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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 together with the accompanying form of Proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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This circular is for information only and does not constitute an invitation of offer to acquire, purchase or subscribe for any securities of the Corporation.

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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)*  
(HKEX: 2012; TSX: SUO)

**(1) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE  
(2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES  
BY CONNECTED PERSONS  
AND  
(3) NOTICE OF SGM**

**Independent Financial Adviser  
to the Independent Board Committee and the Independent Shareholders**



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Unless the context otherwise requires, all capitalised terms used in this circular have meanings set out in the section headed "Definitions" of this circular.

A notice convening the SGM to be convened and held at United Conference Centre, Room 2, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, July 21, 2015 at 8:00 a.m. (Hong Kong time) is set out on pages 45 to 49 of this circular. A form of Proxy for use at the SGM is also enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the form of Proxy in accordance with the instructions printed thereon and deposit the same with at 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 at 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, Wanchai, Hong Kong during regular business hours at least 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of Proxy shall not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

\* For identification purposes only

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context otherwise requires:*

“Announcement”	the announcement made by the Corporation dated June 1, 2015 (Hong Kong time)/May 31, 2015 (Calgary time) regarding the Subscriptions and the Specific Mandate
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Beneficial Shareholder”	has the meaning ascribed to it in the paragraph headed “11. General Proxy Information — (d) Proxy Information for Beneficial Shareholders” in the “Letter from the Board”
“Board”	the board of Directors of the Corporation
“Broadridge”	has the meaning ascribed to it in the paragraph headed “11. General Proxy Information — (d) Proxy Information for Beneficial Shareholders” in the “Letter from the Board”
“CDN\$”	Canadian dollars, the lawful currency of Canada
“Completion”	completion of the Subscriptions pursuant to the terms and conditions of the Subscription Agreements
“connected person”	has the meaning ascribed to it in the Listing Rules
“Connected Subscribers”	Prime Union, Mr. Hibberd, Dr. Jiang, Mr. Fong and Mr. Song
“Corporation”	Sunshine Oilsands Ltd., a corporation incorporated under the Business Corporations Act of the Province of Alberta, Canada, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the Toronto Stock Exchange
“Cross Strait”	has the meaning ascribed to it in the paragraph headed “7. Litigation” in the “General Information” set out in the appendix to this circular
“Directors”	the directors of the Corporation
“Dr. Jiang”	Dr. Qi Jiang, an executive Director and the President and Chief Operating Officer of the Corporation
“Employee Subscribers”	certain senior managers and employees of the Group, excluding the Connected Subscribers, whom the Board has selected for participation in the Subscriptions and are subscribing for the Subscription Shares under the Subscription Agreements

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## DEFINITIONS

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“ESSP”	has the meaning ascribed to it in the paragraph headed “4. Reasons for the Benefits of the Subscriptions and Use of Proceeds” in the “General Information” in the “Letter from the Board”
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions by the Connected Subscribers
“Group”	the Corporation and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent board committee comprising certain of the INEDs, namely Mr. Robert John Herdman and Mr. Gerald Franklin Stevenson
“Independent Shareholders”	the Shareholders other than the Connected Subscribers and their respective associates
“Intermediary”	has the meaning ascribed to it in the paragraph headed “11. General Proxy Information — (d) Proxy Information for Beneficial Shareholders” in the “Letter from the Board”
“INEDs”	the independent non-executive Directors
“Latest Practicable Date”	June 15, 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the information contained therein
“Listing Committee”	the listing sub-committee of the board of the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Meeting Materials”	has the meaning ascribed to it in the paragraph headed “11. General Proxy Information — (d) Proxy Information for Beneficial Shareholders” in the “Letter from the Board”
“Mr. Fong”	Mr. Raymond Shenti Fong, an INED

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## DEFINITIONS

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“Mr. Hibberd”	Mr. Michael John Hibberd, an executive Director and the Executive Vice-Chairman of the Corporation
“Mr. Song”	Mr. Zhefei Song, an INED
“Mr. Sun”	Mr. Kwok Ping Sun, a non-executive Director and a substantial shareholder of the Corporation, who is interested in 533,407,000 Shares, representing approximately 13.67% of the issued and outstanding Shares of the Corporation as at the Latest Practicable Date
“Objecting Beneficial Shareholders”	has the meaning ascribed to it in the paragraph headed “11. General Proxy Information — (d) Proxy Information for Beneficial Shareholders” in the “Letter from the Board”
“PRC”	the Peoples’ Republic of China, for the purpose of this announcement, not including Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
“Prime Union”	Prime Union Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability, which is directly wholly owned by Mr. Sun as at the Latest Practicable Date. Prime Union is engaged in investment holding
“Proxy”	has the meaning ascribed to it in the paragraph headed “11. General Proxy Information — (c) Proxy Information for Registered Shareholders — Appointment of Proxy Holder” in the “Letter from the Board”
“Registered Shareholder”	has the meaning ascribed to it in the paragraph headed “11. General Proxy Information — (c) Proxy Information for Registered Shareholders” in the “Letter from the Board”
“Senior Secured Notes”	the US\$200 million principal amount of senior secured notes issued by the Corporation, the details of which are set out in the announcement of the Corporation dated August 5, 2014
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Corporation to be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreements and the transaction contemplated thereunder (including the grant of the Specific Mandate)
“Share(s)”	the Class “A” common voting share(s) in the issued share capital of the Corporation

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	a specific mandate to be sought from the Independent Shareholders at the SGM for the allotment and issue of the Subscription Shares to the Subscribers upon Completion
“Subscribers”	collectively the Connected Subscribers and the Employee Subscribers, and each a “Subscriber”
“Subscriptions”	the subscriptions of the Subscription Shares by the Subscribers pursuant to the terms of the Subscription Agreements
“Subscription Agreements”	the subscription agreements each dated May 31, 2015 entered between the Corporation and each of the Subscribers in connection with the Subscriptions
“Subscription Price”	HK\$0.75 (approximately CDN\$0.12) per Subscription Share
“Subscription Shares”	524,734,210 new Shares to be issued by the Corporation to the Subscribers pursuant to the Subscription Agreements
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
US\$	United States dollar, the lawful currency of the United States of America
“%”	per cent

*For the purpose of this circular, unless otherwise stated, translations of HK\$ into CDN\$ are made for illustration purposes only and are based on the Bank of Canada’s nominal noon exchange rate (as at May 29, 2015, being the last trading day prior to the date of the Subscription Agreements) of CDN\$1.00 = HK\$6.2202.*

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LETTER FROM THE BOARD

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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)*

**(HKEX: 2012; TSX: SUO)**

*Executive Directors:*

Mr. Michael John Hibberd (*Executive Vice-Chairman*)  
Dr. Qi Jiang  
Mr. Jin Hu

*Registered Office:*

Suite 4000, 421 - Seventh Avenue S.W.  
Calgary, Alberta  
Canada T2P 4K9

*Non-Executive Directors:*

Mr. Hong Luo  
Mr. Hok Ming Tseung  
Mr. Tingan Liu (*Non-Executive Chairman*)  
Mr. Haotian Li  
Mr. Kwok Ping Sun

*Place of Business in Hong Kong:*

Unit 8504A, 85/F  
International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

*Independent Non-Executive Directors:*

Mr. Raymond Shenti Fong  
Mr. Robert John Herdman  
Mr. Gerald Franklin Stevenson  
Mr. Zhefei Song

June 22, 2015

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE  
(2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF  
NEW SHARES BY CONNECTED PERSONS  
AND  
(3) NOTICE OF SGM**

**1. INTRODUCTION**

Reference is made to the Announcement in which the Board announced that on May 31, 2015, the Corporation entered into the Subscription Agreements with each of the Subscribers pursuant to

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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which the Subscribers have conditionally agreed to subscribe for, and the Corporation has conditionally agreed to allot and issue, the 524,734,210 Subscription Shares in cash at the Subscription Price of HK\$0.75 (approximately CDN\$0.12) per Subscription Share.

The Independent Board Committee has been established to consider and advise the Independent Shareholders on the terms of the Subscription Agreements and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) details of the Subscriptions; (ii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in relation to the Subscriptions by the Connected Subscribers; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Subscriptions by the Connected Subscribers as well as voting at the SGM; and (iv) the notice of SGM to the Shareholders together with the Proxy to the Independent Shareholders to consider and if thought fit, to approve the Subscriptions and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares.

### 2. SUBSCRIPTION AGREEMENTS

**Date:**

May 31, 2015

**Parties:**

- (i) the Corporation, as issuer; and
- (ii) the Subscribers, as subscribers of the Subscription Shares.

**Subscription Shares:**

524,734,210 Subscription Shares, representing approximately 13.45% of the Corporation's existing issued share capital as at the Latest Practicable Date and approximately 11.86% of its issued share capital as enlarged by the Subscriptions.



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## LETTER FROM THE BOARD

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The details and names of the Subscribers and the number of Subscription Shares to be subscribed by the Subscribers under the Subscription Agreements are set out below:

Name of Subscriber	Position in the Corporation	No. of Subscription Shares subscribed	Cash Consideration for Subscription Shares
<i>Connected Subscribers</i>			
Prime Union <sup>(1)</sup>	N/A	516,900,000	HK\$387,675,000.00 (approximately CDN\$62,325,166.39)
Mr. Hibberd	Executive Director and Executive Vice-Chairman	2,067,600	HK\$1,550,700.00 (approximately CDN\$249,300.67)
Dr. Jiang	Executive Director, President and Chief Operating Officer	775,350	HK\$581,512.50 (approximately CDN\$93,487.75)
Mr. Fong	INED	1,000,000	HK\$750,000.00 (approximately CDN\$120,574.90)
Mr. Song	INED	516,900	HK\$387,675.00 (approximately CDN\$62,325.17)
<b>Sub-total:</b>		<b>521,259,850</b>	<b>HK\$390,944,887.50</b> <b>(approximately</b> <b>CDN\$62,850,854.88)</b>
<i>Employee Subscribers</i>			
Certain senior managers and employees of the Group		3,474,360	HK\$2,605,770.00 (approximately CDN\$418,920.61)
<b>Total:</b>		<b>524,734,210</b>	<b>HK\$393,550,657.50</b> <b>(approximately</b> <b>CDN\$63,269,775.49)</b>

*Note:*

- Prime Union is a company directly wholly owned by Mr. Sun (a non-executive Director). Mr. Sun is also a substantial shareholder of the Corporation beneficially interested in approximately 13.67% of the Corporation's issued Shares as at the date of this announcement. Under the Subscription Agreement, Prime Union may assign a nominee, being an entity wholly-owned by Mr. Sun, to receive and hold the Subscription Shares to be subscribed by Prime Union subject to the terms and conditions of the Subscription Agreement.

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## LETTER FROM THE BOARD

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The Corporation has considered the Subscribers to be the most appropriate subscribers for the purpose of the Subscriptions as they were the only subscribers that have approached the Corporation with a desire to invest in the Shares at this juncture. The allocation of the number of Subscription Shares to each Subscriber was based upon the number of Subscription Shares that each Subscriber had indicated to the Corporation that they were willing to purchase.

### **Subscription Price:**

The Subscription Price of HK\$0.75 (approximately CDN\$0.12) per Subscription Share:

- (a) a discount of approximately 8.5% to the closing price of HK\$0.82 (approximately CDN\$0.13) per Share on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) represents a discount of approximately 19.4% to the closing price of HK\$0.93 (approximately CDN\$0.15) per Share as quoted on the Hong Kong Stock Exchange on the last trading day (being 29 May 2015) prior to the date of the Subscription Agreements;
- (c) represents a discount of approximately 16.7% over the average closing price of HK\$0.90 (approximately CDN\$0.14) per Share as quoted on the Hong Kong Stock Exchange for the five consecutive trading days (excluding the last trading day on 29 May 2015) immediately prior to the date of the Subscription Agreements;
- (d) represents a premium of approximately 2.7% over the average closing price of HK\$0.73 (approximately CDN\$0.12) per Share as quoted on the Hong Kong Stock Exchange for the 30 consecutive trading days (excluding the last trading day on 29 May 2015) immediately prior to the date of the Subscription Agreements; and
- (e) represents a discount of approximately 55.1% to the audited net asset value of approximately HK\$1.67 (approximately CDN\$0.25) per Share as at December 31, 2014 (based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$6,496,566,138 (approximately CDN\$972,016,000) as at December 31, 2014 and 3,896,103,191 Shares in issue as at December 31, 2014)<sup>(1)</sup>.

*Note:*

1. Based on the Bank of Canada's nominal noon exchange rate (as at December 31, 2014) of CDN\$1.00 HK\$6.6836.

The Subscription Price was determined on an arm's length basis between the Corporation and with each Subscriber with reference to the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable under the current market conditions and in light of the recent price performance of the Shares and the liquidity of the Shares. Furthermore, given the difficulty in raising financing due to overall market conditions including lower global oil prices, a newly elected provincial government in Alberta and the underperformance by industry partners in the oil sands sector, the Directors consider the Subscription Price to be fair and reasonable in light of the recent improvement in the price of its Shares and the lack of sales commissions or fees for the Subscriptions. The Shares have been trading at a lower value for many months.

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## LETTER FROM THE BOARD

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For the analysis of the trading price trend of the Shares, please refer to the Letter from Gram Capital from pages 24 to 37 of this circular for further details.

### **Specific Mandate to issue the Subscription Shares:**

The Subscription Shares will be issued under the Specific Mandate to be put forward for approval by the Independent Shareholders at the SGM. The Specific Mandate, if approved at the SGM, will be valid until the completion of the Subscriptions or termination of the Subscription Agreements.

### **Ranking:**

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with all existing Shares presently in issue and at the time of issue and allotment of the Subscription Shares and in particular shall rank in full for all dividends and other distributions declared made or paid hereafter.

### **Conditions of the Subscriptions:**

Completion of the Subscription Agreements are subject to the fulfillment (or waiver) of the following conditions:

- (a) the approval of the following resolutions at the SGM of the Shareholders in relation to, among other things, the Subscription Agreements, the Subscriptions and the transactions contemplated thereunder:
  - (i) the Specific Mandate for the allotment and issue of the Subscription Shares pursuant to the Subscription Agreements and/or the Subscriptions; and
  - (ii) the Subscription Agreements and the transactions contemplated thereunder; and
- (b) the listing of, and permission to deal in, all the Subscription Shares to be allotted and issued under the Subscription Agreements and/or the Subscriptions being granted by the Hong Kong Stock Exchange and such listing and permission not subsequently being revoked prior to the date of closing of the Subscription Agreements.

Furthermore, the obligations of the Corporation and each of the Subscribers under the Subscription Agreements are subject to acceptance of the terms of the Subscriptions by the Toronto Stock Exchange and Hong Kong Stock Exchange and all other required regulatory approvals.

In the event that closing of the Subscriptions does not occur by the Closing Date (as defined below), the Subscription Agreements will immediately and automatically terminate, the obligations of the Corporation and the Subscribers under the Subscription Agreements shall immediately cease and be null and void and the subscription monies in respect of the Subscriptions will be returned to the Subscribers.

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## LETTER FROM THE BOARD

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### **Completion of Subscriptions:**

Subject to the fulfilment or wavier (as the case may be) of the conditions of the Subscription Agreements, completion of the Subscriptions will take place within seven days after the date of the SGM (or such other later date as the Corporation or the Subscribers may agree in writing) (the “Closing Date”).

### **Undertaking by the Subscribers:**

Each Subscriber undertakes that he/she/it shall not trade in the Subscription Shares within four months and a day after the Closing Date.

### **3. APPLICATION FOR LISTING**

Application will be made by the Corporation to the Listing Committee of the Hong Kong Stock Exchange for the grant of an approval for the listing of, and permission to deal in, the Subscription Shares. As at the Latest Practicable Date, the Toronto Stock Exchange has conditionally approved the listing of the Subscription Shares on the Toronto Stock Exchange.

### **4. REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS AND USE OF PROCEEDS**

The Corporation is a Calgary based public corporation, listed on the Hong Kong Stock Exchange since March 1, 2012 and the Toronto Stock Exchange since November 16, 2012. The Corporation is focused on the development of its significant holdings of oil sands leases in the Athabasca oil sands region. The Corporation owns interests in approximately one million acres of oil sands and petroleum and natural gas leases in the Athabasca region. The Corporation is currently focused on executing milestone undertakings in the West Ells project area.

The Directors are of the view that the Subscriptions will provide an incentive to retain or otherwise maintain on-going relationships with the Subscribers whose contributions are or will be beneficial to the long-term growth and development of the Group. The funds from the Subscriptions will help the Corporation at an important stage of development as the West Ells project is nearing completion and about to enter its start-up phase.

The Corporation has been exploring all methods of raising funds for the last several months which included a large debt transaction over the course of several months that was not successful as the funder failed to complete. The Corporation also considered other high yield debt transactions and equity financing possibilities but market conditions, including the recent drop in oil prices and a newly elected provincial government in Alberta, along with other factors, made each of these possible transactions difficult or unlikely to complete in a timely or economic fashion. Accordingly, the Directors believe that the investments in the Subscription Shares by the Directors, officers and employees of the Corporation are highly desirable and appropriate given that the Subscriptions are a simple and straightforward way for the Corporation to raise financing to advance its West Ells project towards completion and production on favourable terms.

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## LETTER FROM THE BOARD

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Furthermore, the Subscriptions, unlike share options, will result in actual ownership of the Shares and provide a more direct and ongoing financial connection between the Subscribers and the Corporation. While all the Directors, officers and employees of the Corporation can participate in the Corporation's existing stock option plan, a share option may never be exercised by the holder and there is no financial commitment by the holder of the share option until after the exercise the share option at some point in the future. An option holder, who receives the share option without the payment of consideration at the time it is granted, may choose to never exercise the share option. Under the Corporation's employee stock savings plan (the "ESSP"), only certain officers and employees of the Corporation can acquire Shares. The Directors and the chief executive officer of the Corporation are excluded from participating in the ESSP and therefore can only acquire Shares in the open market during non-blackout periods, or through private placements of Shares.

Mr. Sun had recently become interested in approximately 13.67% of the total issued Shares as at the Latest Practicable Date. He joined the Board as a non-executive Director on May 27, 2015 and brings significant business experience to the Corporation. Mr. Sun has indicated his willingness to further support the Corporation through a significant direct equity investment through the Subscription. Given the Corporation's recent financing efforts had not been successful, and with the recent rise in the price of the Shares, the Subscriptions were considered appropriate by the Directors. This could not be accomplished efficiently under a share option plan or other means. Under applicable Canadian securities laws, Mr. Sun could not efficiently increase his ownership in the Corporation over 20%, except through a subscription of new Shares in the Corporation. He otherwise would have been required to complete a take-over bid under Canadian securities laws if he increases his ownership over 20% by acquiring existing Shares from the market. The Subscription by Mr. Sun will not have any take-over bid implication under Canadian securities laws. Other members of the Board and the management of the Corporation has also participated, in part, to demonstrate to Shareholders their support of the Corporation. The Directors consider that: (i) the Subscription Agreements have been entered into on normal commercial terms; (ii) the terms thereof (including the Subscription Price) are fair and reasonable; and (iii) the Subscriptions are in the interests of the Corporation and the Shareholders as a whole.

The aggregate gross proceeds from the Subscriptions are expected to be HK\$393,550,657.50 (approximately CDN\$63,269,775.49). After deducting related fees and expenses, the aggregate net proceeds from the Subscriptions are expected to be approximately HK\$391,612,282.50 (approximately CDN\$62,958,149.66). The net price per Subscription Share after deducting related fees and expenses is approximately HK\$0.746 (approximately CDN\$0.12) per Subscription Share.

The Corporation intends to apply the net proceeds from the Subscriptions as follow:

- (i) approximately HK\$248.81 million (approximately CDN\$40 million) for the initial operating costs (including labor costs for operators, fuel costs for steam and power generation, water treatment and oil treatment costs, costs for diluent and chemicals, transportation, workovers and the costs for other consumable materials for equipment maintenance) to achieve baseline production for phase 1 of the West Ells project, which is estimated to take 10 to 12 months from the commissioning;
- (ii) approximately HK\$130.62 million (approximately CDN\$21 million) for general working capital of the Group (including general and administrative costs such as salary and bonus for office personnel and related consultants, office rental, travel, legal and related general expenses); and

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## LETTER FROM THE BOARD

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- (iii) approximately HK\$12.44 million (approximately CDN\$2 million) for any other future development of the existing business of the Group, including the application fees and related costs to pursue phase 2 of the West Ells project and the expansion in the West Ells project area and in other areas.

The Subscriptions, which will be completed without any placement fees and commissions, are intended to ensure full coverage of the operations costs related to the commencement of first steam at the West Ells project site. In addition, the proceeds from the Subscriptions will cover general and administration costs that will be capitalized to West Ells prior to a declaration of commerciality of the West Ells project. Under the terms of the Senior Secured Notes, the Corporation's capital programs are substantially restricted to West Ells activities for as long as the Senior Secured Notes remain outstanding. Material spending on future project developments is therefore quite small prior to paying out the Senior Secured Notes, and is generally restricted to project application progression activities.

### 5. SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Corporation had 3,900,973,071 Shares in issue. The shareholding structure of the Corporation: (i) as at the Latest Practicable Date; and (ii) immediately after the Completion (assuming that there will be no further changes in the number of total issued Shares prior to the Completion), are as follows:

Name of Shareholder <sup>(1)</sup>	As at the Latest Practicable Date		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approx. % of issued Shares</i>	<i>Number of Shares</i>	<i>Approx. % of issued Shares</i>
China Life Insurance (Group) Company <sup>(2)</sup>	334,822,600	8.59	334,822,600	7.57
Mr. Hok Ming Tseung	295,383,656	7.57	295,383,656	6.67
Sinopec Century Bright Capital Investment Limited <sup>(3)</sup>	239,197,500	6.13	239,197,500	5.41
Bank of China Group Investment Limited <sup>(4)</sup>	206,611,560	5.30	206,611,560	4.67
<i>Connected Subscribers</i>				
Mr. Sun <sup>(5)</sup>	533,407,000	13.67	1,050,307,000	23.73
Mr. Hibberd	99,207,085	2.54	101,274,685	2.29
Dr. Jiang	—	—	775,350	0.02
Mr. Fong	8,250,621	0.21	9,250,621	0.21
Mr. Song	—	—	516,900	0.01
Employee Subscribers	10,853,776 <sup>(6)</sup>	0.28	14,328,136	0.32
Other Public Shareholders	<u>2,173,239,273</u>	<u>55.71</u>	<u>2,173,239,273</u>	<u>49.10</u>
<b>Total</b>	<b><u>3,900,973,071</u></b>	<b><u>100.00</u></b>	<b><u>4,425,707,281</u></b>	<b><u>100.00</u></b>

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## LETTER FROM THE BOARD

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*Notes:*

1. To the best of the knowledge of the Directors and officers of the Corporation and as at the Latest Practicable Date, other than as set forth above, no person, firm, or corporation, owns of record or beneficially, controls or directs, directly or indirectly, 10% or more of the issued and outstanding Shares.
2. China Life Insurance (Group) Company owns the entire issued share capital of China Life Insurance (Overseas) Company Limited, which in turn owns 334,822,600 Shares. Accordingly, China Life Group is deemed to be interested in 334,822,600 Shares held by China Life Insurance (Overseas) Company Limited. China Life Insurance (Group) Company is regarded as a public shareholder for the purpose of the Listing Rules.
3. Sinopec Century Bright Capital Investment Limited is a wholly-owned subsidiary of China Petrochemical Corporation. Sinopec Century Bright Capital Investment Limited is regarded as a public shareholder for the purpose of the Listing Rules.
4. Central Huijin Investment Ltd owns approximately 67.72% of the share capital of Bank of China Limited, which owns the entire issued share capital of Bank of China Group Investment Limited. Bank of China Group Investment Limited owns the entire issued capital of Goldway Financial Corp, which owns the entire issued share capital of Charter Globe Limited, which in turn owns 206,611,560 Shares. Accordingly, Central Huijin Investment Ltd is deemed to be interested in 206,611,560 Shares held by Charter Globe Limited. Central Huijin Investment Ltd is regarded as a public shareholder for the purpose of the Listing Rules.
5. Mr. Sun directly wholly owns Prime Union, which is a Subscriber under the Subscription Agreement. Accordingly, Mr. Sun is deemed to be interested in the Shares subscribed by Prime Union under the Subscription Agreement.
6. As each Employee Subscriber does not have a 5% or more beneficial interest or short position in the issued Shares and underlying Shares (which would be required to be recorded in the register maintained by the Corporation under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)), the number of Shares held by the Employee Subscribers as disclosed in the table above is not necessarily exhaustive and is based on information which was voluntarily disclosed by certain Employee Subscribers to the Corporation.

### 6. EQUITY FUND RAISING ACTIVITY IN THE PAST 12 MONTHS

The Corporation has conducted the following equity fund raising activity in the 12 months preceding the date of the Announcement.

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Approximate net proceeds raised</b>	<b>Intended use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
June 26, 2014	Private placement of Shares	HK\$543,644,000 (approximately CDN\$75,321,991 <sup>(1)</sup> )	Settlement of outstanding accounts payable	All of the net proceeds have been used to settle the outstanding accounts payable

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## LETTER FROM THE BOARD

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*Note:*

1. Based on the Bank of Canada's nominal noon exchange rate (as at June 24, 2014) of CDN\$1.00 = HK\$7.2176.

### 7. IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, the Subscribers include, among others, the following Connected Subscribers:

- (a) Prime Union, a company directly wholly owned by Mr. Sun (a non-executive Director). Mr. Sun is also a substantial shareholder of the Corporation beneficially interested in approximately 13.67% of the Corporation's issued Shares as at the Latest Practicable Date;
- (b) Mr. Hibberd (an executive Director and the Executive Vice-Chairman of the Corporation);
- (c) Dr. Jiang (an executive Director and the President and Chief Operating Officer of the Corporation);
- (d) Mr. Fong (an INED); and
- (e) Mr. Song (an INED).

The Connected Subscribers are connected persons of the Corporation under the Listing Rules and accordingly, the Subscriptions by the Connected Subscribers constitute connected transactions for the Corporation and are subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Corporation will seek the Independent Shareholders' approval for the Subscription Agreements entered into with the Connected Subscribers and the granting of the Specific Mandate at the SGM.

Mr. Hibberd, Dr. Jiang, Mr. Sun, Mr. Fong and Mr. Song have abstained from voting on the board resolutions approving the Subscriptions due to their interests in the Subscriptions.

### 8. SGM

A notice convening the SGM to be held at United Conference Centre, Room 2, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, July 21, 2015 at 8:00 a.m. (Hong Kong time) is set out in this circular for the purpose of considering and, if thought fit, passing the ordinary resolution in relation to the Subscription Agreements and the transaction contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares.

The ordinary resolution to be proposed at the SGM to approve the Subscription Agreements and the transaction contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares, the full text of which is set out in paragraph 10 below, will be determined by way of poll by the Shareholders.



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## LETTER FROM THE BOARD

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In view of the Subscribers' material interests in the Subscriptions as at the Latest Practicable Date, the Subscribers and their respective associates (to the extent they have an existing interest in the Shares) will abstain from voting on the resolutions at the SGM. To the best of the Directors' knowledge, information and belief, except for the Subscribers, no other Shareholder is required to abstain from voting on the relevant resolutions at the SGM.

A form of Proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of Proxy in accordance with the instructions printed thereon and return the same as soon as possible 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, Wanchai, Hong Kong, during regular business hours and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of Proxy shall not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

### 9. RECORD DATE

All Registered Shareholders as at 4:30 p.m. on June 17, 2015 (Hong Kong time) and 4:30 p.m. on June 17, 2015 (Calgary time), as the case may be, being the record date, may vote in person at the SGM 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.

### 10. RESOLUTION

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

**“BE IT RESOLVED THAT:**

- (a) the Subscriptions (as defined in the Circular) in relation to 524,734,210 new class “A” common voting shares (the “**Subscription Shares**”) of the Corporation at a price of HK\$0.75 per Subscription Share by the Subscribers (as defined in the Circular) under the Subscription Agreements (as defined in the Circular), a copy of each of the Subscription Agreements has been produced to the special general meeting of the Corporation (“**SGM**”) marked “A” and signed by the chairman of the SGM for the purpose of identification, be and are hereby approved;
- (b) the execution of each of the Subscription Agreements and any other agreements, documents and actions taken or to be taken in connection with the Subscriptions (including the allotment and issue by the Corporation of the Subscription Shares) by any director of the Corporation (“**Director**”), notwithstanding any interest he may have in any matters in connection with the Subscriptions, be and are hereby approved, confirmed and ratified; and

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## LETTER FROM THE BOARD

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- (c) any Director be and is hereby authorised to do all acts and things and execute any agreements, deeds, instruments and any other documents, under hand or under seal, or make such arrangement as he/she may determine to be appropriate, necessary or desirable to give effect to or in connection with the Subscriptions and the allotment and issue of the Subscription Shares and, subject to and in accordance with the applicable law and regulations, to approve and make such immaterial variation, amendment, supplement or waiver of immaterial matters relating to the Subscriptions in the interests of the Corporation and its shareholders as a whole; and
- (d) subject to and conditional upon (i) 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, the Subscription Shares; and (ii) the fulfillment of other conditions precedent as set out in the Subscription Agreements, the unconditional specific mandate granted to the Directors to exercise the powers of the Corporation to allot, issue and deal with the Subscription Shares pursuant to the Subscription Agreements be and is hereby confirmed and approved.”

### 11. GENERAL PROXY INFORMATION

#### (a) Solicitation of Proxies

This circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Corporation for use at the SGM or any adjournments thereof for the purposes set out in the notice of SGM 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 the Directors, officers and regular employees of the Corporation.

#### (b) Voting at the SGM

Registered Shareholders are invited to attend the SGM and vote their Shares at the SGM 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 paragraph headed “Proxy Information for Registered Shareholders”. Beneficial Shareholders are invited to attend the SGM, but in order to vote their Shares they must follow the procedures described below under the paragraph headed “Proxy Information for Beneficial Shareholders”.

#### (c) Proxy Information for 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 SGM in person and wish to ensure that your Shares are voted at the Meeting, you must complete, date and sign

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## LETTER FROM THE BOARD

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the enclosed form of Proxy and deliver it in accordance with the instructions set out in the form of proxy and in this circular. Such form of Proxy is also published on the HKExnews' website of the Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Corporation at [www.sunshineoilsands.com](http://www.sunshineoilsands.com).

### *Appointment of Proxy Holder*

A proxy is a document that authorizes someone else to attend the SGM 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 SGM. 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:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein; and
- (iii) any other matter that properly comes before the SGM.

In respect of a matter for which a choice is not specified in the Proxy, 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 SGM in person.

Registered Shareholders who received this circular and other accompanying materials of the SGM from the Corporation's branch share 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, ensuring that the Proxy is received during regular business hours at least 48 hours, excluding Saturdays, Sundays and public holidays in Hong Kong (i.e. 4:30 p.m. on July 16, 2015 (Hong Kong time)) before the SGM, or any adjournment thereof, at which the Proxy is to be used.

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## LETTER FROM THE BOARD

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Registered Shareholders who received this circular and other accompanying materials of the SGM 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 (i.e. 4:30 p.m. on July 16, 2015 (Calgary time)) before the SGM, or any adjournment thereof, at which the Proxy is to be used.

### (d) **Proxy Information for 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 SGM.

The information set out 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 SGM are those deposited by Registered Shareholders.

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the SGM. Many Shareholders of the Corporation are Beneficial Shareholders because the Shares they own are not registered in their own names, but are instead registered in the name of the brokerage firm, bank, trust company or clearing house through which they purchased the Shares. Shares beneficially owned by a Beneficial Shareholder are registered either:

- (i) in the name of an intermediary (an "**Intermediary**") that the Beneficial Shareholder deals with in respect of the shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers, securities brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans); or
- (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or HKSCC Nominees Limited) of which the Intermediary is a participant.

In accordance with applicable securities law requirements, the Corporation will have distributed copies of the notice of SGM, this circular, and the 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

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## LETTER FROM THE BOARD

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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 SGM. 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 SGM. 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 SGM. 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 SGM. If you receive a voting instruction form from Broadridge, you cannot use it to vote Shares directly at the SGM. The voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the SGM in order to have the Shares voted.

Although as a Beneficial Shareholder you may not be recognized directly at the SGM for the purposes of voting Shares registered in the name of your broker, you, or a person designated by you, may attend at the SGM as proxy holder for your broker and vote your Shares in that capacity. If you wish to attend at the SGM 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 SGM. 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 SGM and vote your Shares.

### (e) **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:

- (i) 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

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## LETTER FROM THE BOARD

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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, as applicable, or at the address of the registered office of the Corporation at Suite 4000, 421 - Seventh Avenue S.W., Calgary, Alberta, Canada T2P 4K9, during regular business hours at least 48 hours, excluding Saturdays, Sundays and public holidays in Calgary (i.e. 4:30 p.m. on July 16, 2015 (Calgary time) or 4:30 p.m. on July 16, 2015 (Hong Kong time), as the case may be) before the SGM, or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the SGM on the day of the SGM or any reconvening thereof, or in any other manner provided by law; or

- (ii) personally attending the SGM and voting the such person's Shares at the SGM.

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

### **12. 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 executive officer or anyone who has held office as such since the beginning of the Corporation's last financial year or any "informed person" of the Corporation (as defined under applicable Canadian securities laws) or of any associate or affiliate of any of the foregoing in any matter to be acted on at the SGM.

### **13. RECOMMENDATION**

An Independent Board Committee has been established to advise the Independent Shareholders, and Gram Capital has been appointed as the independent financial advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreements entered into with the Connected Subscribers and the transactions contemplated thereunder.

The Directors are of the opinion that the Subscriptions are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Corporation and the Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution set out in the notice of SGM enclosed to this circular.

### **14. AUDITOR**

The auditor of the Corporation is Deloitte LLP. Deloitte LLP has acted as the auditors of the Corporation since February 28, 2008.

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## LETTER FROM THE BOARD

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### 15. GENERAL

Your attention is also drawn to the letter from the Independent Board Committee, the letter from Gram Capital and the additional information set out in the appendix to this circular and the notice of SGM.

Additional information relating to the Corporation is available on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

Financial information is provided for in the Corporation's 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](http://www.sunshineoilsands.com).

### 16. APPROVAL OF THE DIRECTORS

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

By Order of the Board of Sunshine Oilsands Ltd.

**Tingan Liu**

*Non-Executive Chairman*

**Michael J. Hibberd**

*Executive Vice-Chairman*

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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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)*

**(HKEX: 2012; TSX: SUO)**

June 22, 2015

*To the Independent Shareholders*

Dear Sir or Madam,

**(1) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE  
(2) CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF  
NEW SHARES BY CONNECTED PERSONS  
AND  
(3) NOTICE OF SGM**

We refer to the circular dated June 22, 2015 issued by the Corporation to its Shareholders (the “Circular”), of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter, unless the context otherwise requires.

We, being independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the Subscriptions by the Connected Subscribers and the transactions contemplated thereunder are in the interests of the Corporation and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned. Details of the Subscriptions are set out in the letter from the Board contained in the Circular. None of the members of the Independent Board Committee have any direct or indirect interest in the Subscriptions.

Gram Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscriptions by the Connected Subscribers. We wish to draw your attention to the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders which contain its advice in respect of the Subscriptions by the Connected Subscribers and as set out in the Circular. Your attention is also drawn to the general information set out in the Circular.

\* *For identification purposes only*



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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having taken into account the principal factors and reasons considered by Gram Capital and its conclusion and advice, we are of the opinion that the Subscriptions by the Connected Subscribers and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Corporation and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution thereunder to be proposed in the SGM approving the Subscriptions and the transactions contemplated.

Yours faithfully,  
For and on behalf of the  
Independent Board Committee  
**Robert John Herdman**  
**Gerald Franklin Stevenson**  
*Independent Non-executive Directors*

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## LETTER FROM GRAM CAPITAL

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*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions by the Connected Subscribers for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

June 22, 2015

*To: The independent board committee and the independent shareholders  
of Sunshine Oilsands Ltd.*

Dear Sirs,

### CONNECTED TRANSACTION INVOLVING SUBSCRIPTIONS OF NEW SHARES BY CONNECTED PERSONS

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions by the Connected Subscribers, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated June 22, 2015 issued by the Corporation to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On May 31, 2015, the Corporation entered into the Subscription Agreements with each of the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Corporation has conditionally agreed to allot and issue, an aggregate of 524,734,210 Subscription Shares in cash at the Subscription Price of HK\$0.75 (approximately CDN\$0.12) per Subscription Share.

With reference to the Board Letter, the Connected Subscribers are connected persons of the Corporation under the Listing Rules and accordingly, the Subscriptions by the Connected Subscribers constitute connected transactions for the Corporation and are subject to the announcement, reporting and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Corporation will seek the Independent Shareholders’ approval for the Subscription Agreements entered into with the Connected Subscribers (collectively, the “**CS Subscription Agreements**”) and the granting of the Specific Mandate at the SGM.

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## LETTER FROM GRAM CAPITAL

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The Independent Board Committee comprising Mr. Robert John Herdman and Mr. Gerald Franklin Stevenson (both being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the CS Subscription Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Subscriptions by the Connected Subscribers are in the interests of the Corporation and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Subscriptions by the Connected Subscribers and the transactions contemplated thereunder at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Corporation, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Subscriptions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Corporation, the Connected Subscribers or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Subscriptions. Our opinion is necessarily based on the

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## LETTER FROM GRAM CAPITAL

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financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Corporation.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of that information.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Subscriptions by the Connected Subscribers, we have taken into consideration the following principal factors and reasons:

#### (1) Background and reasons for the Subscriptions by the Connected Subscribers

##### *Information on the Group*

With reference to the Board Letter, the Corporation is a Calgary based public corporation, listed on the Hong Kong Stock Exchange since March 1, 2012 and the Toronto Stock Exchange since November 16, 2012. The Corporation is focused on the development of its significant holdings of oil sands leases in the Athabasca oil sands region.

Set out below is a summary of the consolidated financial information of the Corporation for the three months ended March 31, 2015 and the two years ended December 31, 2014 and 2013 as extracted from the Corporation's quarterly results announcement for the three months ended March 31, 2015 and annual report for the year ended December 31, 2014 (the "2014 Annual Report") respectively:

	<b>For the three months ended March 31, 2015 (unaudited) CDN\$'000</b>	<b>For the year ended December 31, 2014 (audited) CDN\$'000</b>	<b>For the year ended December 31, 2013 (audited) CDN\$'000</b>	<b>Year on year change %</b>
Other income	686	13,093	2,219	490.04
Net loss and comprehensive loss for the period/year attributable to the Shareholders	(30,839)	(26,767)	(32,780)	(18.34)

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**LETTER FROM GRAM CAPITAL**

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	<b>As at March 31, 2015</b> <i>(unaudited)</i> <i>CDN\$'000</i>	<b>As at December 31, 2014</b> <i>(audited)</i> <i>CDN\$'000</i>	<b>As at December 31, 2013</b> <i>(audited)</i> <i>CDN\$'000</i>	<b>Year on year change</b>  %
Unrestricted cash	89,859	136,097	15,854	758.44
Total equity	942,130	972,016	880,973	10.33

From the above table, we noted that besides the significant increase of approximately 490.04% in the Group's other income for the ended December 31, 2014 as compared to the prior financial year, the Group has also recorded a decrease in the net loss and comprehensive loss for the year ended December 31, 2014. With reference to the 2014 Annual Report and as advised by the management of the Corporation, the net loss for the year ended December 31, 2014 was primarily attributable to (i) general administration costs; (ii) share-based payment; (iii) finance costs and suspension and preservation costs offset by a gain on the fair value adjustment on share purchase warrants and sale of assets. Regarding the asset position of the Group, we noted that as at December 31, 2014 the Group's unrestricted cash was substantially increased as the result of certain financing activities. With reference to the quarterly results announcement of the Corporation dated May 13, 2015, as at March 31, 2015, the Group's unrestricted cash was approximately CDN\$89.9 million.

According to the 2014 Annual Report, the Corporation remains committed to completing and producing the West Ells project and continues to look for opportunities for joint ventures to reduce capital commitments and to accelerate activities aimed at increasing production. In addition, the Corporation's ongoing plan for 2015 is to continue to look for opportunities to secure additional financing to expand construction, operations and development activities in the West Ells project area and in other areas. As confirmed by the Directors, as at the Latest Practicable Date, the Corporation has not identified any investment opportunities for joint ventures.

***West Ells project***

With reference to the 2014 Annual Report, the Corporation's focus is on evaluating and developing its oil sands assets with the first significant project targeting an initial production rate of 10,000 barrels per day at West Ells. Phase 1 of West Ells is designed for 5,000 barrels per day while Phase 2 is designed to add an additional 5,000 barrels per day. Substantial engineering, procurement and construction activity occurred for West Ells during 2012 and in the first half of 2013. Construction activities were suspended in August 2013 pending receipt of additional financing and re-commenced after closing of an issuance of US\$200 million of Senior Secured Notes in August 2014 as described below.

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## LETTER FROM GRAM CAPITAL

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For the year ended December 31, 2014, the Corporation achieved progress, including but not limited to, (i) expand the project management team, (ii) substantially completed investigational analysis of work done and formalised plans to complete Phase 1 construction of the West Ells project; and (iii) engaged major contractors (mechanical, electrical and civil) to support execution of the West Ells project. Furthermore, as advised by the Directors, the Corporation currently anticipates the first production date to be in late 2015, based on certain assumptions.

### *Information on the Connected Subscribers*

With reference to the Board Letter, the Connected Subscribers include (i) Prime Union, a company directly wholly owned by Mr. Sun, being a non-executive Director and a substantial Shareholder; (ii) Mr. Hibberd (an executive Director and the Executive Vice-Chairman of the Corporation); (iii) Dr. Jiang (an executive Director and the President and Chief Operating Officer of the Corporation); (iv) Mr. Fong (an independent non-executive Director); and (v) Mr. Song (an independent non-executive Director).

### *Financing alternatives available to the Group*

The Corporation has conducted the following equity fund raising activity in the 12 months preceding the Announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Approximate net proceeds raised</b>	<b>Intended use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
June 26, 2014	Private placement of Shares	HK\$543,644,000	Settlement of outstanding accounts payable	All of the net proceeds have been used to settlement of outstanding accounts payable

Save for the shares subscription as set out above, the Corporation has not conducted any other equity fund raising exercise in the 12 months immediately preceding the Announcement.

Furthermore, we noted that on August 8, 2014, the Corporation completed an offering of US\$200 million Senior Secured Notes at an offering price of US\$938.01 per US\$1,000 principal amount. The Senior Secured Notes bear interest at a rate of 10% per annum and have a final maturity date of August 1, 2017.

As advised by the Directors, if by February 1, 2016, the Corporation has not: (i) received at least US\$50 million of net cash proceeds from one or more equity offerings; and (ii) deposited, or caused to be deposited in escrow, cash in an amount sufficient to pay: (a) one year of interest payments on the aggregate principal amount of the Senior Secured Notes outstanding on February 1, 2016; and (b) the yield maintenance premium, then the final maturity date of the Senior Secured Notes shall be August 1, 2016. The Corporation is required to pay to the holders of any Senior Secured Notes outstanding on August 1, 2016 a yield maintenance premium of 7.298% of the aggregate principal amount of Senior Secured Notes. If the Senior Secured Notes are outstanding at August 1, 2017, there will be an exit premium paid of 7.298% on the aggregate principal amount of the Senior Secured Notes outstanding.

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## LETTER FROM GRAM CAPITAL

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For our due diligence purpose, we have enquired and were informed by the Directors that the Group has considered various methods, namely debt financing and equity financing, for fund raising. Nevertheless, the Directors advised us that given the Group's existing losses, limited revenue generation and the pre-production status of the West Ells project, it is challenging to obtain favourable terms from the banks or financial institutions for provision of loans to the Group. Furthermore, as mentioned above, the Corporation requires, among other things, one or more equity offerings to fulfill a material note reserve based condition related to extending the Senior Secured Notes maturity date. As such, debt financing would be considered not suitable for the Group at present.

With regard to equity financing, the Directors advised us that although both open offer and rights issue would allow Shareholders to maintain their respective pro-rata shareholdings in the Corporation and at the same time to strengthen the capital base of the Corporation, such fund raising exercises require the Corporation to procure commercial underwriting. Procurement of commercial underwriting would be difficult given the Group's existing losses and limited revenue generation.

Given the above, the Directors are of the opinion that the Subscriptions are more preferable method of fund raising for the Group.

### ***Reasons for and benefits of the Subscriptions by the Connected Subscribers and the use of proceeds***

With reference to the Board Letter and as aforementioned, the Corporation is a Calgary based public corporation, listed on the Hong Kong Stock Exchange since March 1, 2012 and the Toronto Stock Exchange since November 16, 2012. The Corporation is focused on the development of its significant holdings of oil sands leases in the Athabasca oil sands region. The Corporation owns interests in approximately one million acres of oil sands and petroleum and natural gas leases in the Athabasca region. The Corporation is currently focused on executing milestone undertakings in the West Ells project area.

The Directors are of the view that the Subscriptions will provide an incentive to retain or otherwise maintain on-going relationships with the Subscribers whose contributions are or will be beneficial to the long-term growth and development of the Group. The funds from the Subscriptions will help the Corporation at an important stage of development as the West Ells project is nearing completion and about to enter its start-up phase.

As further advised by the Directors, the Subscriptions, unlike share options, will result in actual ownership of the Shares and provide a more direct and ongoing financial connection between the Subscribers and the Corporation. While all the Directors, officers and employees of the Corporation can participate in the Corporation's existing stock option plan, a share option may never be exercised by the holder and there is no financial commitment by the holder of the share option until after the exercise the share option at some point in the future. An option holder, who receives the share option without the payment of consideration at the time it is granted, may choose to never exercise the share option. Under the Corporation's ESSP, only certain officers and employees of the Corporation can acquire Shares. The Directors and the chief executive officer of the Corporation are excluded from participating in the ESSP and therefore can only acquire Shares in the open market during non-blackout periods, or through private placements of Shares.

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## LETTER FROM GRAM CAPITAL

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The aggregate gross proceeds from the Subscriptions are expected to be HK\$393,550,657.50 (approximately CDN\$63,269,775.49). After deducting related fees and expenses, the aggregate net proceeds from the Subscriptions are expected to be approximately HK\$391,612,282.50 (approximately CDN\$62,958,149.66). The net price per Subscription Share after deducting related fees and expenses is approximately HK\$0.746 (approximately CDN\$0.12) per Subscription Share. The Corporation intends to apply the net proceeds from the Subscriptions (i) as to approximately CDN\$40 million for the development and operation costs of the West Ells project which was determined with reference to the operating cost for initial stage of operation for West Ells project (the “**Initial Stage**”); (ii) as to approximately CDN\$21 million for general working capital of the Group (including general and administrative costs) which was determined with reference to the daily operation of the Group during the period of the Initial Stage; and (iii) as to approximately CDN\$2 million for any other future development of the existing business of the Group. As confirmed by the Directors, the proceeds from the Subscriptions will not be applied for the settlement of the interest payable of the Senior Secured Notes. Having also considered (i) the development and operation costs of the West Ells project; and (ii) that the Corporation requires to receive at least US\$50 million of net cash proceeds from one or more equity offerings, we consider that the size of the proceeds from the Subscriptions is justifiable.

Having considered (i) the Subscriptions (including the Subscriptions by the Connected Subscribers) being the most appropriate fund raising method currently available to the Group due to the reasons as set out under the sub-section headed “Financing alternatives available to the Group” above; (ii) the proposed use of the net proceeds from the Subscriptions (including the Subscriptions by the Connected Subscribers) as aforementioned, of which the majority of the proceeds will be utilised for funding the development and operation costs of the West Ells project; and (iii) the Subscriptions are in line with the ongoing plan for 2015, we consider that the reasons for the Subscriptions by the Connected Subscribers are justifiable and the Subscriptions by the Connected Subscribers are in the interests of the Corporation and the Shareholders as a whole.

### (2) **Principal terms of the CS Subscription Agreements**

The table below summarises the major terms of the CS Subscription Agreements:

**Date:**

May 31, 2015

**Parties:**

- (i) the Corporation
- (ii) the Connected Subscribers



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## LETTER FROM GRAM CAPITAL

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### Subscription Shares

The details and names of the Connected Subscribers and the number of Subscription Shares to be subscribed by the Connected Subscribers under the CS Subscription Agreements are set out under the sub-section headed “Subscription Shares” of the Board Letter. As advised by the Directors, the allocation of number of Subscription Shares to be subscribed by each Subscriber was determined on an arm’s length basis between the Corporation and with each Subscriber.

### The Subscription Price

The Subscription Price of HK\$0.75 (approximately CDN\$0.12) per Subscription Share:

- (a) a discount of approximately 8.5% to the closing price of HK\$0.82 (approximately CDN\$0.13) per Share on the Hong Kong Stock Exchange on the Latest Practicable Date;
- (b) represents a discount of approximately 19.4% to the closing price of HK\$0.93 (approximately CDN\$0.15) per Share as quoted on the Hong Kong Stock Exchange on the last trading day (being May 29, 2015) (the “**Last Trading Day**”) prior to the date of the Subscription Agreements (the “**LTD Discount**”); and
- (c) represents a discount of approximately 55.1% to the audited net asset value of approximately HK\$1.67 (approximately CDN\$0.25) per Share as at December 31, 2014 (based on the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK\$6,496,566,138 (approximately CDN\$972,016,000) as at December 31, 2014 and 3,896,103,191 Shares in issue as at December 31, 2014)(*note*).

*Note:*

Based on the Bank of Canada’s nominal noon exchange rate (as at December 31, 2014) of CDN\$1.00 = HK\$6.6836

As advised by the Directors, the Subscription Price was determined on an arm’s length basis between the Corporation and with each Subscriber with reference to the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable under the current market conditions and in light of the recent price performance of the Shares and the liquidity of the Shares.

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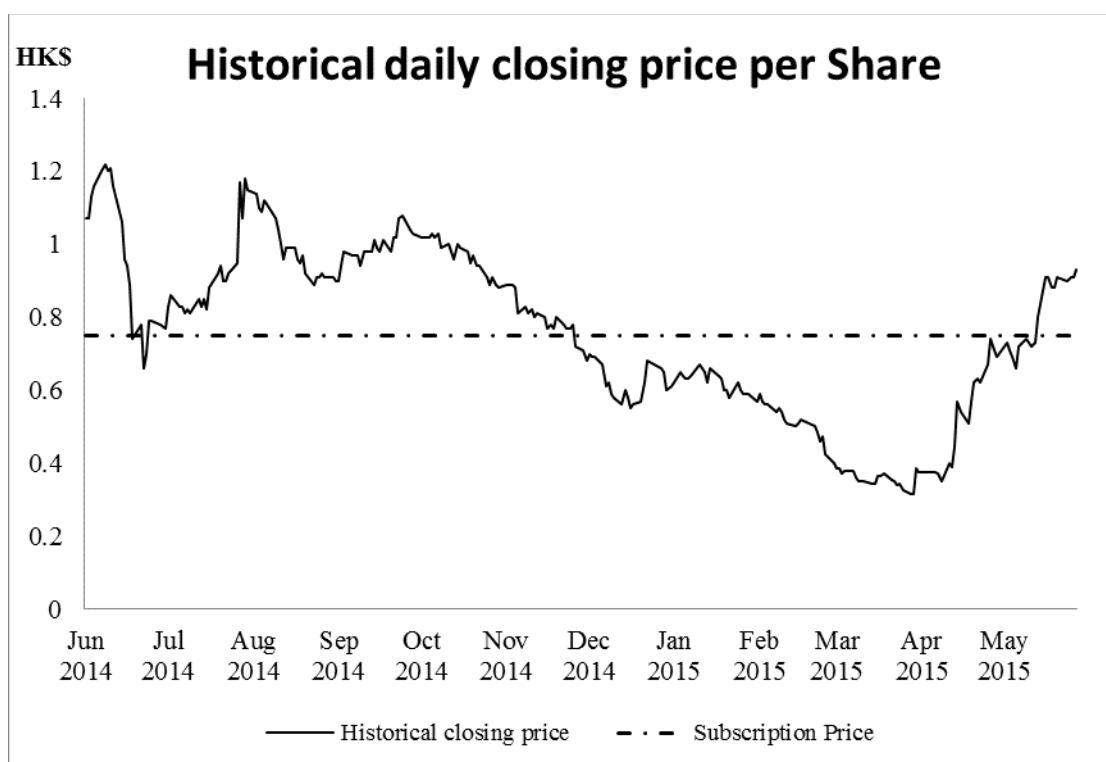
## LETTER FROM GRAM CAPITAL

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To further assess the fairness and reasonableness of the Subscription Price, we set out the following analyses for illustrative purpose:

### *Review of Share prices*

The diagram demonstrating the daily closing price of the Shares as quoted on the Hong Kong Stock Exchange during the period commencing from 3 June 2014 up to and including the Last Trading Day (the “**Review Period**”), being approximate one year period prior to and including the Last Trading day, which is commonly used for analysis purpose, is shown as follows:



Source: The Hong Kong Stock Exchange's web-site ([www.hkex.com.hk](http://www.hkex.com.hk))

Note: Trading in the Shares was halted with effect from 9:40 a.m. on June 23, 2014 to 4:00 p.m., on June 23, 2014.

During the Review Period, the lowest and highest closing prices of the Shares as quoted on the Hong Kong Stock Exchange were HK\$0.315 per Share recorded on March 30, 2015 and March 31, 2015; and HK\$1.22 per Share recorded on June 10, 2014 respectively. As illustrated in the above diagram, the Subscription Price of HK\$0.75 is within the range of the lowest and highest closing prices of the Shares as quoted on the Hong Kong Stock Exchange during the Review Period. The closing prices of the Shares showed a general sliding trend until it reached its bottom at the end of March 2015. According to the Directors, they were not aware of any specific events of the Corporation during the Review Period that caused the said decrease in the Share prices. After March 31, 2015, the Share prices showed a general recovering trend.

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## LETTER FROM GRAM CAPITAL

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### *Review on trading liquidity of the Shares*

The number of trading days, the average daily number of the Shares traded in each month, and the respective percentages of the Shares' monthly trading volume as compared to (i) the total number of issued Shares held by the public as at the Latest Practicable Date; and (ii) the total number of issued Shares as at the Latest Practicable Date during the Review Period are tabulated as follows:

Month	No. of trading days in each month	Average daily trading volume (the "Average Volume") Shares	% of the Average Volume to total number of issued Shares held by the public as at the Latest Practicable Date (Note 2) %	% of the Average Volume to total number of issued Shares as at the Latest Practicable Date (Note 3) %
<b>2014</b>				
June (Note 1)	20	27,953,302	0.94	0.72
July	22	17,234,342	0.58	0.44
August	21	16,473,493	0.56	0.42
September	21	9,654,677	0.33	0.25
October	21	5,835,846	0.20	0.15
November	20	7,550,653	0.25	0.19
December	21	11,419,662	0.39	0.29
<b>2015</b>				
January	21	10,970,424	0.37	0.28
February	18	18,650,691	0.63	0.48
March	22	29,860,479	1.01	0.77
April	19	179,936,988	6.07	4.61
May (up to and including the Last Trading Day)	19	104,362,967	3.52	2.68
<b>Maximum</b>			<b>6.07</b>	<b>4.61</b>
<b>Minimum</b>			<b>0.20</b>	<b>0.15</b>
<b>Average</b>			<b>1.24</b>	<b>0.94</b>

Source: The Hong Kong Stock Exchange's web-site ([www.hkex.com.hk](http://www.hkex.com.hk))

1. Trading in the Shares was halted with effect from 9:40 a.m. on June 23, 2014 to 4:00 p.m., on June 23, 2014.
2. Based on 2,964,724,709 Shares held by the public as at the Latest Practicable Date.
3. Based on 3,900,973,071 Shares in issue as at the Latest Practicable Date.

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## LETTER FROM GRAM CAPITAL

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The above table illustrates that the average daily trading volume of the Shares in each month had been thin during the Review Period. Save for March 2015, April 2015 and May 2015, the volume of Shares traded during the entire Review Period was below 1% of the total number of issued Shares held by the public as at the Latest Practicable Date. With this being the case and that the Subscription Price of HK\$0.75 is within the range of the lowest and highest closing prices of the Shares as quoted on the Hong Kong Stock Exchange during the Review Period, we are of the view that it is reasonable to set the Subscription Price at discount to the latest Share prices to balance the low liquidity of the Shares during the Review Period.

### *Comparison with other share subscription exercises*

As part of our analysis, we have also identified transactions regarding subscription of new shares under specific mandate during the period from May 1, 2015 up to the Last Trading Day, being the recent period around the time the Subscriptions were proposed, for comparison purpose, as announced by companies listed on the main board of Hong Kong Stock Exchange (the “**Comparables**”). To the best of our knowledge and as far as we are aware of, we found 12 transactions with relevant information available, which met the said criteria and they are exhaustive as far as we are aware of. Shareholders should note that the businesses, operations and prospects of the Corporation are not the same as the subject companies of the Comparables and thus the Comparables are only used to provide a reference for the recent common market practice of Hong Kong main board listed companies in the subscription of new shares under specific mandate. Summarised below is our relevant findings:

<b>Company name</b>	<b>Stock code</b>	<b>Date of announcement</b>	<b>Discount of the issue price to closing price per share on the last trading day prior to/the date of announcement/ agreement in relation to the respective subscription/ placing of share %</b>
ReOrient Group Limited	376	May 29, 2015	(77.78)
Huiyin Household Appliances (Holdings) Company Limited	1280	May 28, 2015	(9.23)
China Jinhai International Group Limited	139	May 27, 2015	(73.96)
Emperor Capital Group Limited	717	May 26, 2015	(12.79)
Asia Resources Holdings Limited	899	May 21, 2015	(44.62)
China City Railway Transportation Technology Holdings Company Limited	1522	May 20, 2015	(36.94)
Titan Petrochemicals Group Limited	1192	May 19, 2015	(59.35)
			<i>(Note 1)</i>

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**LETTER FROM GRAM CAPITAL**

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<b>Company name</b>	<b>Stock code</b>	<b>Date of announcement</b>	<b>Discount of the issue price to closing price per share on the last trading day prior to/the date of announcement/ agreement in relation to the respective subscription/ placing of share %</b>
China Beidahuang Industry Group Holdings Limited	39	May 17, 2015	(19.97) ( <i>Note 2</i> )
China Rundong Auto Group Limited	1365	May 17, 2015	(15.00)
China Traditional Chinese Medicine Company Limited	570	May 15, 2015	(28.37)
21 Holdings Limited	1003	May 13, 2015	(79.17)
Broad Greenstate International Company Limited	1253	May 7, 2015	(61.74)
<b>Maximum</b>			<b>(79.17)</b>
<b>Minimum</b>			<b>(9.23)</b>
<b>Average</b>			<b>(43.24)</b>
<b>The Corporation</b>	<b>2012</b>	<b>June 1, 2015</b>	<b>(19.40)</b>

*Note:*

1. Trading of shares of the company was suspended from 19 June 2012. The relevant subscription agreements were entered into on March 27, 2015 and May 6, 2015 respectively.
2. The company announced on May 18, 2015 that the subscription shares would not be allotted and issued pursuant to the general mandate of the company. The company will seek the grant of a specific mandate from the shareholders of the company to allot and issue the subscription shares.

As shown by the above table, the subscription prices of the Comparables ranged from a discount of approximately 79.17% to a discount of approximately 9.23% to the respective closing prices of their shares on the last trading days prior to/on the date of the announcements/agreement in relation to the relevant share subscription (the “**Market Range**”), with an average of a discount of approximately 43.24%. The LTD Discount is thus within the Market Range and much less than the average of the Comparables.

Although the Subscription Price represents a discount of approximately 55.1% to the audited net asset value per Share as at December 31, 2014, judging from that (i) the Subscription Price of HK\$0.75 is within the range of the lowest and highest closing prices of the Shares as quoted on the

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## LETTER FROM GRAM CAPITAL

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Hong Kong Stock Exchange during the Review Period; (ii) the LTD Discount is within the Market Range and much less than the average of the Comparables; and (iii) the average daily trading volume of the Shares in most of the months during the Review Period had been thin, we consider that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

### **Undertaking by the Subscribers:**

With reference to the Board Letter, each Subscriber undertakes that he/she/it shall not trade in the Subscription Shares within four months and a day after the Closing Date. Given that, we concur with the Directors that the lock-up period would limit the negative impact of the issuance of new Shares on the market price of the Shares.

Having considered the above, we are of the view that the terms of the CS Subscription Agreements are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Corporation and its Shareholders as a whole.

### **(3) Dilution effect on the shareholding interests of the existing public Shareholders**

As depicted by the table under the section headed “Shareholding Structure” of the Board Letter, upon completion of the Subscriptions (including the Subscriptions by the Connected Subscribers), the shareholding interests of the existing public Shareholders (excluding the Employee Subscribers) would be diluted by approximately 8.98 percent point. Nonetheless, in view of (i) the reasons for and the possible benefits of the Subscriptions by the Connected Subscribers to the Corporation, details of which are set out under the section under “Reasons for and benefits of the Subscriptions by the Connected Subscribers and the use of proceeds” of this letter; and (ii) the terms of the CS Subscription Agreements being fair and reasonable, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders (excluding the Employee Subscribers) is acceptable.

### **(4) Financial effects of the Subscriptions**

#### *Effect on shareholder's equity*

Based on the quarterly results announcement of the Corporation for the three months ended March 31, 2015, the unaudited consolidated shareholder's equity of the Group was approximately CDN\$942.1 million as at March 31, 2015. As confirmed by the Directors, the Subscriptions by the Connected Subscribers would increase the shareholder's equity of the Group.

#### *Effect on working capital*

As confirmed by the Directors, immediately upon completion of the Subscriptions by the Connected Subscribers, the working capital (as calculated by current assets minus current liabilities) of the Group would be increased.

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## LETTER FROM GRAM CAPITAL

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It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the Subscriptions by the Connected Subscribers.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the CS Subscription Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Subscriptions by the Connected Subscribers are in the interests of the Corporation and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the Subscriptions by the Connected Subscribers and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

**Yours faithfully,**  
**For and on behalf of**  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors 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 not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Corporation as at the Latest Practicable Date:

<i>Issued and fully paid Shares:</i>	CDN\$
3,900,973,071 Shares	\$1,181,409,975

All the issued Shares in the capital of the Corporation rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Subscription Shares to be issued upon completion shall rank *pari passu* in all respects with the Shares then in issue.

Each Share carries the right to one vote at any meeting of the Shareholders. As at the Latest Practicable Date, there are no classes of shares of the Corporation, other than the Shares, entitled to vote at the SGM.

No part of the share capital or any other securities of the Corporation is listed or dealt in on any stock exchange other than the Hong Kong Stock Exchange and the Toronto Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Corporation to be listed or dealt in on any other stock exchange.

Save as disclosed in this circular and apart from the share options granted and to be granted under the Corporation's post-IPO share option scheme, which was established in January 2012, and the Corporation's share options plan initially adopted on May 7, 2009, as amended on June 13, 2010, the Corporation did not have any other options, warrants and other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

## 3. DISCLOSURE OF INTERESTS

### (a) Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Corporation in the shares of the Corporation or its associated corporations (within the meaning of Part XV of the SFO, which were required (a) to be notified to the Corporation and the



Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them had taken or was deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Corporation pursuant to section 352 of the SFO; or (c) to be notified to the Corporation and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules were as follows:

(a) *Directors' long positions in the Corporation*

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of interest in the Corporation
Mr. Hibberd	Personal/Corporate	99,207,085	2.54%
Dr. Jiang	—	—	0.00%
Mr. Jin Hu	Personal	43,478	0.00%
Mr. Hong Luo	—	—	0.00%
Mr. Hok Ming Tseung	Personal/Corporate	295,383,656	7.57%
Mr. Tingan Liu	—	—	0.00%
Mr. Haotian Li	—	—	0.00%
Mr. Sun	Personal/Corporate	533,407,000	13.67%
Mr. Fong	Personal/Corporate	8,250,621	0.21%
Mr. Robert John Herdman	Personal	150,621	0.00%
Mr. Gerald Franklin Stevenson	Personal	184,621	0.00%
Mr. Song	—	—	0.00%

(b) *Directors' share options*

Name of Director	Number of Shares underlying unexercised options held	Date of grant	Option expiration date	Exercise price per Share (CDN\$)
Mr. Hibberd	7,150,000	Jul 10, 2012	Jul 10, 2017	0.64
	1,620,000	Dec 10, 2012	Dec 10, 2017	0.38
	2,990,000	Dec 10, 2012	Dec 10, 2017	0.80
Dr. Jiang	10,000,000	Dec 17, 2014	Dec 17, 2019	0.09
Mr. Jin Hu	—	—	—	—
Mr. Hong Luo	3,000,000	Dec 17, 2014	Dec 17, 2019	0.09
Mr. Hok Ming Tseung	150,000	Jul 10, 2012	Jul 10, 2017	0.64
	120,000	Dec 10, 2012	Dec 10, 2017	0.38
	240,000	Dec 10, 2012	Dec 10, 2017	0.80

Name of Director	Number of Shares underlying unexercised options held	Date of grant	Option expiration date	Exercise price per Share (CDN\$)
Mr. Tingan Liu	—	—	—	—
Mr. Haotian Li	150,000	Jul 10, 2012	Jul 10, 2017	0.64
	120,000	Dec 10, 2012	Dec 10, 2017	0.38
	240,000	Dec 10, 2012	Dec 10, 2017	0.80
	1,000,000	Feb 17, 2011	Feb 17, 2016	0.48
Mr. Sun	—	—	—	—
Mr. Fong	150,000	Jul 10, 2012	Jul 10, 2017	0.64
	120,000	Dec 10, 2012	Dec 10, 2017	0.38
	240,000	Dec 10, 2012	Dec 10, 2017	0.80
Mr. Robert John Herdman	150,000	Jul 10, 2012	Jul 10, 2017	0.64
	120,000	Dec 10, 2012	Dec 10, 2017	0.38
	240,000	Dec 10, 2012	Dec 10, 2017	0.80
	1,000,000	Jul 14, 2011	Jul 14, 2016	0.48
Mr. Gerald Franklin Stevenson	150,000	Jul 10, 2012	Jul 10, 2017	0.64
	120,000	Dec 10, 2012	Dec 10, 2017	0.38
	240,000	Dec 10, 2012	Dec 10, 2017	0.80
	1,000,000	Jul 14, 2011	Jul 14, 2016	0.48
Mr. Song	—	—	—	—

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Corporation had interests or short positions in the shares, underlying shares or debentures of the Corporation and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Corporation and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Corporation pursuant to section 352 of the SFO; or (c) to be notified to the Corporation and the Hong Kong Stock Exchange pursuant to the Model Code.

**(b) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares**

As at the Latest Practicable Date, according to the register of interests kept by the Corporation under section 336 of the SFO, and so far as was known to the Directors or chief executive of the Corporation, the following persons (other than the Directors or chief executive of the Corporation) had an interest or short position in the Shares which would require to be disclosed by the Corporation

under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Corporation:

Name of shareholder	Nature of interest	Number of Shares in long position	Approximate percentage of interest in the Corporation
China Life Insurance (Group) Company <sup>(1)</sup>	Beneficial owner, interest in controlled corporation	334,822,600	7.57%
Mr. Hok Ming Tseung	Beneficial owner	295,383,656	6.67%
Sinopec Century Bright Capital Investment Limited <sup>(2)</sup>	Beneficial owner	239,197,500	5.41%
Central Huijin Investment Ltd <sup>(3)</sup>	Beneficial owner, interest in controlled corporation	206,611,560	4.67%
Prime Union <sup>(4)</sup>	Beneficial owner	516,900,000	11.68%
Mr. Sun <sup>(4), (5)</sup>	Beneficial owner, interest in controlled corporation	1,050,307,000	23.73%

*Notes:*

1. China Life Insurance (Group) Company owns the entire issued share capital of China Life Insurance (Overseas) Company Limited, which in turn owns 334,822,600 Shares. Accordingly, China Life Insurance (Group) Company is deemed to be interested in 334,822,600 Shares held by China Life Insurance (Overseas) Company Limited.
2. Sinopec Century Bright Capital Investment Limited is a wholly-owned subsidiary of China Petrochemical Corporation.
3. Central Huijin Investment Ltd owns approximately 67.72% of the share capital of Bank of China Limited, which owns the entire issued share capital of Bank of China Group Investment Limited. Bank of China Group Investment Limited owns the entire issued capital of Goldway Financial Corp, which owns the entire issued share capital of Charter Globe Limited, which in turn owns 206,611,560 Shares. Accordingly, Central Huijin Investment Ltd is deemed to be interested in 206,611,560 Shares held by Charter Globe Limited.
4. Mr. Sun directly wholly owns Prime Union, which is a Subscriber under the Subscription Agreement. Accordingly, Mr. Sun is deemed to be interested in the Shares subscribed by Prime Union under the Subscription Agreement.
5. The interests of Mr. Sun is inclusive of the interests held by Prime Union pursuant to the Subscription Agreement.

Save as disclosed above, as at Latest Practicable Date, none of the substantial shareholders of the Corporation had an interest or short position in the Shares which would require to be disclosed by the Corporation under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Corporation.

#### **4. MATERIAL INTERESTS**

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or any professional adviser named in paragraph 10 of this Appendix had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2014, being the date of the latest published audited financial statements of the Company.

As at the Latest Practicable Date and save as disclosed in this circular, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Group.

#### **5. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and his/her respective associates (as defined in the Listing Rules) was interested in any business apart from the Group's business that competes or is likely to compete (either directly or indirectly) with the Group's business.

#### **6. SERVICE CONTRACTS**

None of the Directors has a service contract with the Corporation or any of its subsidiaries which is not terminable within one year without payment of compensation, other than statutory compensation.

#### **7. LITIGATION**

As at the Latest Practicable Date, save as disclosed below, no member of the Group was engaged in any litigations or claims and no litigations or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

The Corporation has been named as a defendant in a Court of Queen's Bench of Alberta Judicial District of Calgary action, commenced by Cross Strait Common Development Fund Co., Limited ("**Cross Strait**"), a shareholder of the Corporation, by a Statement of Claim filed January 2, 2014. Cross Strait alleges that, pursuant to a subscription agreement entered into in January 2011, it is entitled to require the Corporation to repurchase 4,132,232 shares of the Corporation that Cross Strait acquired pursuant to the subscription agreement. This constitutes a claim for CDN\$40.0 million plus interest at 15% per annum since the date of the Subscription Agreement. The Corporation filed its Statement of Defence on April 2, 2014. In December 2014, discoveries were cancelled and have not been rescheduled. On March 18, 2015, Cross Strait filed a court application seeking, among other things, summary judgment and a pre-trial litigation schedule.

The Corporation received a demand letter dated April 15, 2015 from a Hong Kong law firm on behalf of Yarui Limited, a Shareholder that subscribed to the Corporation's private placement of Shares on June 25, 2014 demanding the return of the subscription proceeds that had been held in

escrow on the basis that the closing conditions had not been satisfied or waived. The amount of the subscription proceeds is approximately US\$3.1 million. The Corporation has responded that the allegation is without merit as Yarui Limited signed a full waiver and release from escrow prior to the funds being released from escrow.

## **8. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Corporation since December 31, 2014, being the date of the latest published audited financial statements of the Corporation.

## **9. CONSENTS**

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name in the form and context in which they respectively appear.

## **10. QUALIFICATIONS OF EXPERTS**

The following is the qualification of the professional adviser who has given opinions or advice contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Gram Capital Limited	A licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO

As at the Latest Practicable Date, Gram Capital was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The letter of advice given by Gram Capital to the Independent Board Committee and the Independent Shareholders was made on June 22, 2015 for incorporation in this circular.

## **11. MISCELLANEOUS**

- (a) The joint company secretaries of the Corporation are Mr. Tingan Liu, a fellow of the Hong Kong Institute of Chartered Secretaries, and Mr. Richard W. Pawluk;
- (b) The registered office of the Corporation is at Suite 4000, 421 - Seventh Avenue S.W., Calgary, Alberta, Canada T2P 4K9;
- (c) The place of business in Hong Kong is Unit 8504A, 85/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong; and

- (d) The English text of this circular and the accompanying form of Proxy shall prevail over the Chinese text.

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the place of business of the Corporation in Hong Kong at Unit 8504A, 85/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong during normal business hours (i.e. from 9:00 a.m. to 5:00 p.m. (Hong Kong time)) on any business day (except Saturdays, Sundays and public holidays) from the date of this circular up to and including the date of SGM:

- (a) each of the Subscription Agreements;
- (b) the written consent referred to in the paragraph headed “Consent” in this appendix;
- (c) the letter of recommendation from the Independent Board Committee;
- (d) the letter of advice from Gram Capital; and
- (e) this circular.

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## NOTICE OF SGM

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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)*

**(HKEX: 2012; TSX: SUO)**

**NOTICE IS HEREBY GIVEN** that a special general meeting (“**SGM**”) of Sunshine Oilsands Ltd. (the “**Corporation**”) will be held at United Conference Centre, Room 2, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, July 21, 2015 at 8:00 a.m. (Hong Kong time) for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Corporation. Capitalised terms used herein without definition shall have the same meanings as in the circular issued by the Corporation on June 22, 2015 (the “**Circular**”), unless the context otherwise requires:

#### ORDINARY RESOLUTION

**1. “BE IT RESOLVED THAT:**

- (a) the Subscriptions (as defined in the Circular) in relation to 524,734,210 new class “A” common voting shares (the “**Subscription Shares**”) of the Corporation at a price of HK\$0.75 per Subscription Share by the Subscribers (as defined in the Circular) under the Subscription Agreements (as defined in the Circular), a copy of each of the Subscription Agreements has been produced to the special general meeting of the Corporation (“**SGM**”) marked “A” and signed by the chairman of the SGM for the purpose of identification, be and are hereby approved;
- (b) the execution of each of the Subscription Agreements and any other agreements, documents and actions taken or to be taken in connection with the Subscriptions (including the allotment and issue by the Corporation of the Subscription Shares) by any director of the Corporation (“**Director**”), notwithstanding any interest he may have in any matters in connection with the Subscriptions, be and are hereby approved, confirmed and ratified; and
- (c) any Director be and is hereby authorised to do all acts and things and execute any agreements, deeds, instruments and any other documents, under hand or under seal, or make such arrangement as he/she may determine to be appropriate, necessary or desirable to give effect to or in connection with the Subscriptions and the allotment

\* *For identification purposes only*

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## NOTICE OF SGM

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and issue of the Subscription Shares and, subject to and in accordance with the applicable law and regulations, to approve and make such immaterial variation, amendment, supplement or waiver of immaterial matters relating to the Subscriptions in the interests of the Corporation and its shareholders as a whole; and

- (d) subject to and conditional upon (i) 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, the Subscription Shares; and (ii) the fulfillment of other conditions precedent as set out in the Subscription Agreements, the unconditional specific mandate granted to the Directors to exercise the powers of the Corporation to allot, issue and deal with the Subscription Shares pursuant to the Subscription Agreements be and is hereby confirmed and approved.”

### **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 SGM in person and wish to ensure that your Shares are voted at the SGM, 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](http://www.hkexnews.hk) and the website of the Corporation at [www.sunshineoilsands.com](http://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 SGM.

By Order of the Board of Sunshine Oilsands Ltd.

**Tingan Liu**

*Non-Executive Chairman*

**Michael J. Hibberd**

*Executive Vice-Chairman*

Calgary, June 22, 2015

Hong Kong, June 22, 2015



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## NOTICE OF SGM

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*Notes:*

1. Any shareholder entitled to attend and vote at the SGM is entitled to appoint another person as his/her/its proxy to attend and vote instead of his/her/it. A shareholder who is the holder of two or more Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a Shareholder of the Corporation but must be present in person at the meeting to represent the Shareholder. Completion and return of the form of Proxy will not preclude a Shareholder from attending the SGM and voting in person. In such event, his/her/its form of Proxy will be deemed to have been revoked.
2. Where there are joint holders of any Share, any one of such joint holders may vote at the SGM, either personally or by proxy, in respect of such Share as if he/she/it was solely entitled thereto, but if more than one of such joint holders be present at the SGM, that one of the said persons so present whose name stands first on the register of members of the Corporation in respect of such Share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited: (i) at the Corporation's principal share registrar in Canada, being Alliance Trust Company, at Suite 1010, 407 — 2nd Street SW, Calgary, Alberta, Canada T2P 2Y3; (ii) at 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, Wanchai, Hong Kong during regular business hours at least 48 hours, excluding Saturdays, Sundays and public holidays in Calgary (i.e. 4:30 p.m. on July 16, 2015 (Calgary time) or 4:30 p.m. on July 16, 2015 (Hong Kong time), as the case may be) before the SGM, or any adjournment thereof, at which the proxy is to be used; or (iii) to the chairman of the SGM on the date of the SGM or any reconvening thereof, or in any other manner provided by law.
4. In accordance with Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Subscribers and their respective associates (as defined in the Listing Rules) (to the extent they have an existing interest in the Shares) are required to abstain from voting on the above ordinary resolution.
5. The ordinary resolution as set out above will be determined by way of a poll.

*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, Mr. Haotian Li and Mr. Kwok Ping Sun as non-executive directors; and Mr. Raymond Shenti Fong, Mr. Robert John Herdman, Mr. Gerald Franklin Stevenson and Mr. Zhefei Song as independent non-executive directors.*