointed on May 9, 2007. Mr. Fong has over 30 years of experience in the oil and gas industry. Mr. Fong is currently an executive director of Palinda International Group Limited of Hong Kong. He held previous directorships with China

Coal Corporation, Abenteuer Resources Ltd., Stealth Ventures Ltd., Zapata Capital Inc., Ultra Capital Inc. and United Rayore Gas Ltd. Mr. Fong obtained a Bachelor of Science degree from the Taiwan Cheng Kung University in 1970, and a Master of Science degree from the Tennessee Technological University in 1971. Mr. Fong is a registered professional engineer in Ontario and Alberta, Canada.

Robert John Herdman. Mr. Herdman is an independent non-executive director appointed on July 18, 2011. Mr. Herdman has over 38 years of experience in the oil and gas industry. Mr. Herdman is a fellow chartered accountant qualified in Alberta, Canada. He joined PricewaterhouseCoopers LLP in 1976 and worked as a partner from 1989 to 2010 in the Calgary office, 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 Blackline GPS Corp., Chinook Energy Inc., and Black Diamond Group, all public companies listed on the TSX or the TSX Venture Exchange. Mr. Herdman is also a board member of Zag Bank and Western Financial Group Inc., which voluntarily delisted in 2013 as it no longer has publicly traded securities. He was a member of the governors of the Glenbow Museum. He 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.

Gerald Franklin Stevenson. Mr. Stevenson is an independent non-executive director appointed on July 15, 2011. Mr. Stevenson has over 36 years of experience in the oil and gas industry. Mr. Stevenson was head of oil and 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 and acquisitions and financing activities. Mr. Stevenson also has extensive experience in oil and gas operations, including senior management positions and international experience, including two years in Jakarta, Indonesia.

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

Jin Hu (Jimmy Hu). Mr. Hu is an executive director appointed on June 27, 2014 and is the Senior Vice President, Corporate Strategies of the Corporation. Mr. Hu is also a Vice President of Harbin Gloria Pharmaceuticals Co. and has been the Chairman and Chief Executive Officer of Shenzhen YongBangSiHai Private Equity Fund since 2012. He was the Executive Vice President and Chief Financial Officer of China TMK Battery Systems, Inc. from 2010 to 2012 and the Financial Controller of Johnson & Johnson China Ltd. from 2009 to 2010. From 2000 to 2008, Mr. Hu worked in the United States. Mr. Hu was a consultant with Citi Group from 2008 to 2009, a project lead with Ernst & Young from 2006 to 2008, an accounting professional with McKesson Corporation from 2003 to 2006 and an investment analyst at Stock-Trak Inc. from 2000 to 2003.

Mr. Hu obtained an undergraduate major in China CPA from Southwest University of Finance and Economics in 1999, dual Master's degrees in Computer Information Systems and Accounting from Georgia State University in 2003 and a Master of Business Administration degree from Johnson Graduate School of Management in Cornell University in 2009.

Zhefei Song (Bill Song). Mr. Song is an independent non-executive director appointed on June 27, 2014. Mr. Song has been the President of his own company, Admetal Engineering Corp. since 2001 and co-founder and CEO of Telamonn Energy Services Inc. since 2012.

Mr. Song graduated from Inner Mongolia Polytechnic University in 1992 with a major in mechanical engineering.

Hong Luo. Mr. Luo is an independent non-executive director appointed on November 28, 2014. Mr. Luo has been the Executive Vice President of Sinopec Canada since 2012. Prior thereto, he was the director of strategy and planning at SIPC from September 2009 to January 2012 and President of West Africa and Asia-Pacific exploration and production projects from May 2008 to August 2009.

Mr. Luo holds a Bachelor of Geology degree from the University of Science and Technology of Chengdu, China.

Qi Jiang. Dr. Jiang is an executive director appointed on December 15, 2014 and the President and Chief Operating Officer of the Corporation. Dr. Jiang has been the Vice President, Reservoir and Production Engineering at OSUM Oil Sands Corp. since 2012. Prior thereto, he was the manager EOR and reservoir engineering with OSUM Oil Sands Corp. from 2008 to 2011.

Dr. Jiang holds a Ph.D. and a M.Sc. in Chemical and Petroleum Engineering from the University of Calgary, and B.Sc. in Petroleum Engineering from Southwest Petroleum University. He is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGA), a member of the Society of Petroleum Engineers (SPE). Dr. Jiang has authored over 25 publications related to Steam Assisted Gravity Drainage (SAGD) and alternative technologies.

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, as 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 (“**CEO**”) or chief financial officer (“**CFO**”) 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. 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 of the 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 general 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. Approval of Renewal of the 10% Scheme Mandate Limit to the Post IPO Share Option Scheme

The Corporation's share option scheme (the "**Post IPO Share Option Scheme**" or the "**Scheme**"), which was established in January 2012 in connection with the Corporation's initial public offering in Hong Kong and listing on the SEHK, establishes a fixed maximum number of Shares that may be issued pursuant to grants under the Scheme (together with grants under the Corporation's share option plan initially adopted on May 7, 2009, as amended on June 13, 2010 (the "**Pre IPO Plan**") and any other security-based compensation arrangement, including the Corporation's employee share savings plan (the "**ESSP**")). This limit was initially set at 10% of Sunshine's outstanding Shares upon its listing on the SEHK and subsequently "refreshed" at the annual and special meetings of Shareholders held on May 7, 2013 and June 25, 2014.

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 specified in the approval for the "refresh" granted by the Shareholders. The new limit would apply to new grants of options made from the specified 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 274,247,308, the maximum number of Shares reserved for issuance under the Pre IPO Plan is 83,256,374, the maximum number of Shares reserved for issuance under the ESSP, before the refresh of the ESSP Mandate Limit (as defined below), is 15,980,266 and the maximum number of Shares reserved for issuance under the Corporation's directors' share compensation arrangement (the "**DSCA**") is 6,079,582. 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 cancelled or lapse according to their terms. In respect of the ESSP, the term "maximum number of Shares reserved for issuance" refers to the total number of Shares that can be issued under the ESSP and this number diminishes as Shares are issued. In respect of the DSCA, the term "maximum number of Shares reserved for issuance" refers to the total number of Shares that could be issued under the DSCA and this number diminishes as Shares are issued. The DSCA is not being renewed for the ensuing year and will expire upon the conclusion of the Meeting. In total, the Corporation has 379,563,530 Shares reserved for issuance under its Post IPO Share Option Scheme, the Pre IPO Plan, the ESSP and the DSCA.

As at the Latest Practicable Date and prior to any “refresh”, the Corporation has 103,477,304 options outstanding under its Post IPO Share Option Scheme and has room under its Post IPO Share Option Scheme to grant a further 124,554,237 options thereunder. As at the Latest Practicable Date, there are 11,162,560 outstanding options under the Pre IPO Plan.

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 378,836,129. This number represents the sum of 389,998,689 (being 10% of the number of issued and outstanding Shares of the Corporation, based on figures as at the Latest Practicable Date) less 11,162,560 (being the outstanding number of Pre IPO Plan options based on figures as at the Latest Practicable Date) for a total of 378,836,129 options. This number is in addition to all of the outstanding options that were granted under the Post IPO Share Option Scheme prior to the “refresh”, being 103,477,304 as at the Latest Practicable Date. The Shares issuable on exercise of the 103,477,304 outstanding options under the Post IPO Share Option Scheme (as at the Latest Practicable Date) together with the potential 378,836,129 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 and other security-based compensation arrangements of the Corporation of 482,313,433 Shares.

Following the “refresh” and based on the calculations above, this will result in an additional 162,986,674 Shares being reserved for issuance under the Post IPO Share Option Scheme and other security-based compensation arrangements of the Corporation, on top of the current 274,247,308 Shares reserved for issuance under the Scheme as at the Latest Practicable Date, the 38,999,869 Shares reserved for issuance under the ESSP (assuming the refresh of the ESSP Mandate Limit), the 83,256,374 Shares reserved for issuance under the Pre IPO Plan and the 6,079,582 Shares reserved for issuance to directors of the Corporation in connection with the DSCA.

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 (the “**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 (the “**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 a 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 security-based compensation arrangements of the Corporation shall be re-set at 10% of the Shares in issue as at the date specified in the approval of the limit as “refreshed”. Accordingly, 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 “refreshed” at the Corporation’s annual and special meeting of Shareholders held on June 25, 2014 was 324,991,620, representing 10% of the Shares outstanding on such date (and representing approximately 8.33% of the Shares outstanding as at the Latest Practicable Date).

If the 10% Scheme Mandate Limit is “refreshed”, on the basis of 3,899,986,888 Shares in issue as at the Latest Practicable Date, the 10% Scheme Mandate Limit will be re-set at 389,998,689 Shares and the Corporation will be allowed to grant further options under the Post IPO Share Option Scheme and issue Shares under other security-based compensation arrangements of the Corporation carrying the rights to subscribe for a maximum of 389,998,689 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 3,899,986,888 Shares in issue as at the Latest Practicable Date, the 30% Overall Limit represents a total of 1,169,996,066 Shares. As at the Latest Practicable Date, there are outstanding options to subscribe for 103,477,304 Shares granted under the Post IPO Share Option Scheme and outstanding options to subscribe for 11,162,560 Shares granted under the Pre IPO Plan. Accordingly, the Available Limit arising from the “refreshing” of the 10% Scheme Mandate Limit together with the 103,477,304 Shares underlying options granted under the Post IPO Share Option Scheme, the 11,162,560 Shares underlying options granted under the Pre IPO Plan, the 38,999,869 Shares issuable under the ESSP (assuming the refresh of the ESSP Mandate Limit) and the 6,079,582 Shares reserved for issuance to directors of the Corporation in connection with the DSCA does not exceed the 30% Overall Limit as at the Latest Practicable Date.

On the basis of an Available Limit of 389,998,689 Shares underlying new option grants (based on the calculations above and the number of outstanding Shares as at the Latest Practicable Date) less the 11,162,560 Shares underlying outstanding options granted under the Pre IPO Plan, the Corporation anticipates having room under the Scheme to issue additional options exercisable into 378,836,129 Shares. Share reservations under the ESSP and the DSCA will diminish the number of additional options that may be granted under the Scheme.

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 Latest Practicable Date, which may fall to be allotted and issued pursuant to the exercise of options to be granted under the 10% Scheme Mandate Limit as refreshed.

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 May 19, 2015, 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 May 19, 2015 (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.

6. Approval of Renewal of 1% Limit Mandate to the Employee Share Savings Plan

The ESSP was established at the annual and special meeting of Shareholders held on May 7, 2013, where the Shareholders granted the Board a specific mandate to allot and issue a fixed maximum number of Shares that may be issued pursuant to the ESSP. This limit was set at one percent of Sunshine's issued and outstanding Shares as at May 7, 2013, resulting in a fixed maximum of 28,651,382 Shares reserved for issuance under the ESSP. This mandate may be renewed by the Shareholders from time to time. The Corporation is seeking Shareholder approval to apply a new 1% mandate limit based on the outstanding Shares as at the Latest Practicable Date (the "**ESSP Mandate Limit**").

As at the Latest Practicable Date, the maximum number of Shares reserved for issuance under the ESSP is 15,980,266, which refers to the total number of Shares that can be issued under the ESSP less Shares issued under the ESSP. As at the Latest Practicable Date, 12,671,116 Shares have been issued under the ESSP.

The proposed "refresh" of the ESSP Mandate Limit will result in a new maximum number of Shares that can be issued under the ESSP of 38,999,869 Shares (being 1% of the number of issued and outstanding Shares, based on figures as at the Latest Practicable Date) from the date of the "refresh". Following the "refresh" and based on the calculations above, there will be an additional 23,019,603 Shares reserved for issuance under the ESSP on top of the current 15,980,266 Shares reserved for issuance under the ESSP as at the Latest Practicable Date. For greater certainty, the refreshed reserve under the ESSP of 38,999,869 Shares is in addition to the 12,671,116 Shares that have been issued under the ESSP as at the Latest Practicable Date.

The renewal of the ESSP Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders to approved the proposed renewal of the ESSP 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 1% of the issued and outstanding Shares as at the Latest Practicable Date, which may be allotted and issued pursuant to the ESSP.

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 be allotted and issued pursuant to the ESSP to be granted under the ESSP Mandate Limit so refreshed.

Further information in respect of the ESSP is set out in Schedule A to this Circular.

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 renew the mandate limit under the ESSP (the "**ESSP Renewal Resolution**"), to be effective immediately:

"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 be allotted and issued pursuant to the employee share savings plan established by the Corporation on May 7, 2013, the board of directors of the Corporation is hereby granted a specific mandate to allot and issue, pursuant to the Employee Share Savings Plan, a maximum number of new shares equal to one percent (1%) of the shares in issue and outstanding as at May 19, 2015 during the period from the date this resolution is passed until the earliest of: (a) the conclusion of the Corporation’s third annual general meeting following the Meeting; (b) the end of the period within which the Corporation is required by any applicable law or its by-laws to hold its third annual general meeting following the Meeting; and (c) the date on which the resolution granting such authorization is varied or revoked by ordinary resolution of the Shareholders in a general meeting.

2. 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 ESSP Renewal Resolution.

7. 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 general meeting of the Shareholders. 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 pass 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, including without limitation any director share compensation arrangement, 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 of the Corporation 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 general meeting of the Corporation;
- (ii) the expiration of the period within which the next annual general 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.

8. 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 of the Shareholders (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 B to this Circular.

At the Meeting, the Shareholders will be asked to pass 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 Stock Exchange of Hong Kong Limited (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 general meeting of the Corporation;
 - (ii) the expiration of the period within which the next annual general 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 general meeting of the Shareholders.

9. Other Matters

Management of the Corporation is not aware of any 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 currently comprises Messrs. Robert J. Herdman (Chair), Hok Ming Tseung, Raymond S. Fong, Bill Song and Jimmy Hu. Messrs. Herdman, Song and Fong are independent non-executive directors of the Corporation. Mr. Tseung is not independent by virtue of his ownership of a substantial number of Shares of the Corporation. Mr. Hu is not independent by virtue of his position as Senior Vice President, Corporate Strategies of the Corporation.

Each of the members of the Compensation Committee has the skills and experience necessary to enable the Compensation Committee to make decisions on the suitability of the Corporation’s compensation policies and practices. Each of Messrs. Herdman, Fong and Tseung has years of experience in director roles of private and public companies and have dealt with compensation matters in such capacity. Messrs. Hu and Song have experience on the suitability of compensation policies and practices through years of experience in senior executive roles.

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 other than a minimum and maximum bonus range established for the 2015 fiscal year under the executive employment agreement between the Corporation and Dr. Qi Jiang. 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 Non-Executive Chairman, the Executive Vice-Chairman or the 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 C attached hereto.

Employee Share Savings Plan

The purpose of the ESSP 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 the Shareholders.

A description of the ESSP is set forth in Schedule A attached hereto.

Compensation Governance

Please refer to the disclosure under the heading "*Corporate Governance Disclosure – Committees of the Corporation – 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.

Hedging and Offsetting

At present, the Corporation does not have a formal policy prohibiting its directors and executive officers from engaging in short sales of securities of the Corporation or buying or selling puts, calls or other derivatives that are designed to hedge or offset a decrease in the market value of securities of the Corporation.

Currently, in the absence of such a policy, the directors and officers of the Corporation are expected to act at all times transparently, with integrity and with a view to the best interests of the Corporation and its Shareholders in their securities trading activities.

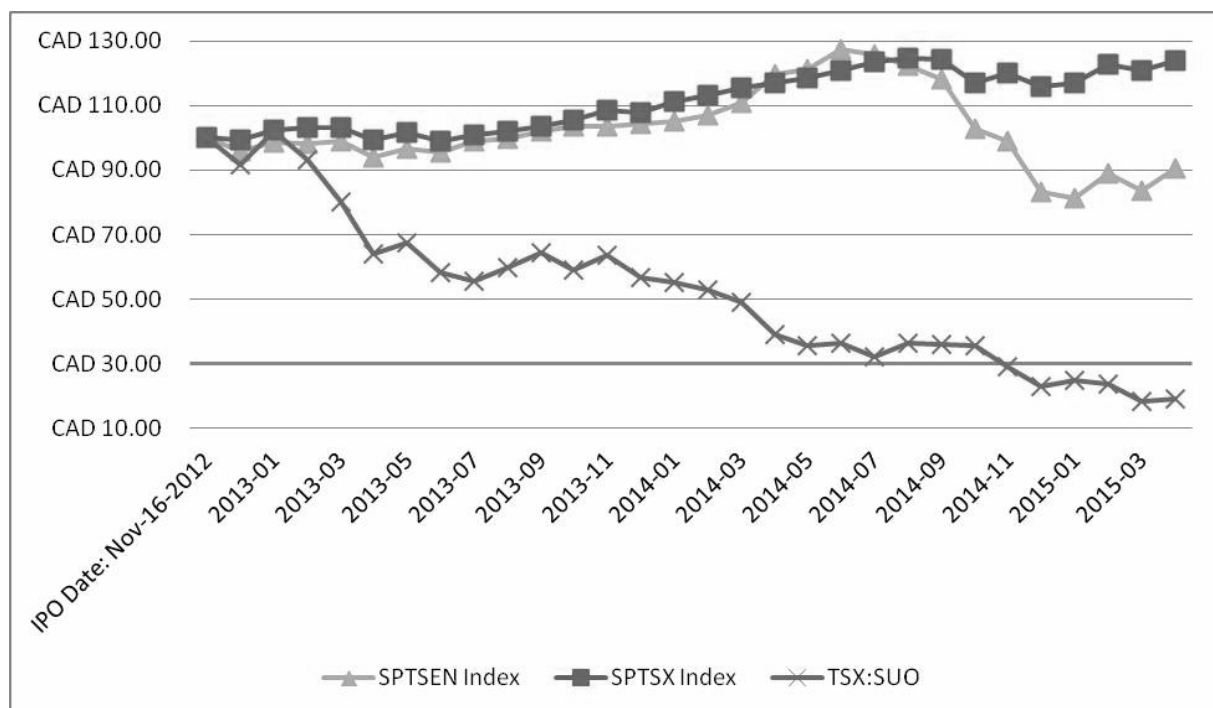
It should be noted that any transactions of this nature are subject to insider reporting requirements and are reported on the System for Electronic Disclosure by Insiders (SEDI).

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.

Performance Graph



The above graph compares the cumulative shareholder return over the period indicated of a \$100 investment in the Shares, with the cumulative shareholder return of the S&P/TSX Energy Index (the “**SPTSEN Index**”) and the S&P/TSX Composite Index (the “**SPTSX Index**”), assuming the reinvestment of dividends, where applicable.

The trend shown by the above performance graph is a brief increase in the price of Shares in early 2013 followed by a decrease in the price of the Shares for the remainder of 2013, 2014 and early 2015.

The trend shown in the above graph does not correlate in all cases with the compensation that was awarded to the named Executive Officers as defined below. Specifically each Named Executive Officer’s total compensation, as found in the summary compensation table below, decreased significantly in 2013 from 2012, but only in certain cases did it decrease in 2014.

Summary Compensation Table

The following table provides a summary of compensation earned during the years ended December 31, 2012, 2013, and 2014 by the Executive Vice-Chairman, the former Co-Chairman, the former Interim President and Chief Executive Officer, the Interim Chief Financial Officer, the Senior Vice President, Engineering, and the Senior Vice President, Hong Kong and Canada (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 (\$)⁽⁶⁾	Option Based Awards	Annual Incentive Plans (\$)	Long Term Incentive Plans	Pension Value (\$)	All Other Compensation (\$)⁽⁷⁾	Total Compensation (\$)
Michael J. Hibberd⁽¹⁾	2014	-	-	-	-	-	-	531,000	531,000
<i>Executive</i>	2013	-	-	-	-	-	-	536,000	536,000
<i>Vice-Chairman</i>	2012	-	-	3,881,500	3,500,000	-	-	532,000	7,913,500
Songning Shen⁽²⁾	2014	-	-	-	-	-	-	263,652	263,652
<i>Former Co-Chairman</i>	2013	-	-	-	-	-	-	536,000	536,000
	2012	-	-	3,881,500	3,500,000	-	-	534,000	7,915,500
David Sealock⁽³⁾	2014	211,859	-	-	115,000	-	-	5,075	331,934
<i>Former Interim President and Chief Executive Officer</i>	2013	250,000	-	-	-	-	-	13,266	263,266
	2012	237,000	-	700,000	280,000	-	-	6,695	1,223,695
Qiping Men⁽⁴⁾	2014	150,000	-	175,988	-	-	-	3,264	329,252
<i>Interim Chief Financial Officer</i>									
Songbo Cong	2014	250,000	-	175,988	77,500	-	-	6,947	510,435
<i>Senior Vice President, Engineering</i>	2013	225,000	-	-	-	-	-	13,444	238,444
	2012	213,750	-	142,224	85,000	-	-	6,550	447,524
Dong Liu⁽⁵⁾	2014	257,785	-	159,955	49,714	-	-	2,418	469,872
<i>Senior Vice President, Hong Kong and Canada</i>	2013	232,400	-	-	-	-	-	2,733	235,133
	2012	142,231	-	305,735	-	-	-	2,620	450,587

Notes:

- (1) Mr. Hibberd was Co-Chief Executive Officer from August 2007 to October 5, 2008 and an Executive Co-Chairman from October 6, 2008 to June 25, 2014 and Executive Chairman from June 25, 2014 to November 28, 2014. He has been the Executive Vice-Chairman since November 28, 2014. Mr. Hibberd has been performing the functions of the Chief Executive Officer since September 1, 2014. Compensation information disclosed in this table for Mr. Hibberd includes \$87,000 as 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 was an Executive Co-Chairman from October 6, 2008 until June 25, 2014. He resigned from the Board on July 7, 2014. Compensation information disclosed in this table for Mr. Shen includes \$44,652 as compensation for Mr. Shen's role as a director.
- (3) Mr. David Sealock resigned as Interim President and Chief Executive Officer on September 1, 2014.
- (4) Mr. Qiping Men was appointed Interim Chief Financial Officer on July 21, 2014.
- (5) Mr. Dong Liu was appointed Senior Vice President, Hong Kong and Canada in May 2012.
- (6) Share based awards and option based awards are valued at the "call option value" using the Black Scholes model. All values are calculated based on International Financial Reporting Standards.
- (7) These amounts relate to vacation pay and benefits such as parking, health and medical coverage (except in the case of the Executive Vice-Chairman and former Co-Chairman, who did not receive any benefits other than parking benefits). Except for Mr. Hibberd, Mr. Shen and Mr. Sealock, these amounts also include the employer contribution to the Corporation's ESSP. In the case of Mr. Hibberd and Mr. Shen, these amounts include fees earned for serving as a director and fees paid pursuant to their respective contracts up to June 25, 2014. In the case of Mr. Hibberd, the amount includes employment amounts for the period after June 25, 2014. For Mr. Hibberd, these fees amounted to \$444,000 in 2014. For Mr. Shen, these fees amounted to \$219,000 in 2014.

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 pricing of stock options during the fiscal period ended December 31, 2014.

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, 2014. The number of securities to be issued on the exercise of 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		
	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 Awards 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	7,150,000	0.64	Jul 10, 2017	-	-	Nil	-
<i>Executive</i>	1,620,000	0.38	Dec 10, 2017				
<i>Vice-Chairman</i>	2,990,000	0.80	Dec 10, 2017				
	2,400,000	0.28	Mar 2, 2015				
Songning Shen	7,150,000	0.64	Jul 10, 2017	-	-	Nil	-
<i>Former Co-Chairman</i>	1,620,000	0.38	Dec 10, 2017				
	2,990,000	0.80	Dec 10, 2017				
	2,400,000	0.28	Mar 2, 2015				
David Sealock	-	-	-	-	-	Nil	-
<i>Former Interim President and Chief Executive Officer</i>							
Qiping Men	2,555,556	0.135	Sep 4, 2019	-	-	Nil	-
<i>Interim Chief Financial Officer</i>							
Songbo Cong	2,555,556	0.135	Sep 4, 2019	-	-	Nil	-
<i>Senior Vice President, Engineering</i>	278,200	0.64	Jul 10, 2017				
	280,000	0.38	Dec 10, 2017				
	100,000	0.48	Sep 25, 2016				
	1,500,000	0.28	Mar 2, 2015				
Dong Liu	2,322,736	0.135	Sep 4, 2019	-	-	Nil	-
<i>Senior Vice President, Hong Kong and Canada</i>	500,000	0.38	Dec 10, 2017				
	675,000	0.64	May 17, 2017				
	300,000	0.28	May 14, 2015				

Notes:

- (1) The value of both the vested and unvested unexercised in-the-money options at December 31, 2014 is based on a closing price of \$0.095 on the TSX at December 31, 2014. The closing value on the same date on the SEHK was HK\$0.60, which is equivalent to approximately \$0.09 based on the Bank of Canada December 31, 2014 exchange rate of HK\$6.6836 per \$1.00.

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, 2014.

Name	Option based awards – Value vested during the year (\$)	Share based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael J. Hibberd <i>Executive Vice-Chairman</i>	Nil	Nil	Nil
Songning Shen <i>Former Co-Chairman</i>	Nil	Nil	Nil
David Sealock <i>Former Interim President and Chief Executive Officer</i>	Nil	Nil	Nil
Qiping Men <i>Interim Chief Financial Officer</i>	Nil	Nil	Nil
Songbo Cong <i>Senior Vice President, Engineering</i>	Nil	Nil	Nil
Dong Liu <i>Senior Vice President, Hong Kong and Canada</i>	Nil	Nil	Nil

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 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 an executive employment agreement (the “**Executive Agreement**”) with Songbo Cong (the “**Executive**”), who is the Senior Vice President, Engineering. The Corporation does not have any formal employment agreements with any of the other Named Executive Officers as at December 31, 2014.

The following is a description of the Executive Agreement and certain of its 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 the Executive’s responsibilities.

Termination Payments under the Executive Agreement

The table below lists the compensation that would be paid to the 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, 2014.

Type of Termination	Cash payments (\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Pre IPO Plan (\$)
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.
Termination (involuntary without just cause) ⁽²⁾	Base salary, 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.
Termination (on change of control and for good reason) ⁽²⁾⁽³⁾	Base salary, 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.
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.
Death	Prorated bonus until the time of death	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.

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 the Corporation 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 Executive had been terminated on December 31, 2014.

Termination Payments for Songbo Cong

Type of Termination	Cash payments (\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Pre IPO Share Option Plan (\$)	Total Payout (\$)
Resignation ⁽¹⁾	-	-	-	-	-
Termination (involuntary without just cause) ⁽²⁾	350,750	-	-	-	350,750

Type of Termination	Cash payments (\$)	Benefits (\$)	Post IPO Share Option Scheme (\$)	Pre IPO Share Option Plan (\$)	Total Payout (\$)
Termination (on change of control and for good reason) ⁽³⁾	350,750	-	-	-	350,750
Termination (for just cause) ⁽²⁾	-	-	-	-	-
Death ⁽²⁾	-	-	-	-	-

Notes:

- (1) Assuming Mr. Cong'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, 2014 is equivalent to the amount of vested options and Shares outstanding at December 31, 2014 multiplied by the TSX closing price on December 31, 2014 (being \$0.095) 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, 2014 is equivalent to the total amount of vested and unvested options and Shares outstanding at December 31, 2014 multiplied by the TSX closing price on December 31, 2014 (being \$0.095) less the cost of the options and Shares.

Executive Vice-Chairman

The Corporation currently does not have a formal written agreement with Mr. Hibberd with respect to his employment to guide and supervise the activities of the Corporation's executive management, which services include financial planning services, capital market strategy services, and government and investor relations services. There is currently no agreement containing terms requiring any payments to Mr. Hibberd on his termination or on a change of control of the Corporation.

David Sealock

Mr. David Sealock stepped down as Sunshine's Interim President and Chief Executive Officer on September 1, 2014. In transitioning from his office, Mr. Sealock was paid his accrued vacation pay up to his termination date, being \$44,231. Mr. Sealock was also paid a bonus of \$115,000. No termination payments were made.

Director Compensation for 2014

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	38,000	-	-	-	-	20,000	58,000
Tingan Liu	55,794	-	-	-	-	-	55,794
Haotian Li	50,000	-	-	-	-	-	50,000
Raymond S. Fong	52,000	-	-	-	-	20,000	72,000
Wazir C. (Mike) Seth ⁽⁴⁾	32,152	-	-	-	-	15,000	47,152
Gregory G. Turnbull ⁽⁵⁾	39,630	-	-	-	-	20,000	59,630
Robert J. Herdman	68,750	-	-	-	-	20,000	88,750
Gerald F. Stevenson	64,750	-	-	-	-	20,000	84,750

Name ⁽¹⁾	Fees Earned (\$)	Share Based Awards ⁽²⁾ (\$)	Option Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total(\$)
Bill Song ⁽⁶⁾	31,000	-	-	-	-	-	31,000
Hong Luo ⁽⁷⁾	5,696	-	136,644	-	-	-	142,340
Qi Jiang ⁽⁸⁾	4,174	-	455,480	-	-	-	459,654
Jimmy Hu ⁽⁹⁾	27,000	-	-	-	-	5,000	32,000

Notes:

- (1) Compensation for Messrs. 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. All values are calculated based on International Financial Reporting Standards.
- (3) “All Other Compensation” relates to directors accepting payment of certain base retainer fees in shares of the Corporation under the Director Share Compensation Arrangement approved at the last annual general meeting held on June 25, 2014.
- (4) Mr. Seth was an independent non-executive director until the time of his resignation on July 7, 2014.
- (5) Mr. Turnbull was a non-executive director until the time of his resignation on November 28, 2014.
- (6) Mr. Song commenced as an independent non-executive director on June 27, 2014.
- (7) Mr. Luo commenced as a non-executive director on November 28, 2014.
- (8) Dr. Jiang commenced as a non-executive director on December 15, 2014 and was subsequently re-designated and appointed an executive director on January 5, 2015.
- (9) Mr. Hu commenced as a non-executive director on June 27, 2014 and was subsequently re-designated and appointed as an executive director and Senior Vice President, Corporate Strategies on July 14, 2014. “Fees Earned” disclosed in this table for Mr. Hu includes all compensation and includes \$32,000 as compensation for Mr. Hu’s role as a director.

Narrative Discussion of Director Compensation to December 31, 2014

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 payable to the Chairman and the Vice-Chairman (and previously the Co-Chairmen) of the Board annually, 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 on an annual basis. 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 2014.

Outstanding Share Based Awards and Option Based Awards

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, 2014. 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		
	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 (#)	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 (\$)
Hok Ming Tseung	150,000	0.64	Jul 10, 2017	-	-	Nil	-
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
	1,000,000	0.28	Mar 2, 2015				
Tingan Liu	-	-	-	-	-	Nil	-
Haotian Li	150,000	0.64	Jul 10, 2017	-	-	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	Jul 10, 2017	-	-	Nil	-
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
	400,000	0.28	Mar 2, 2015				
Wazir C. (Mike) Seth	-	-	-	-	-	Nil	-
Gregory G. Turnbull	-	-	-	-	-	Nil	-
Robert J. Herdman	150,000	0.64	Jul 10, 2017	-	-	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	Jul 10, 2017	-	-	Nil	-
	120,000	0.38	Dec 10, 2017				
	240,000	0.80	Dec 10, 2017				
	1,000,000	0.48	Jul 14, 2016				
Bill Song	-	-	-	-	-	Nil	-
Hong Luo	3,000,000	0.09	Dec 17, 2019	15,000	-	Nil	-
Qi Jiang	10,000,000	0.09	Dec 17, 2019	50,000	-	Nil	-
Jimmy Hu	-	-	-	-	-	Nil	-

Notes:

- (1) The value of both the vested and unvested unexercised in-the-money options as at December 31, 2014 is based on a closing price of \$0.095 on the TSX at December 31, 2014. The closing value on the same date on the SEHK was HK\$0.60, which is equivalent to approximately \$0.09 based on the Bank of Canada December 31, 2014 exchange rate of HK\$6.6836 per \$1.00.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each non-executive director, the incentive plan awards that were earned during the year ended December 31, 2014.

<u>Name</u>	<u>Option based awards – Value vested during the year (\$)</u>	<u>Share based awards – Value vested during the year (\$)</u>	<u>Non-equity incentive plan compensation – Value earned during the year (\$)</u>
Hok Ming Tseung	Nil	Nil	Nil
Tingan Liu	Nil	Nil	Nil
Haotian Li	Nil	Nil	Nil
Raymond S. Fong	Nil	Nil	Nil
Wazir C. (Mike) Seth	Nil	Nil	Nil
Gregory G. Turnbull	Nil	Nil	Nil
Robert J. Herdman	Nil	Nil	Nil
Gerald F. Stevenson	Nil	Nil	Nil
Zhefei Song	Nil	Nil	Nil
Hong Luo	Nil	Nil	Nil
Qi Jiang	Nil	Nil	Nil
Jimmy Hu	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth information, as at December 31, 2014, 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.

<u>Plan Category</u>	<u>Number of Shares to be Issued Upon Exercise of Outstanding Options</u>	<u>Weighted Average Exercise Price of Outstanding Options</u>	<u>Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans⁽¹⁾⁽²⁾</u>
Equity compensation plans approved by Shareholders	114,639,864 ⁽³⁾	\$0.30	148,364,855
Equity compensation plans not approved by Shareholders	-	-	-
Total	114,639,864⁽³⁾	\$0.30	148,364,855

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, 2014. The amount is further reduced by the amount of options exercised in the year of 2014.
- (2) The total number of Shares issuable on December 31, 2014 was 3.48% 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 114,639,864 (representing 2.94% of the issued and outstanding shares as at that date), being comprised of 103,477,304 Shares underlying options granted pursuant to the Post IPO Share Option Scheme (representing 2.65% of the issued and outstanding Shares as at the Latest Practicable Date) and 11,162,560

Shares underlying options granted pursuant to the Pre IPO Plan (representing 0.29% of the issued and outstanding Shares as at the Latest Practicable Date).

Narrative Discussion of Equity Compensation Plan Information

A description of the key features of the Corporation's Post IPO Share Option Scheme is set forth in 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 the Corporation'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 a majority of directors are not independent, as seven of the Corporation's 11 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 the Executive Vice-Chairman of the Board
Hong Luo		✓	Mr. Luo was conditionally appointed to the position of the Chief Executive Officer of the Corporation, subject to obtaining all necessary immigration approvals.
Hok Ming Tseung		✓	Mr. Tseung directly owns a substantial number of Shares of the Corporation. Mr. 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. Tseung directly holds a 100% interest in Orient Financial Holdings Limited, which itself directly owns 13,566,395 shares in the Corporation.
Jimmy Hu		✓	Mr. Hu is Senior Vice President, Corporate Strategies of the Corporation.
Qi Jiang		✓	Dr. Jiang is President and Chief Operating Officer of the Corporation.
Tingan Liu⁽¹⁾		✓	Mr. Liu was initially appointed to the Board pursuant to an appointment right granted in connection with an investment in the Corporation and, as such, was not considered independent at the time of his initial appointment. Mr. Liu is considered a non-executive director under the Listing Rules.
Haotian Li⁽¹⁾		✓	Mr. Li was initially appointed to the Board pursuant to an appointment right granted in connection with an investment in the Corporation and, as such, was not considered independent at the time of his initial appointment. Mr. Li is considered a non-executive director under the Listing Rules.
Raymond S. Fong	✓		
Robert J. Herdman	✓		
Gerald F. Stevenson	✓		
Bill Song	✓		

Notes:

(1) The Board considers Messrs. Liu and Li to be independent, as such term is defined under applicable Canadian securities laws.

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	Canacol Energy Ltd. Greenfields Petroleum Corporation Montana Exploration Corp. Pan Orient Energy Corp. PetroFrontier Corp.	TSX, Colombia Stock Exchange TSX Venture Exchange TSX Venture Exchange TSX Venture Exchange TSX Venture Exchange
Robert J. Herdman	Black Diamond Limited Chinook Energy Inc. Blackline GPS Corp.	Toronto Stock Exchange Toronto Stock Exchange TSX Venture Exchange
Hok Ming Tseung	Dongwu Cement International Ltd. Jiangsu Xinmin Textile Science & Technology Co., Ltd.	SEHK Shenzhen Stock Exchange

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 Executive Vice-Chairman of the Board is a non-independent director and the Non-Executive Chairman of the Board is a non-independent director. To provide leadership for the independent directors, each of the 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 and Committee Meetings and Meeting Attendance

The following is a summary of attendance of the directors at meetings of the Board and its committees for the year ended December 31, 2014:

Name of Director	Board of Directors	Audit Committee	Corporate Governance Committee	Compensation Committee	Reserves Committee
Michael J. Hibberd	19/19	-	3/3	-	-
Songning Shen ⁽¹⁾	11/11	-	-	-	1/1
Hok Ming Tseung	13/19	-	-	2/2	-
Tingan Liu	11/19	-	2/3	-	-
Haotian Li	6/19	-	2/3	-	-
Gregory G. Turnbull ⁽²⁾	17/17	-	-	1/1	-
Raymond S. Fong	19/19	6/6	1/1	2/2	4/4
Robert J. Herdman	18/19	6/6	1/1	2/2	-
Wazir C. (Mike) Seth ⁽³⁾	11/11	2/2	0/1	-	1/1
Gerald F. Stevenson	19/19	6/6	1/1	1/1	4/4
Jimmy Hu ⁽⁴⁾	9/9	-	-	1/1	-
Bill Song ⁽⁵⁾	9/9	2/2	-	-	-
Hong Luo ⁽⁶⁾	2/2	-	-	-	-
Qi Jiang ⁽⁷⁾	1/1	-	-	-	1/1

Notes:

- (1) Mr. Shen was an executive director until his resignation on July 7, 2014.
- (2) Mr. Turnbull was a non-executive director until the time of his resignation on November 28, 2014.
- (3) Mr. Seth was an independent non-executive director until the time of his resignation on July 7, 2014.
- (4) Mr. Hu commenced as a non-executive director on June 27, 2014 and was subsequently re-designated and appointed as an executive director and Senior Vice President, Corporate Strategies on July 14, 2014.
- (5) Mr. Song commenced as an independent non-executive director on June 27, 2014.
- (6) Mr. Luo commenced as a non-executive director on November 28, 2014.
- (7) Dr. Jiang commenced as a non-executive director on December 15, 2014 and was subsequently re-designated and appointed an executive director on January 5, 2015.

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 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 the 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 the Board Chairman role (Chairman and Vice-Chairman) and the Chairs of the Corporation's various Board committees. The Board has also developed written terms of reference for each of the Corporation's Board 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 constating 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 has adopted a written terms of reference which describes the committee's responsibilities, powers and operations. The Corporate Governance Committee is composed of three directors: Mr. Hibberd, who is the chairman, and Messrs. Liu and Li. While the Corporate Governance Committee is not composed entirely of independent directors, the Corporation is of the view that the current members of the Corporate Governance Committee are influential and important in setting the key direction of the Corporation at this time. The Board will endeavour to return the composition of the Corporate Governance Committee to a majority of independent directors within a reasonable time after the Meeting.

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.

Compensation

The Compensation Committee comprises five members, three of whom are independent directors. The Board believes that having an independent director as chairman of the Compensation Committee ensures an objective process for determining compensation. The Board also ensures an objective process by requiring the Compensation Committee to adhere to the written mandate of the Board set forth in the Compensation Committee Terms of Reference.

For the process by which the Board determines the compensation for the Corporation's directors and officers and the responsibilities, powers and operation of the Compensation Committee, please see the heading "*Compensation Discussion & Analysis*" above.

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 Executive Vice-Chairman and the Non-Executive Chairman of the Board meet informally with each director, to discuss performance of the Board, Board committees and other issues.

Director Term Limits

The Corporation has not adopted term limits for the directors on its Board or other mechanisms of Board renewal. The Corporation does not impose term limits on its directors as it takes the view that term limits are an arbitrary mechanism for removing directors which can result in valuable, experienced directors being forced to leave the Board solely because of length of service. Instead, the Corporation believes that directors should be assessed based on their ability to continue to make a meaningful contribution. The Board's priorities continue to be ensuring the appropriate skill sets are present amongst the Board to optimize the benefit to the Corporation. The Corporation believes that annual elections by the Shareholders are a more meaningful way to evaluate the performance of directors and to make determinations about whether a director should be removed due to under-performance.

Policies Regarding Gender Diversity

While the Board recognizes the potential benefits from new perspectives which could manifest through increased gender diversity within its ranks, the Board has not formally adopted a written Board diversity policy and has not set a target regarding the number or percentage of female members that it wishes to include on the Board. The selection of candidates for appointment to the Board will continue to be based on the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time, with achieving an appropriate level of diversity on the Board being one of the criteria that the Corporate Governance Committee considers when evaluating the composition of the Board.

When considering candidates for senior management positions, the Corporation focuses on attracting and retaining experienced and highly skilled individuals that can add value to its business. While the Corporation does consider the level of representation of women in executive officer positions when making executive officer appointments, the Board does not believe that a formal policy will necessarily result in the identification or selection of the best candidates. The Corporation considers all candidates based on their merit and qualifications relevant to the specific role.

The Corporation does not currently have any targets, rules or formal policies that specifically require the identification, consideration, nomination or appointment of female Board nominees or candidates for executive management positions or that would otherwise force the composition of the Board or the Corporation's executive management team. The Board does not believe it is in the Corporation's best interests to implement such targets at this time.

There are presently no women on the Board and there are no women serving in executive officer positions.

Committees of the Corporation

Corporate Governance Committee

The Corporation has 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:

- (a) to consider and review the Corporation’s corporate governance principles, practices and processes and to make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of directors and senior management; and
- (c) 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. Hibberd, who is the chairman, and Messrs. Liu and Li.

Compensation Committee

The Corporation has established a remuneration committee (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 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.

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

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. The 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 three 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. Stevenson, who is the chairman, and Mr. Fong and Dr. Jiang.

Audit Committee

The Corporation has established an audit committee (the “**Audit 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 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, annual information forms 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. The current members of the Audit Committee are Mr. Herdman, who is the chairman, and Messrs. Stevenson, Fong and Song.

Further information with respect to the Corporation's Audit Committee is set forth in the Corporation's annual information form for the year ended December 31, 2014 dated March 26, 2015.

RECOMMENDATION

The directors consider that the election of directors for the ensuing year, the appointment of auditors, the proposed "refresh" of the Post IPO Share Option Scheme, and the Share Repurchase Mandate 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, 2014. 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 dispatch of this Circular have been approved by the Board.

(signed) "Tingan Liu"

Tingan Liu
Non-Executive Chairman

(signed) "Michael John Hibberd"

Michael J. Hibberd
Executive Vice-Chairman

DATED at Calgary, Alberta, this 19th day of May, 2015.

SCHEDULE A ESSP DESCRIPTION

The Corporation adopted the ESSP on May 7, 2013. The purpose of the ESSP is 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.

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 has appointed an administrative committee to whom it has delegated the full power and authority to administer the ESSP. The administrative committee comprises the Corporation's Chief Financial Officer, Treasurer and the Human Resource Manager. The administrative committee does not include any "connected persons" (as such term is defined under the Listing Rules). Solium Capital Inc., the independent administrator appointed under the ESSP, handles the day to day administration of the ESSP on behalf of the administrative committee. Solium Capital Inc. is not 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 current Shareholder mandate, passed May 7, 2013, sets this threshold at 28,651,382, being 1% of the total issued and outstanding Shares as at May 7, 2013 (and representing 0.73% of the issued and outstanding Shares at the Latest Practicable Date). 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. As at the Latest Practicable Date, 12,671,116 Shares have been issued under the ESSP.

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 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). No one individual may purchase a number of Shares in excess of 1% of the total issued and outstanding Shares pursuant to the ESSP in any 12 month period.

The above limits are in addition to the limits required under the Listing Rules.

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 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.

SCHEDULE B 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.

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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 3,899,986,888. 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 389,998,689 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 of Incorporation 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, 2014 (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 the TSX for the past twelve months preceding the issue of this Circular were as follows:

SEHK Trading Prices

	Per Share Highest	Lowest
	HK\$	HK\$
2014		
May 1 – May 31	1.07	0.78
June 1 – June 30	1.25	0.65
July 1 – July 31	1.24	0.73
August 1 – August 31	1.25	0.87
September 1 – September 30	1.12	0.88
October 1 – October 31	1.06	0.87
November 1 – November 30	0.92	0.67
December 1 – December 31	0.75	0.53
2015		
January 1 – January 31	0.69	0.57
February 1 – February 28	0.61	0.42
March 1 – March 31	0.42	0.30
April 1 – April 30	0.77	0.31
May 1 – May 15	0.83	0.62

TSX Trading Prices

	Per Share Highest	Lowest
	CAD\$	CAD\$
2014		
May 1 – May 31	0.15	0.125
June 1 – June 30	0.17	0.105
July 1 – July 31	0.16	0.115
August 1 – August 31	0.16	0.125
September 1 – September 30	0.15	0.13
October 1 – October 31	0.17	0.125
November 1 – November 30	0.13	0.09
December 1 – December 31	0.10	0.09
2015		
January 1 – January 31	0.10	0.09
February 1 – February 28	0.10	0.08
March 1 – March 31	0.085	0.05
April 1 – April 30	0.12	0.06
May 1 – May 15	0.14	0.095

EFFECT OF THE CODE OF TAKEOVERS AND MERGERS AND SHARE REPURCHASES OF HONG KONG (THE “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 did not purchase any of the Corporation’s Shares during the year ended December 31, 2014.

SCHEDULE C POST IPO SHARE OPTION SCHEME DESCRIPTION

The Corporation adopted the Post IPO Share Option Scheme on January 26, 2012. The Scheme was subsequently amended by (i) a resolution passed at the Corporation's annual general and special meeting of Shareholders held on May 7, 2013 and (ii) a resolution of the Board on June 13, 2013. 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 103,477,304 Shares underlying options granted under the Scheme (representing 2.65% 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 324,991,620, representing 10% of Shares outstanding when the Scheme Mandate Limit was last refreshed on May 7, 2014 (and representing approximately 8.33% 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 Scheme provides that the number of Shares issued to insiders (as defined in the Scheme) of Sunshine within any 12-month period, and the number of Shares issuable to Sunshine insiders at any time, will not exceed 10% of Sunshine's total issued and outstanding Shares. 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 Listing Rules) is required where any grant of options under the Scheme to a substantial shareholder (as defined in the 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 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 or the TSX (whichever is higher) on the offer date, which must be a business day; (b) the volume weighted average trading price of the Shares on the SEHK or the TSX (whichever is higher) for the five trading days immediately preceding the offer date; and (c) the average closing price of the Shares as stated in the daily quotation sheets issued by the SEHK or the TSX (whichever is higher) for the five business 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.

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.

Where the last date on which an option may be exercised in the option period under the grant falls within a period during which the Corporation is in blackout and trading in Shares is prohibited under the Corporation's policies or within 2 Business Days from the end of such a blackout period, the terms of the Scheme provide that the option period for such grant 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 such option period expiring later than 10 years from the date of grant.

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.

The Scheme also requires 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.

The Board may amend the Scheme or any grant of options made thereunder provided it obtains the prior approval of the SEHK, the 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.

Amendments made by the Board in 2013

On June 13, 2013, the Board, with the approval of the SEHK and the TSX, amended the Scheme to permit the Corporation to provide loans on commercial terms to any Scheme participant (excluding directors and "connected persons", as such term is defined under the Listing Rules) to exercise options granted under the Scheme in accordance with relevant laws and regulations. As the Board determined that this amendment was not material to the Scheme, the Board determined it was unnecessary under the terms of the Scheme to seek Shareholder approval for the amendment.

Display of Scheme Document

The scheme document in respect of the Post IPO Share Option Scheme may be inspected from June 10, 2015 to June 23, 2015 at the Corporation's Hong Kong office at Unit 8504A, 85/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, People's Republic of China.