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)

ANNOUNCEMENT OF RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2015 AND AN UPDATE ON WEST ELLS PROGRESS

Sunshine Oilsands Ltd. is pleased to announce its financial results for the first quarter ended March 31, 2015 and an update on West Ells progress. Please see the attached announcement for further information.

By Order of the Board of Sunshine Oilsands Ltd.

Tingan Liu
Non-Executive Chairman

Michael J. Hibberd
Executive Vice Chairman

Calgary, May 13, 2015
Hong Kong, May 14, 2015

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

**For identification purposes only*

Sunshine Oilsands Ltd.

Announcement of Results for the First Quarter ended March 31, 2015 and an Update on West Ells Progress

CALGARY/HONG KONG – Sunshine Oilsands Ltd. (the "**Corporation**" or "**Sunshine**") (HKEX: 2012; TSX: SUO) today announced its financial results for the first quarter ended March 31, 2015. The Corporation's consolidated financial statements, notes to the consolidated financial statements and management's discussion and analysis have been filed on SEDAR (www.sedar.com) and with The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (www.hkexnews.hk) and are available on the Corporation's website (www.sunshineoilsands.com). All figures are in Canadian dollars unless otherwise stated.

MESSAGE TO SHAREHOLDERS

In the first quarter of 2015, Sunshine focused on West Ells construction initiatives and achieved progress in the following areas:

- Received 64 of 65 major facilities modules on site by the end of first quarter and materially progressed construction activities. The final module was delivered in April.
- Advanced construction completion to approximately 92% by the end of the quarter. Construction completion currently stands at approximately 95%.
- Obtained regulatory approval for a Non-Condensable Gas "Full Field" application.
- Submitted applications related to royalties, progressed marketing plan for plant products and progressed plans for waste disposal.
- Added experienced personnel with extensive experience. Dr. Qi Jiang was hired as President and Chief Operating Officer and Mr. Bob Gerwing was hired as Vice President, Facilities Engineering.
- Continued to progress construction activities in line with budgets.
- Commenced pre-commissioning assessment activities.

As at the date of this announcement, construction of West Ells facilities is proceeding in line with budgets and is approximately 95% complete, with all large modules delivered to site and installed.

Sunshine's Capital Raising and Joint Ventures Activities

Sunshine is actively examining opportunities for securing additional debt capital to fund Phase 2 expansion of West Ells and to cover initial West Ells operating costs. The recent improvement in oil pricing, combined with a weaker Canadian dollar and a significant narrowing in heavy oil pricing differentials to levels not seen since September of 2012, currently at around US$8.40 per barrel, has recently created a more receptive investment sentiment toward oil sands. The target is to raise at least US$150 million of incremental debt capital. In addition, Sunshine remains committed to looking for opportunities for joint ventures to reduce capital commitments and to accelerate activities aimed at increasing production.

Summary of Financial Figures

For the first quarter of 2015, the Corporation had a net loss of $30.8 million compared to $4.3 million for the same period in 2014, representing a net loss per share of $0.01 for the 2015 period and $0.00 for the 2014 period. $16.5 million of the first quarter 2015 period loss related to foreign exchange losses resulting from weakening of the Canadian dollar against the US dollar.

As at March 31, 2015 and December 31, 2014, the Corporation notes the following selected balance sheet figures:

(Canadian $000s)	**Mar. 31, 2015**	**Dec. 31, 2014**
Cash	89,859	136,097
Current restricted cash and cash equivalents	25,993	23,467
Non-current restricted cash and cash equivalents	-	11,601
Exploration and evaluation assets	380,413	379,403
Property and equipment	755,821	701,736
Total liabilities	318,719	288,044
Shareholders' equity	942,130	972,016

2015 Outlook

Sunshine's plan for 2015 is to continue to look for opportunities to secure joint ventures and additional financing to expand construction, operations and development activities in the West Ells project area and in other project areas.

The current board approved schedule for West Ells startup is targeting full first steam commencing in late June 2015, with first oil in September 2015. Sunshine's operational priority is to achieve smooth startup of the Phase 1 West Ells facilities and to achieve its nameplate capacity of 5,000 bbls/d, since this initial project phase is central to validating the commercial potential of the Wabiskaw formation in the West Ells, Thickwood and Legend project areas. The approved first steam schedule is currently being re-examined by management. If any identified material operational risks relating to the current startup schedule remain, the first steam schedule will be deferred for an additional period to ensure smooth commissioning and startup of facilities. Any board approved changes to the first steam and first production schedules will be communicated promptly to shareholders via press release.

As at the date of this announcement, construction of the West Ells facilities is proceeding in line with budgets and is approximately 95% complete, with all large modules delivered to site and installed. Sunshine is fully committed to advancing its corporate initiatives to ensure that West Ells achieves a smooth startup of the Phase 1 facilities and achievement of nameplate capacity.

Michael J. Hibberd
Executive Vice Chairman

Dr. Qi Jiang
President & COO

ABOUT SUNSHINE OILSANDS LTD.

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 oil sands and petroleum and natural gas leases in the Athabasca region of Alberta. The Corporation is currently focused on executing milestone undertakings in the West Ells project area. West Ells has an initial production target rate of 5,000 barrels per day.

For further enquiries, please contact:

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FORWARD LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things, (a) the future financial performance and objectives of Sunshine; and (b) the plans and expectations of the Corporation. Such forward-looking information is subject to various risks, uncertainties and other factors. All statements other than statements and information of historical fact are forward-looking statements. The use of words such as “estimate”, “forecast”, “expect”, “project”, “plan”, “target”, “vision”, “goal”, “outlook”, “may”, “will”, “should”, “believe”, “intend”, “anticipate”, “potential”, and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on Sunshine’s experience, current beliefs, assumptions, information and perception of historical trends available to Sunshine, and are subject to a variety of risks and uncertainties including, but not limited to, those associated with resource definition and expected reserves and contingent and prospective resources estimates, unanticipated costs and expenses, regulatory approval, fluctuating oil and gas prices, expected future production, the ability to access sufficient capital to finance future development and credit risks, changes in Alberta’s regulatory framework, including changes to regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon and other laws or regulations and the impact thereof and the costs associated with compliance. Although Sunshine believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the assumptions and factors discussed in this announcement are not exhaustive and readers are not to place undue reliance on forward-looking statements as the Corporation’s actual results may differ materially from those expressed or implied. Sunshine disclaims any intention or obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, subsequent to the date of this announcement, except as required under applicable securities legislation. The forward-looking statements speak only as at the date of this announcement and are expressly qualified by these cautionary statements. Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. For a full discussion of the Corporation’s material risk factors, see the Corporation’s annual information form for the year ended December 31, 2014 and risk factors described in other documents that the Corporation files from time to time with securities regulatory authorities, all of which are available on the Hong Kong Stock Exchange at www.hkexnews.hk, on the SEDAR website at www.sedar.com or on the Corporation’s website at www.sunshineoilsands.com.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three month period ended March 31, 2015

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of the financial condition and performance of Sunshine Oilsands Ltd. ("Sunshine" or the "Company"*) for the three month period ended March 31, 2015 is dated May 13, 2015. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three month period ended March 31, 2015 and with the audited consolidated financial statements and notes thereto for the year ended December 31, 2014. All amounts and tabular amounts are stated in thousands of Canadian dollars unless indicated otherwise.*

Forward-Looking Information

Certain statements in this MD&A are forward-looking statements that are, by their nature, subject to significant risks and uncertainties and the Company hereby cautions investors about important factors that could cause the Company's actual results to differ materially from those projected in a forward-looking statement. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will", "expect", "anticipate", "estimate", "believe", "going forward", "ought to", "may", "seek", "should", "intend", "plan", "projection", "could", "vision", "goals", "objective", "target", "schedules" and "outlook") are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this MD&A), uncertainties and other factors some of which are beyond the Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, the Company strongly cautions investors against placing undue reliance on any such forward-looking statements. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on estimates and assumptions that the resources and reserves described can be profitably produced in the future. Further, any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

All forward-looking statements in this MD&A are expressly qualified by reference to this cautionary statement.

Overview

Sunshine is a major holder and a developer of Athabasca region oil sands resources with approximately 3.6 billion barrels of best estimate contingent resources, 436 million barrels of proved plus probable ("2P") reserves and 602 million barrels of proved plus probable plus possible ("3P"). The Company has significant commercial development potential. The Athabasca region is the most prolific oil sands region in the Province of Alberta, Canada. Canada's oil sands represent the largest oil resource found in a stable political environment located in the western hemisphere and the third largest oil resource in the world, with an estimated 169 billion barrels of recoverable resource. Canadian oil sands represent the largest single source of supply of oil imported into the United States.

The Company'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 (the "Project"). Phase 1 of West Ells is designed for 5,000 barrels per day while Phase 2 will add an additional 5,000 barrels per day.

As at March 31, 2015, the Company had invested approximately $1.1 billion in oil sands leases, drilling operations, project engineering, procurement and construction, regulatory application processing and other assets. As at March 31, 2015, the Company had $89.9 million in cash and $26.0 million in restricted cash.

The Company relies on its ability to obtain various forms of financing to fund administration expenses and future exploration and development cost of its projects. The ability of the Company to continue as a going concern and to

Overview (continued)

realize the carrying value of its assets and to discharge its liabilities when due is dependent on the successful completion of West Ells construction and completion of one or more financings, farmouts or monetizations of assets. There is no certainty that these and other financing activities will be successful.

Operational Update

West Ells

Construction of Phase 1 and 2 of Sunshine's West Ells steam assisted gravity drainage ("SAGD") 10,000 barrel per day project was suspended in August 2013. Following the August 2014 debt closing, Sunshine terminated its strategic alternatives review process and refocused on achieving completion of Phase 1, the first 5,000 barrels per day from the West Ells Project. For the quarter ended March 31, 2015, the Company achieved progress in the following areas:

- Significant progress in construction activities;
- Hired a President & Chief Operating Officer with extensive experience in heavy oil and oilsands development;
- Hired a new Vice President of Facilities Engineering with extensive SAGD operations, engineering, procurement, and construction experience;
- Obtained regulatory approval for a Non-Condensable Gas ("NCG") "Full Field" application;
- Received 64 of 65 major modules at the West Ells site;
- Progressed other West Ells activities including: submitting royalty application; progressing marketing plans for plant products and plans for waste disposal; and
- Commenced pre-commissioning assessment activities.

We have progressed the construction phase and expect first steam at the end of the second quarter of 2015 and first production in the third quarter of 2015. The approved first steam schedule is currently being re-examined by management. If any identified material operational risks relating to the current startup schedule remain, the first steam schedule will be deferred for an additional period to ensure smooth commissioning and startup of facilities. Any board approved changes to the first steam and first production schedules will be communicated promptly to shareholders via press release.

Thickwood and Legend

The Thickwood and Legend projects are each planned for first phase delivery of 10,000 barrels per day of production. Regulatory approval for Thickwood was received in the third quarter of 2013 while Legend approval is expected in 2015.

Once the Thickwood and Legend projects are sanctioned for development and construction, and additional financing is secured, fieldwork for additional environmental analysis will be completed, regulatory applications will be made and development planning for significant commercial expansions in both areas will commence.

Muskwa and Godin Clastics Operations (Non-Operated 50% working interest)

Sunshine is focused on thermal technology evaluation for potential use in the Muskwa and Godin areas. The first thermal single well pilot project application was submitted in July, 2014, and approved on January 26, 2015. During the final quarter of 2014 Muskwa cold production wells were suspended due to low oil prices.

Non-IFRS Financial Measures

This MD&A includes references to financial measures commonly used in the oil and natural gas industry, such as cash flow from operations. These financial measures are not defined by International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and, therefore, are referred to as non-IFRS measures. The non-IFRS measures used by the Company may not be comparable to similar measures presented by other companies. The Company uses these non IFRS measures to help evaluate its performance. Management uses cash flow from operations to measure the Company's ability to generate funds to finance capital expenditures and repay debt.

These non-IFRS measures should not be considered as an alternative to or more meaningful than net income or net cash provided by operating activities, as determined in accordance with IFRS. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-IFRS measure of cash flow from operations can be reconciled to net cash provided by operating activities, as determined in accordance with IFRS. Cash flow used in operations is a non-GAAP measure that adjusts a GAAP measure (net cash used in operating activities) for changes in non-cash working capital.

Operational and Financial Highlights

The following table summarizes selected financial information of the Company for the periods presented:

	For the three months ended March 31,			
Financial Highlights		**2015**		**2014**
Other income	$	686	$	3,784
Finance costs		9,154		1,871
Net loss		30,839		4,253
Basic and diluted loss per share		0.01		0.00
Payments for exploration and evaluation assets		200		2,790
Payments for property, plant and equipment		43,818		29,414

For the three month period ended March 31, 2015, the Company had a net loss of $30.9 million compared to $4.3 million in the same period in 2014. The net loss for the three month period ended March 31, 2015 was primarily attributable to a foreign exchange loss of $16.5 million, general administration costs of $5.3 million, $0.4 million for share-based payment expense, finance costs of $9.2 million, offset by a gain of $0.4 million on the fair value adjustment on share purchase warrants. For the three month period ended March 31, 2014, the net loss was primarily attributed to general administration costs of $4.1 million, $0.2 million for share-based payment expense, finance costs of $1.9 million and $1.8 million of suspension costs, offset by a gain of $3.7 million on the fair value adjustment on share purchase warrants.

		March 31, 2015		**December 31, 2014**
Cash	$	89,859	$	136,097
Current restricted cash and cash equivalents		25,993		23,467
Non-current restricted cash and cash equivalents		-		11,601
Working capital		93,301		138,249
Total assets		1,260,849		1,260,060
Total liabilities		318,719		288,044

Operational and Financial Highlights (continued)

At March 31, 2015, the Company had a cash balance of $115.9 million including restricted cash compared to $171.2 million at December 31, 2014. The decrease of $55.3 million in the cash balance can be primarily attributed to payments of $43.8 million for property, plant and equipment, $6.3 million used in corporate operating activities, $11.2 million for finance costs offset by a gain of $5.0 million on unrealized foreign exchange gain on cash held in foreign currencies. At March 31, 2015, the Company's working capital was $93.3 million, compared to a $138.2 million working capital at December 31, 2014.

The following table summarizes the Company's cash flow used in operations:

	For the three months ended March 31,	
	2015	2014
Net loss	$ (30,839)	$ (4,253)
Finance costs	9,154	1,871
Unrealized foreign exchange loss/(gain)	15,327	(50)
Interest income	(310)	(57)
Fair value adjustment on share purchase warrants	(376)	(3,727)
Depreciation	141	173
Share-based payment expense	426	171
Employee share savings plan	132	106
Cash flow used in operations	(6,345)	(5,766)

This non-IFRS measurement is intended to provide additional information and should not be considered in isolation or as substitute for measures of performances prepared in accordance with IFRS. The above table reconciles the non-IFRS measurements "Cash flow used in operations" from "Net loss for the period", the nearest IFRS measure. Cash flow used in operations is defined as net loss as reported, addback or deduct non-cash items including finance costs, share-based payments, unrealized portion of foreign exchange adjustments, depreciation, interest income, fair value adjustment on share purchase warrants and employee share savings plan.

Cash flow used in operations in the three month period ended March 31, 2015, totalled $6.3 million compared to $5.8 million for the same period in 2014. The increase in cash flow used in operations of $0.5 million is primarily due to an increase in salaries, consulting and benefits of $1.2 million offset by a decrease in suspension costs, related to the West Ells project, of $1.8 million. After the construction on the West Ells project recommenced in Q3, 2014, staff levels increased and suspension costs decreased as suspension ended.

Summary of Quarterly Results

The following table summarizes selected unaudited financial information for the Company for the last eight quarters:

('000s except for per share amounts)	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Other income	686	401	6,465	2,393	3,834	661	118	622
Finance costs	9,154	8,735	2,031	3,279	1,871	743	1,475	816
Net loss for the period	30,839	12,280	1,337	8,897	4,253	7,515	8,681	8,327
Loss per share	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital investments	44,018	27,510	31,987	54,509	32,204	42,701	53,324	101,336

Results of Operations

Finance Expense

	For the three months ended March 31, 2015	2014
Interest expense on notes	$ 6,205	$ -
Amortization of financing transaction costs	2,676	-
Financing related costs	3	1,691
Unwinding of discounts on provisions	270	180
	$ 9,154	$ 1,871

For the three month period ended March 31, 2015, finance expense increased by $7.3 million primarily as a result of $6.2 million interest expense on the US$200 million senior secured notes (the “Notes”), $2.7 million of amortization of financing transaction costs on the Notes, an increase of $0.1 million on unwinding of discounts on provisions compared to the same period in 2014 offset by a decrease of $1.7 million in finance related costs.

General and Administrative Costs

	For the three months ended March 31, 2015			2014		
	Total	Capitalized	Expensed	Total	Capitalized	Expensed
Salaries, consulting and benefits	4,146	1,396	2,750	3,455	1,880	1,575
Rent	584	238	346	569	264	305
Legal and audit	358	-	358	727	-	727
Other	1,879	36	1,843	1,545	49	1,496
	6,967	1,670	5,297	6,296	2,193	4,103

General and administrative costs, which include salaries, consulting and benefits, rent, legal and audit, and other general administrative costs, for the three month period ended March 31, 2015 increased by $1.2 million to $5.3 million compared to $4.1 million for the same period in 2014. The increase is primarily a result of an increase in salaries, consulting and benefits of $1.2 million due to increased staff levels in Q1, 2015, compared to the same period in 2014, an increase in other costs of $0.3 million offset by a decrease in legal and audit costs of $0.3 million. During the three month period ended March 31, 2015, the Company capitalized salaries, consulting and benefits, rent and other general administrative costs related to capital investment of $1.7 million compared to $2.2 million for the same period in 2014.

Share-based payments

	For the three months ended March 31, 2015			2014		
	Total amount	Capitalized portion	Expensed	Total amount	Capitalized portion	Expensed
Share-based payments expense	689	263	426	(26)	(197)	171

Share-based compensation expense for the three month period ended March 31, 2015 was $0.4 million compared to $0.2 million for the same period in 2014. The fair value of share-based payments associated with the granting of stock options is recognized by the Company in its consolidated financial statements. Fair value is determined using the Black-Scholes option pricing model.

The Company capitalizes a portion of the share based compensation expense using the same methodology associated with capitalized salaries and benefits. For the three month period ended March 31, 2015, the Company capitalized $0.3 million, compared to $(0.2) million of share based payments for the same period in 2014.

Other Income

	For the three months ended March 31,	
	2015	**2014**
Interest income	310	57
Fair value adjustment on share purchase warrants	376	3,727
	686	3,784

Other income for the three month period ended March 31, 2015 decreased by $3.1 million to $0.7 million from $3.8 million for the same period in 2014. The change was primarily due to a fair value adjustment on share purchase warrants of $0.4 million compared to $3.7 million for the same period in 2014 offset by an increase in interest income of $0.2 million. The decrease in fair value gain on share purchase warrants for the three month period ended March 31, 2015, is due to the decline in the Company's stock price and a reduction in the time to expiry since Q1, 2014.

Depreciation

Depreciation expense was $0.1 million for the three month period ended March 31, 2015 compared to $0.2 million for the same period in 2014. Since the Company is a development stage company, its crude oil assets are not yet ready for use and therefore, not subject to depletion and depreciation.

Income Taxes

The Company did not recognize any deferred income tax assets, which relate primarily to unrecognized tax losses, as at March 31, 2015 and December 31, 2014. Recognition of tax losses is based on the Company's consideration of its internal development plan for its asset base and the assumption as to whether or not these tax losses will be utilized before their expiry dates. At March 31, 2015, the Company had total available tax deductions of approximately $1.2 billion, with unrecognized tax losses that expire between 2028 and 2034.

Liquidity and Capital Resources

		March 31, 2015		**December 31, 2014**
Working capital	$	(93,301)	$	(138,249)
Senior secured notes		233,024		210,050
Shareholders' equity		942,130		972,016
	$	1,081,853	$	1,043,817

On August 8, 2014, the Company completed an offering of US$200 million senior secured notes (the "Notes") at an offering price of US$938.01 per US$1,000 principal amount. The Notes bear interest at a rate of 10% per annum and have a final maturity date of August 1, 2017.

If by February 1, 2016, the Company has not: (1) received at least US$50 million of net cash proceeds from one or more equity offerings; and (2) 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 Notes outstanding on February 1, 2016; and (b) the yield maintenance premium, then the final maturity date of the Notes shall be August 1, 2016. The Company is required to pay to the holders of any Notes outstanding on August 1, 2016 a yield maintenance premium of 7.298% of the aggregate principal amount of Notes. If the Notes are outstanding at August 1, 2017, there will be an exit premium paid of 7.298% on the aggregate principal amount of the Notes outstanding.

The Notes are senior secured obligations over the Company's assets. Transaction costs in relation to the issuance of the Notes were $11.9 million. Transaction costs are capitalized against the long term debt and amortized using the effective interest rate method. The effective annualized interest rate for the three months ended March 31, 2015, was 16.9% which includes interest and amortization of the applicable financing costs and discount. The Notes are redeemable by the Company at any time prior to maturity.

Liquidity and Capital Resources (continued)

Prior to August 1, 2015, Notes are redeemable at par plus applicable premium payment calculated to August 1, 2015. Thereafter, the Notes are redeemable subject to the payment of principal amount plus the applicable call premiums to the holders of the Notes ranging from zero to 7%.

Upon change of control of the Company, the Notes require the Company to make an offer of repayment in cash equal to 101% of the aggregate principal amount of the Notes outstanding plus the applicable accrued and unpaid interest. No value was ascribed to the repayment option as the fair value of this option was not significant at the date of issue and as at March 31, 2015.

The Notes contain various non-financial covenants which, among other things, restrict the Company with respect to certain capital expenditures and payments, making investments and loans, incurrence of additional debt, paying dividends, altering the nature of the business and undertaking certain corporate transactions. A reporting covenant also exists which requires standard reporting in line with a reporting issuer on the TSX and includes timely reporting of material changes. The Company is in compliance with all covenants under the Notes as at March 31, 2015.

As at March 31, 2015, US$20 million of proceeds from the Notes are held in a separate escrow account with a trustee. These funds are restricted to cover the second and third interest payments. Interest payments are payable semi-annually on February 1 and August 1 of each year.

Working capital as at March 31, 2015 of $93.3 million is comprised of $115.9 million of cash including restricted cash, offset by a non-cash working capital deficiency of $22.6 million. The Company's strategy is to access sufficient capital, through equity issuances, monetization, joint ventures and the utilization of debt, in order to maintain a capital base that properly supports the objectives of maintaining financial flexibility and of sustaining future development of the business. The Company manages its capital structure in order to continue as a going concern and makes adjustments relative to changes in economic conditions and the Company's risk profile. In order to manage risk, the Company may from time to time issue shares and adjust its capital spending to manage current working capital levels. The Company's liquidity may be adversely affected if the Company's access to the capital markets is hindered, either as a result of financial market conditions generally or as a result of conditions specific to the Company.

The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of West Ells, successful completion of a financing or monetizing assets. There is no certainty that these and other strategies will be successful.

For the three month period ended March 31, 2015, the Company reported a net loss of $30.9 million. At March 31, 2015, the Company had positive working capital of $93.3 million and an accumulated deficit of $258.5 million. Effective August 18, 2013, the Company suspended construction of its West Ells SAGD project, pending sourcing of additional financing. After securing proceeds from a US$200 million senior secured notes offering, which closed on August 8, 2014, Sunshine re-commenced activities required to complete construction, commissioning and steaming of the first 5,000 bbls/d phase of the West Ells project.

The Company is exposed to risks arising from fluctuations in foreign currency exchange rates. Thus, exchange rate fluctuations can affect the fair value of future cash flows. This exposure primarily relates to certain expenditure commitments, deposits, accounts payable and long-term debt which are denominated in US dollars.

For the three month period ended March 31, 2015, the Company had a foreign exchange loss of $16.5 million compared to $0.1 million gain in the same period in 2014. The increase in foreign exchange loss for the three month period ended March 31, 2015, was primarily due to $20.2 million unrealized loss on translation of the US denominated senior secured notes offset by $5.0 million unrealized gain on US denominated cash balances.

Liquidity and Capital Resources (continued)

The Company manages this risk by monitoring foreign exchange rates and evaluating their effects on using Canadian or U.S. vendors as well as timing of transactions. The Company had no forward exchange rate contracts in place as at or during the three month period ended March 31, 2015. If exchange rates to convert from US dollars to Canadian dollars had been one percent higher or lower with all other variables held constant, foreign cash held at March 31, 2015 would have been impacted by approximately $0.5 million. At March 31, 2015, the Company held approximately US$36.5 million or $46.3 million using the March 31, 2015 exchange rate of 1.2683, as cash in the Company's US bank accounts.

The Company's $89.9 million in unrestricted cash as at March 31, 2015, is held in accounts with third party financial institutions consisting of cash in the Company's operating accounts. Cash is also held by the Company's legal counsel, within a trust account established by the Company. To date, the Company has experienced no loss or lack of access to its cash in operating accounts. However, the Company can provide no assurance that access to its invested cash will not be affected by adverse conditions in the financial markets or actions of creditors. While the Company monitors the cash balances in its operating and investment accounts and adjusts the cash balances as appropriate, these cash balances could be affected if the underlying financial institutions or corporations fail or are subject to other adverse conditions in the financial markets. The Company had $25.9 million in restricted cash as at March 31, 2015, held in two treasury notes and $0.1 million of the restricted cash is held by the legal counsel of the Company.

Cash Flows Summary

	For the three months ended March 31,			
		2015		2014
Cash used in operating activities	$	(5,531)	$	(13,605)
Cash used in investing activities		(34,633)		(32,147)
Cash (used in)/generated by financing activities		(11,086)		43,226
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		5,012		50
Decrease in cash		(46,238)		(2,476)
Cash and cash equivalents, beginning of period		136,097		15,854
Cash and cash equivalents, end of period	$	89,859	$	13,378

Operating Activities

Net cash used for operating activities for the three month period ended March 31, 2015 was $5.5 million compared to cash used of $13.6 million in 2014, a change of $8.1 million. Net cash used for operating activities includes an increase in working capital of $0.8 million for the three month period ended March 31, 2015 compared to a decrease of $7.8 million for the same period in 2014.

Investing Activities

Net cash used for investing activities for the three month period ended March 31, 2015 increased by $2.5 million to $34.6 million compared to $32.1 million for the three months ended March 31, 2014. The increase is due to payments for property, plant and equipment for the three months ended March 31, 2015 of $43.8 million, related to the West Ells project, an increase of $14.4 million from the same period in 2014, partially offset by a change in restricted cash of $9.1 million, due to the first interest payment on the Notes.

Financing Activities

Net cash used for financing activities for the three month period ended March 31, 2015 totaled $11.1 million, which consisted of payment for finance costs of $11.2 million, offset by proceeds from issue of common shares of $0.1 million. Financing activities for the three month period ended March 31, 2014 generated $43.2 million, which consisted of proceeds received from issue of common shares of $43.9 million, offset by $0.7 million of share issue and finance related costs.

Commitments and contingencies

Information presented in the table below reflects management's estimate of the contractual maturities of the Company's obligations. These estimated maturities may differ significantly from the actual maturities of these obligations. As at March 31, 2015, the Company's estimated commitments are as follows:

		Total	2015	2016	2017	2018	2019	Thereafter
Repayment of long-term debt[1]	$	253,660	-	253,660	-	-	-	-
Interest payments on long-term debt[2]		38,049	12,683	25,366	-	-	-	-
Drilling, other equipment and contracts		10,580	7,388	2,982	173	37	-	-
Lease rentals[3]		9,723	900	1,187	1,169	1,169	1,169	4,129
Office leases		11,422	2,264	3,018	2,885	2,604	651	-
	$	323,434	23,235	286,213	4,227	3,810	1,820	4,129

1. Principal amount of Notes based on the period end exchange rate of $1 US = 1.2683 CDN and a maturity date of August 1, 2016, as the conditions to extend to August 1, 2017, have not yet been satisfied.
2. Based on 10% per annum and a maturity date of August 1, 2016, at the period exchange rate of $1 US = 1.2683 CDN.
3. The Company has an annual obligation for oil sands mineral lease rentals and surface lease rentals.

Following suspension of construction at the Company's West Ells SAGD project in August 2013, many suppliers, following normal practice in Canada, placed builders' liens on the West Ells property to secure past due and unpaid invoices. Through the normal course of business, the Company recorded the unpaid invoices in trade and accrued liabilities. During 2014 the Company raised equity funds and completed additional financing, through the $20 million sale of assets and the issuance of US$200 million Senior Secured notes, to enable it to meet these obligations and clear up these issues and continue developing its business. The Company obtained discharge of outstanding liens by October 7, 2014, thus satisfying the condition in the Notes. The aggregate value of the claims outstanding against Sunshine related to claiming payment for unpaid invoices was approximately $1.3 million as at March 31, 2015. Sunshine continues to work toward resolution of these claims.

The Company has been named as a Defendant in Court of Queen's Bench of Alberta Judicial District of Calgary, commenced by a shareholder of the Company (the "Claimant") by Statement of Claim (the "Action") filed January 2, 2014. The Claimant alleges that, pursuant to a share subscription agreement entered into in January 2011, it is entitled to require Sunshine to repurchase 4,132,232 shares (prior to the 20:1 share split that occurred prior to the Company's IPO) of the Company that the Claimant acquired pursuant to the share subscription agreement. This constitutes a claim for $40 million plus interest at 15% per annum since the date of the share subscription agreement. The Company's Statement of Defence was filed on April 2, 2014. Management considers the Action to be unfounded. No amounts have been accrued in the consolidated financial statements for the three month period ended March 31, 2015 as the ultimate resolution is undeterminable at this time. The Company will record a provision if it believes that the outcome of the contingency becomes probable and can be reasonably estimated.

In the normal conduct of operations, there are other pending claims by and against the Company. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, the final determination of these other litigations will not materially affect the Company's financial position or results of operations.

Transactions with related parties

Balances and transactions between the Company and its subsidiary, which is a related party, have been eliminated on consolidation. There were no other transactions between the Company and related parties for the three month period ended March 31, 2015.

During the year ended December 31, 2014 the Company had transactions, totaling $1.5 million, with a law firm in which Mr. Turnbull, a former director of the Company, is a partner. Mr. Turnbull was a director until the time of his resignation on November 28, 2014. On this date the law firm ceased to be a related party of the Company. The legal costs incurred were in the normal course of operations and were based on the exchange value of the services provided, which approximates those amounts of consideration with third parties.

Off-balance sheet arrangements

The Company has certain lease agreements which are reflected in the table above under the heading “Commitments and contingencies”. No asset or liability value was assigned to these agreements on the Company’s balance sheet. At March 31, 2015, the Company did not have any other off-balance sheet arrangements.

New accounting pronouncements and changes in accounting policies

The International Accounting Standard Board (the "IASB") issued a number of new and revised International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS"), amendments and related Interpretations ("IFRIC") (hereinafter collectively referred to as the "New IFRSs") which are effective for the Company's financial period beginning on January 1, 2018. The Company has reviewed new and revised accounting pronouncements that have been issued. The impact of these standards are disclosed in Note 3, “new accounting pronouncements and changes in accounting policies” in the condensed interim consolidated financial statements.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company’s accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern
The financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment to assess the Company’s ability to continue as a going concern and the existence of conditions that cast doubt upon the going concern assumption.

Joint Control
Judgment is required to determine when the Company has joint control over an arrangement, which requires an assessment of the capital and operating activities of the projects it undertakes with partners and when the decisions in relation to those activities require unanimous consent.

Critical accounting judgments and key sources of estimation uncertainty (continued)

Oil and gas reserves
The process of estimating quantities of reserves is inherently uncertain and complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change.

Reserve estimates are based on, among other things, forecasts of production, prices, cost estimates and economic conditions.

Reserve estimates are critical to many accounting estimates including:

- determining whether or not an exploratory well has found economically recoverable reserves. Such determinations involve the commitment of additional capital to develop the field based on current estimates of production forecasts, prices and other economic conditions;
- calculating unit-of-production depletion rates. Proved plus probable reserves are used to determine rates that are applied to each unit-of-production in calculating depletion expense; and
- assessing development and production assets for impairment. Estimated future net cash flows used to assess impairment of the Company's development and production assets are determined using proved plus probable reserves.

Independent qualified reserve evaluators prepare reserve estimates for each property at least annually and issue a report thereon. The reserve estimates are reviewed by the Company's engineers and operational management familiar with the property. Judgment is used in order to determine if a project classified as Exploration and Evaluation costs ("E&E") is technically feasible and commercially viable and should be transferred from E&E to property, plant and equipment.

Impairment of non-financial assets
The recoverable amounts of cash generating units ("CGU") and individual assets have been determined based on the higher of value-in-use calculations and fair value less costs to sell. These calculations require the use of estimates and assumptions. Oil and gas development and production properties are evaluated for impairment by reference to proved and probable reserves determined in accordance with the Society of Petroleum Engineers rules. It is possible that oil and gas price assumptions may change which may then impact the estimated life of fields and may then require a material adjustment to the carrying value of E&E assets and property, plant and equipment. The Company monitors internal and external indicators of impairment relating to its tangible and intangible assets.

Recoverability of exploration and evaluation costs
E&E are capitalized as exploration and evaluation assets by CGU and are assessed for impairment when circumstances suggest that the carrying amount may exceed recoverable value. This assessment involves judgment as to: (i) the likely future commerciality of the asset and when such commerciality should be determined; (ii) future revenues based on forecasted oil and gas prices; (iii) future development costs and production expenses; (iv) the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value; and (v) potential value to future E&E activities of any geological and geophysical data acquired.

Decommissioning costs
A provision is required to be recognised for the future retirement obligations associated with the Company's assets. The decommissioning provision is based on estimated costs, taking into account the anticipated method and extent of restoration consistent with legal, regulatory and construction requirements, technological advances and the possible use of the site. Since these estimates are specific to the sites involved, there are many individual assumptions underlying the amount provided. These individual assumptions can be subject to change based on actual experience and a change in one or more of these assumptions could result in a materially different amount.

Critical accounting judgments and key sources of estimation uncertainty (continued)

Share purchase warrants
The Company recognises a liability for share purchase warrants with an exercise price in a currency other than the functional currency of the Company which is remeasured at each reporting date. The initial recognition and subsequent remeasurement of the share purchase warrants is based on the estimated fair value of each share purchase date at its grant date and each reporting date, the estimation of which requires management to make assumptions about future volatility of the Company's stock price, future interest rates and the timing with respect to exercise of the instruments. The effects of a change in one or more of these variables could result in a materially different fair value.

Share-based payments
The Company recognises compensation expense on options and stock appreciation rights ("SAR") granted. Compensation expense is based on the estimated fair value of each option and stock appreciation right at its grant date, the estimation of which requires management to make assumptions about future volatility of the Company's stock price, future interest rates, future forfeiture rates and the timing with respect to exercise of the instruments. The effects of a change in one or more of these variables could result in a materially different fair value.

Fair Value Measurement
The estimated fair value of financial instruments is reliant upon a number of estimated variables including foreign exchange rates and interest rates, volatility curves and risk of non-performance. A change in any one of these factors could result in a change to the overall estimated valuation of the instrument.

Deferred income taxes
The calculation of deferred income taxes is based on a number of assumptions, including estimating the future periods in which temporary differences, tax losses and other tax credits will reverse. Tax interpretations, regulations, and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change.

Risk Factors

The business of resource exploration, development and extraction involves a high degree of risk. Material risks and uncertainties affecting the Company, their potential impact and the Company's principal risk management strategies are substantially unchanged from those disclosed in the Company's MD&A for the year ended December 31, 2014, which is available at www.sedar.com. The 2014 annual report of the Company is available at the Company's website, www.sunshineoilsands.com, and the website of the HKEX, www.hkexnews.hk. The Company's 2014 Annual Information Form is available at www.sedar.com.

Disclosure Controls and Procedures

Michael Hibberd, Executive Vice-Chairman of the Board and Qiping Men, Interim Chief Financial Officer, have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's Vice-Chairman and Interim CFO by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

Internal Controls Over Financial Reporting

Michael Hibberd, Executive Vice-Chairman of the Board and Qiping Men, Interim Chief Financial Officer, have designed, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Furthermore, the Company used the criteria established in "Internal Control – Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework).

No material changes in the Company's ICFR were identified during the three month period ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR. It should be noted that a control system, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud. In reaching a reasonable level of assurance, management necessarily is required to apply its judgment in evaluating the cost/benefit relationship of possible controls and procedures.

Additional Stock Exchange Information

Additional information required by the HKEX and not shown elsewhere in this announcement is as follows:

Code of Corporate Governance Practice (the "Code")

The Company is committed to maintaining high standards of corporate governance. The Company recognizes that corporate governance practices are fundamental to the effective and transparent operation of a company and its ability to protect the rights of its shareholders and enhance shareholder value.

The Company confirms that the Code, as set out in Appendix 14 to the Rules Governing the Listing of Securities on the HKEX (the "Hong Kong Listing Rules"), has been complied with following its public listing, save that the Company has not entered into formal letters of appointment with its directors and therefore will deviate from Code Provision D.1.4 of the Code. The Company will deviate from Code Provision D.1.4 of the Code since each of the Directors will be appointed on an annual basis by the shareholders of the Company at each annual general meeting, which is consistent with the market practice in Canada. The Company has deviated from Code Provision A.5.1 which provides that the Company's Corporate Governance Committee should be chaired by the Chairman of the Board or an Independent Non-Executive Director and comprised of a majority of Independent Non-Executive Directors. The Corporate Governance Committee is chaired by Executive Vice-Chairman and comprises two Non-Executive Directors. The Board will endeavour to return the composition of this committee to be in compliance with the code within a reasonable time after the next annual general meeting.

Compliance with the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code")

The Company confirms that it has adopted the Model Code, as set out in Appendix 10 to the Hong Kong Listing Rules, following its public listing. Having made specific enquiry with all directors, the directors have confirmed and compiled with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions.

Purchase, sale or redemption of Sunshine's listed securities

Class "A" Common Shares

During the three month period ended March 31, 2015, the Company did not issue any Class "A" common shares in private placements.

During the three month period ended March 31, 2015, the Company issued 3,123,452 Class "A" common shares, from the Company's employee share savings plan for gross proceeds of $0.3 million.

At the Annual and Special Meeting of Shareholders of the Company held on June 25, 2014, shareholders approved the option of payment of 50% of the directors' base retainer fees to the directors in shares in lieu of cash in respect of the period from October 1, 2013 to June 25, 2014 and future base retainer fees. Shareholders also approved the option of payment of 50% of the base fees payable to the co-chairmen in shares in lieu of cash in respect of the period from April 1, 2014 to June 25, 2014 and in relation to future base co-chairman fees. During the three month period ended March 31, 2015, no shares were issued in lieu of cash.

Neither the Company, nor its subsidiary re-purchased, sold or redeemed any of the listed shares of the Company during the three month period ended March 31, 2015. During the three month period ended March 31, 2014 neither the Company, nor any of its subsidiaries re-purchased, sold or redeemed any of the listed shares of the Company.

Post-IPO Stock Option Plan

For the three month period ended March 31, 2015, the Company granted 3,758,425 Post-IPO stock options. During the three month period ended March 31, 2015, there were 7,196,374 forfeitures of unvested Post-IPO stock options.

Shares Outstanding

As at May 13, 2015, the Company had the following shares issued and outstanding:

Class "A" common shares	3,899,986,888

Summary of Financial Statements and Notes

The Board of Directors of the Company announces the results of the Company and its wholly owned subsidiary, for the three month period ended March 31, 2015 together with comparative figures for the corresponding period in 2014 as follows:

Consolidated Statements of Financial Position

		March 31, 2015		December 31, 2014
Assets				
Current assets				
Cash	$	89,859	$	136,097
Restricted cash and cash equivalents		25,993		23,467
Trade and other receivables		2,847		1,913
Prepaid expenses and deposits		5,916		5,843
		124,615		167,320
Non-current assets				
Restricted cash and cash equivalents		-		11,601
Exploration and evaluation		380,413		379,403
Property, plant and equipment		755,821		701,736
		1,136,234		1,092,740
	$	1,260,849	$	1,260,060
Liabilities and Shareholders' Equity				
Current liabilities				
Trade and accrued liabilities	$	30,445	$	28,128
Provisions for decommissioning obligations		863		834
Share purchase warrants		6		109
		31,314		29,071
Non-current liabilities				
Long-term debt		233,024		210,050
Provisions for decommissioning obligations		54,381		48,650
Share purchase warrants		-		273
		318,719		288,044
Net current assets		93,301		138,249
Total assets less current liabilities		1,229,535		1,230,989
Shareholders' Equity				
Share capital		1,139,286		1,139,022
Reserve for share-based compensation		61,347		60,658
Deficit		(258,503)		(227,664)
		942,130		972,016
	$	1,260,849	$	1,260,060

Consolidated Statements of Operations and Comprehensive Loss

	For the three months ended March 31,	
	2015	**2014**
Other income		
Interest income	$ 310	$ 57
Fair value adjustment on share purchase warrants	376	3,727
	686	3,784
Expenses		
Salaries, consulting and benefits	2,750	1,575
Rent	346	305
Legal and audit	358	727
Depreciation	141	173
Share-based payments	426	171
Suspension and preservation costs	-	1,769
Finance costs	9,154	1,871
Foreign exchange loss/(gain)	16,507	(50)
Other	1,843	1,496
	31,525	8,037
Loss before income taxes	30,839	4,253
Income taxes	-	
Net loss and comprehensive loss for the period attributable to equity holders of the Company	30,839	4,253
Basic and diluted loss per share	$ 0.01	$ 0.00

Notes

1. Basis of preparation

These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Board. The condensed interim consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Hong Kong Listing Rules.

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, measured at fair value.

The condensed interim consolidated financial statements are presented in Canadian Dollars ("$"), which is the functional currency of the Company.

The condensed interim consolidated financial statements incorporate the financial statements of the Company and the Company's wholly owned subsidiary, Sunshine Oilsands (Hong Kong) Ltd. ("Sunshine Hong Kong"). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries are included in the consolidated financial statements when control is achieved and until control is lost. All inter-company transactions, balances, revenues and expenses are eliminated in full on consolidation.

2. Segment Information

The Company has one business and geographical segment. Accordingly, no business and geographical segment information is presented.

3. Trade Receivables

The Company's trade and accruals and other receivables mainly arise from oil sales and goods and services tax receivables due from government taxation authorities. These are summarized as follows:

		March 31, 2015		December 31, 2014
Trade	$	1,069	$	1,035
Accruals and other receivables		32		22
Goods and Services Taxes receivable		1,746		856
	$	2,847	$	1,913

The Company allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables at the end of the reporting periods:

		March 31, 2015		December 31, 2014
0 - 30 days	$	69	$	74
31 - 60 days		70		12
61 - 90 days		6		11
>90 days		924		938
	$	1,069	$	1,035

As at March 31, 2015, included in the Company's trade receivables were debtors with an aggregate carrying amount of $1.0 million (December 31, 2014 - $1.0 million), which was past due as at the reporting date. The Company does not hold any collateral over these balances. Management believes the past due amounts will be collected.

4. Trade Payables

Trade payables and accrued liabilities mainly represent payables to subcontractors for development, engineering, procurement and construction services. The Company has financial risk management policies in place to ensure that payables are generally paid within pre-agreed credit terms. The following is an aged analysis of trade payables based on dates of invoices at the end of the reporting periods:

		March 31, 2015		December 31, 2014
Trade				
0 - 30 days	$	9,957	$	3,007
31 - 60 days		633		180
61 - 90 days		38		172
> 91 days		720		662
		11,348		4,021
Accrued liabilities		19,097		24,107
	$	30,445	$	28,128

5. Dividends

The Company has not declared or paid any dividends in respect of the three month period ended March 31, 2015 (three month period ended March 31, 2014 - $Nil).

6. Income Taxes

The components of the net deferred income tax asset are as follows:

	March 31, 2015	December 31, 2014
Deferred tax assets (liabilities)		
Exploration and evaluation assets and property, plant and equipment	(144,550)	(137,644)
Decommissioning liabilities	13,811	12,371
Share issue costs	8,948	10,159
Non-capital losses	140,614	130,061
Deferred tax benefits not recognized	(18,823)	(14,947)
	$ -	$ -

The Company's non-capital losses of $562,455 (December 31, 2014 - $520,247), expire between 2028 and 2034.

The Company is subject to Canadian federal and provincial tax for the estimated assessable profit at a rate of 25.0%. The Company had no assessable profit in Canada for the three month period ended March 31, 2015. The Company files all required income tax returns and believes that it is in full compliance with the provisions, tax interpretations, regulations and legislation of the Income Tax Act (Canada) and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authorities. In the event of a successful reassessment, such reassessment may have an impact on current and future taxes payable. The estimated tax deductions available to the Company in Canada are approximately $1.2 billion. The Company's tax losses will begin expiring in 2028.

The Company's subsidiary, Sunshine Hong Kong, is subject to Hong Kong profits tax at a rate of 16.5%. No Hong Kong profits tax was provided for as the Company had no assessable profit arising in or derived from Hong Kong for the three month period ended March 31, 2015.

Review of interim results

The condensed interim consolidated financial statements for the Company for the three month period ended March 31, 2015, were reviewed by the Audit Committee of the Company, the Company's external auditor and approved by the Board.

Publication of information

This quarterly results announcement is published on the websites of SEDAR (www.sedar.com), the HKEX (www.hkexnews.hk) and the Company's website at www.sunshineoilsands.com.

This announcement is prepared in both English and Chinese and in the event of inconsistency, the English text of this announcement shall prevail over the Chinese text.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended March 31, 2015

(Unaudited)

SUNSHINE OILSANDS LTD.

Consolidated Statements of Financial Position
(Expressed in thousands of Canadian dollars)
(Unaudited)

	Notes	March 31, 2015	December 31, 2014
Assets			
Current assets			
Cash	4	$ 89,859	$ 136,097
Restricted cash and cash equivalents	4	25,993	23,467
Trade and other receivables	5	2,847	1,913
Prepaid expenses and deposits	6	5,916	5,843
		124,615	167,320
Non-current assets			
Restricted cash and cash equivalents	4	-	11,601
Exploration and evaluation assets	7	380,413	379,403
Property, plant and equipment	8	755,821	701,736
		1,136,234	1,092,740
		$ 1,260,849	$ 1,260,060
Liabilities and Shareholders' Equity			
Current liabilities			
Trade and accrued liabilities	9	$ 30,445	$ 28,128
Provision for decommissioning obligations	11	863	834
Share purchase warrants	13.2	6	109
		31,314	29,071
Non-current liabilities			
Long-term debt	10	233,024	210,050
Provision for decommissioning obligations	11	54,381	48,650
Share purchase warrants	13.2	-	273
		318,719	288,044
Shareholders' Equity			
Share capital	13	1,139,286	1,139,022
Reserve for share-based compensation		61,347	60,658
Deficit		(258,503)	(227,664)
		942,130	972,016
		$ 1,260,849	$ 1,260,060

Going concern (note 2)
Commitments and contingencies (note 20)

Approved by the Board

"Robert J. Herdman"
Director

Michael J. Hibberd"
Director

See accompanying notes to the condensed interim consolidated financial statements.

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in thousands of Canadian dollars, except for per share amounts)
(Unaudited)

	Notes	For the three months ended March 31, 2015	2014
Other income			
Interest income		$ 310	$ 57
Fair value adjustment on share purchase warrants	13.2	376	3,727
		686	3,784
Expenses			
Salaries, consulting and benefits		2,750	1,575
Rent		346	305
Legal and audit		358	727
Depreciation	8	141	173
Share-based payments	14.6	426	171
Suspension and preservation costs	8	-	1,769
Finance costs	15	9,154	1,871
Foreign exchange loss/(gain)	17.6	16,507	(50)
Other general and administrative		1,843	1,496
		31,525	8,037
Loss before income taxes		30,839	4,253
Income taxes	12	-	-
Net loss and comprehensive loss for the period attributable to equity holders of the Company		$ 30,839	$ 4,253
Basic and diluted loss per share	16	0.01	0.00

See accompanying notes to the condensed interim consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in thousands of Canadian dollars)
(Unaudited)

	Notes	Reserve for share based compensation	Share capital	Deficit	Total
Balance, December 31, 2014		$ 60,658	$ 1,139,022	$ (227,664)	$ 972,016
Net loss and comprehensive loss for the period		-	-	(30,839)	(30,839)
Issue of shares under employee share savings plan	13.1	-	264	-	264
Recognition of share-based payments	14.6	689	-	-	689
Balance, March 31, 2015		$ 61,347	$ 1,139,286	$ (258,503)	$ 942,130
Balance, December 31, 2013		$ 57,447	$ 1,024,423	$ (200,897)	$ 880,973
Net loss and comprehensive loss for the period		-	-	(4,253)	(4,253)
Issue of common shares	13.1	-	39,000	-	39,000
Issue of shares under employee share savings plan	13.1	-	214	-	214
Recognition of share-based payments	14.6	(26)	-	-	(26)
Share issue costs, net of deferred tax ($Nil)		-	(743)	-	(743)
Balance, March 31, 2014		$ 57,421	$ 1,062,894	$ (205,150)	$ 915,165

See accompanying notes to the condensed interim consolidated financial statements.

Consolidated Statements of Cash Flows
(Expressed in thousands of Canadian dollars)
(Unaudited)

	Notes	For the three months ended March 31, 2015	2014
Cash flows from operating activities			
Net loss		$ (30,839)	$ (4,253)
Finance costs		9,154	1,871
Unrealized foreign exchange losses/(gains)		15,327	(50)
Interest income		(310)	(57)
Fair value adjustment on share purchase warrants		(376)	(3,727)
Depreciation		141	173
Share-based payment expense		426	171
Employee share savings plan		132	106
		(6,345)	(5,766)
Movement in non-cash working capital	21	814	(7,839)
Net cash used in operating activities		(5,531)	(13,605)
Cash flows from investing activities			
Interest received		310	57
Payments for exploration and evaluation assets	21	(200)	(2,790)
Payments for property, plant and equipment	21	(43,818)	(29,414)
Release of restricted cash to fund long-term debt interest payments	4	9,075	-
Net cash used in investing activities		(34,633)	(32,147)
Cash flows from financing activities			
Proceeds from issue of common shares	13.1	132	43,858
Payment for share issue costs	21	-	(573)
Payment for finance costs	21	(11,218)	(59)
Net cash provided / (used) in financing activities		(11,086)	43,226
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		5,012	50
Net increase / (decrease) in cash and cash equivalents		(46,238)	(2,476)
Cash and cash equivalents, beginning of period		136,097	15,854
Cash and cash equivalents, end of period		$ 89,859	$ 13,378

See accompanying notes to the condensed interim consolidated financial statements.

Notes to the Condensed Interim Consolidated Financial Statements
For the three month period ended March 31, 2015
(Expressed in thousands of Canadian dollars, unless otherwise indicated)
(Unaudited)

1. Company information

Sunshine Oilsands Ltd. (the "Company") was incorporated under the laws of the Province of Alberta on February 22, 2007. The address of its principal place of business is 1020, 903 – 8th Avenue S.W., Calgary, Alberta, Canada T2P 0P7. The Company's shares were listed on the Stock Exchange of Hong Kong Limited ("SEHK") on March 1, 2012 pursuant to an initial public offering ("IPO") and trades under the stock code symbol of "2012". On November 16, 2012, the Company completed a listing of its common shares on the Toronto Stock Exchange ("TSX") and trades under the symbol of "SUO".

On May 4, 2012, Sunshine Oilsands (Hong Kong) Limited ("Sunshine Hong Kong") was incorporated in Hong Kong and is a wholly-owned subsidiary of the Company. The address of the principal place of business for Sunshine Hong Kong is Unit 8504A, 85/F, International Commerce Centre 1 Austin Road West, Kowloon.

The Company is engaged in the evaluation and the development of oil properties for the future production of bitumen in the Athabasca oilsands region in Alberta, Canada. The Company is a development stage company. The continued existence of the Company is dependent on its ability to maintain capital funding for further development and to meet obligations. In the event that such capital is not available to the Company, it will be necessary to prioritize activities, which may result in delaying and potentially losing business opportunities and cause potential impairment to recorded assets. The Company anticipates incurring substantial expenditures to further its capital development programs.

2. Basis of preparation

Going Concern
These condensed interim consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. For the three month period ended March 31, 2015, the Company reported a net loss of $30.8 million. At March 31, 2015, the Company had positive working capital of $93.3 million and an accumulated shareholder's deficit of $258.5 million. The Company's ability to continue as a going concern is dependent on completion of the West Ells development, achieving profitable operations and the ability to access additional financing. As such there is significant doubt and there can be no assurance the Company will be able to continue as a going concern.

These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the annual Consolidated Financial Statements for the year ended December 31, 2014.

The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended December 31, 2014.

2.1 Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value (Note 17). The condensed interim consolidated financial statements are presented in Canadian Dollars ("$"), which is the functional currency of the Company.

3. New accounting pronouncements and changes in accounting policies

3.1 Future accounting changes

In May 2014, the IASB published IFRS 15, "Revenue from Contracts with Customers" replacing IAS 11, "Construction Contracts", IAS 18, "Revenue" and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded. The new standard is effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The standard may be applied retrospectively or applying a modified retrospective approach. The Company is currently evaluating the impact of adopting IFRS 15 on the Consolidated Financial Statements.

The IASB issued a number of new and revised IAS, IFRS, amendments and related Interpretations ("IFRIC") (hereinafter collectively referred to as the "New IFRS") which are effective for the Company's financial period beginning on January 1, 2018. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and these standards are not expected to have a material impact on its condensed interim consolidated financial statements.

The IASB has undertaken a three-phase project to replace IAS 39 "Financial Instruments: Recognition and Measurement" with IFRS 9 "Financial Instruments". In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.

In November 2013, the IASB issued the third phase of IFRS 9 "Financial Instruments" which details the new general hedge accounting model. Hedge accounting remains optional and the new model is intended to allow reporting issuers to better reflect risk management activities in the financial statements and provide more opportunities to apply hedge accounting. The Company does not employ hedge accounting for its risk management contracts currently in place. On February 20, 2014 there was an update on the mandatory adoption date for IFRS 9 which changed the effective date from January 1, 2017 to January 1, 2018. The Company is currently assessing and quantifying the effect on its financial statements.

3.2 Changes in accounting policies

For the three month period ended March 31, 2015 there has been no change in accounting policy from the policies adopted by the Company in the Consolidated Financial Statements for the year ended December 31, 2014.

4. Cash and cash equivalents

		March 31, 2015		December 31, 2014
Current asset				
Cash[1]	$	89,859	$	136,097
Current restricted cash and cash equivalents[2]		25,993		23,467
		115,852		159,564
Non-current asset				
Non-current restricted cash and cash equivalents[2]	$	-		11,601
	$	115,852	$	171,165

1. The Company's cash consists of cash held in bank accounts that earn interest at varying interest rates of between 0.35% and 1.30%.
2. The US$200 million senior secured notes issued in August 2014 required US$30 million of proceeds to be held in a restricted escrow account to cover the first three interest payments on the notes. There are two interest payments remaining of US$10 million each, due on August 1, 2015 and February 1, 2016. The Company's restricted cash for interest payments consists of cash held in two treasury notes. In addition, $0.1 million of restricted cash is held by the legal counsel of the Company.

5. Trade and other receivables

		March 31, 2015		December 31, 2014
Trade	$	1,069	$	1,035
Accruals and other receivables		32		22
Goods and services taxes receivable		1,746		856
	$	2,847	$	1,913

As at March 31, 2015, included in the Company's trade receivables was an aggregate carrying amount of $1.0 million (December 31, 2014 - $1.0 million), which was past due as at the reporting date. The Company does not hold any collateral over these balances. Management believes the past due amounts will be collected.

6. Prepaid expenses and deposits

		March 31, 2015		December 31, 2014
Prepaid expenses	$	446	$	132
Deposits[1]		5,470		5,711
	$	5,916	$	5,843

1. Included in deposits at March 31, 2015 is $4.5 million held with the Alberta Energy Regulator for the License Liability Rating Program.

7. Exploration and evaluation assets

Balance, December 31, 2013	$	376,912
Capital expenditures		5,232
Non-cash expenditures[1]		4,025
Disposal of asset		(6,766)
Balance, December 31, 2014	$	379,403
Capital expenditures		200
Non-cash expenditures[1]		810
Balance, March 31, 2015	$	380,413

1. Non-cash expenditures include capitalized share-based payments and decommissioning obligations.

The Company is a development stage entity and, as a result, no depletion expense has been recorded for exploration and evaluation assets for any period. During the three month period ended March 31, 2015, the Company capitalized directly attributable costs including $Nil for share-based payment expense (three month period ended March 31, 2014 - $0.2 million) and $Nil of general and administrative costs (three month period ended March 31, 2014 - $2.2 million).

On July 17, 2014, the Company entered into a petroleum, natural gas and general conveyance agreement for the 100% sale of the Pelican Lake asset, which relates to, among other things, lands and petroleum and natural gas rights, to a third party for total consideration of $20.0 million. Total carrying value of the asset of $6.8 million was removed from the Company's exploration and evaluation account resulting in a $13.3 million gain on the sale of the asset for the year ended December 31, 2014. The asset had a provision for decommissioning obligation of $41,900 which was removed from the Company's future Asset Retirement Obligation cost account.

Exploration and evaluation costs are comprised of the following:

		March 31, 2015		December 31, 2014
Intangibles	$	273,217	$	272,469
Tangibles		18,683		18,682
Land and lease costs		88,513		88,252
	$	380,413	$	379,403

8. Property, plant and equipment

		Crude oil assets		Corporate assets		Total
Cost						
Balance, December 31, 2013	$	632,249	$	3,685	$	635,934
Capital expenditures		46,491		63		46,554
Non-cash expenditures[1]		21,208		-		21,208
Balance, December 31, 2014	$	699,948	$	3,748	$	703,696
Capital expenditures		48,689		594		49,283
Non-cash expenditures[1]		4,943		-		4,943
Balance, March 31, 2015	$	753,580	$	4,342	$	757,922

1. Non-cash expenditures include capitalized share-based payments and decommissioning obligations.

		Crude oil assets		Corporate assets		Total
Accumulated depreciation						
Balance, December 31, 2013	$	-	$	1,262	$	1,262
Depreciation expense		-		698		698
Balance, December 31, 2014	$	-	$	1,960	$	1,960
Depreciation expense		-		141		141
Balance, March 31, 2015	$	-	$	2,101	$	2,101
Carrying value, March 31, 2015	$	753,580	$	2,241	$	755,821
Carrying value, December 31, 2014	$	699,948	$	1,788	$	701,736

At March 31, 2015, the crude oil assets included in the above property, plant and equipment were not subject to depletion since they are not ready for use in the manner intended by management.

During the three month period ended March 31, 2015, the Company capitalized directly attributable costs including $0.3 million for share-based payment expense (three month period ended March 31, 2014 - $Nil), and $1.7 million for general and administrative costs (three month period ended March 31, 2014 – $Nil).

Costs directly related to the suspension, which totaled $Nil for the three month period ended March 31, 2015 (three month period ended March 31, 2014 - $1.8 million), are recognized as suspension and preservation costs in the Consolidated Statements of Operations and Comprehensive Loss. After completion of transactions during July and August 2014, the suspension was lifted and construction of the West Ells SAGD project recommenced.

9. Trade and accrued liabilities

		March 31, 2015		December 31, 2014
Trade	$	11,348	$	4,021
Accrued liabilities		19,097		24,107
	$	30,445	$	28,128

10. Long-term debt

		March 31, 2015		December 31, 2014
Senior secured notes (US$200,000,000)	$	253,660	$	232,020
Discount on notes		(15,725)		(14,383)
Financing transaction costs on notes		(11,846)		(11,846)
Amortization of financing transaction costs		6,935		4,259
Balance, end of period	$	233,024	$	210,050

10. Long-term debt (continued)

On August 8, 2014, the Company completed an offering of US$200 million senior secured notes (the “Notes”) at an offering price of US$938.01 per US$1,000 principal amount. The Notes bear interest at a rate of 10% per annum and have a final maturity date of August 1, 2017.

If by February 1, 2016, the Company has not: (1) received at least US$50 million of net cash proceeds from one or more equity offerings; and (2) deposited, or caused to be deposited, cash in an amount sufficient to pay: (a) one year of interest payments on the aggregate principal amount of Notes outstanding on February 1, 2016; and (b) the yield maintenance premium, then the final maturity date of the notes shall be August 1, 2016. The Company is required to pay to the holders of any Notes outstanding on August 1, 2016 a yield maintenance premium of 7.298% of the aggregate principal amount of Notes. If the Notes are outstanding at August 1, 2017, there will be an exit premium paid of 7.298% on the aggregate principal amount of the Notes outstanding.

The Notes are senior secured obligations over the Company’s assets. Transaction costs in relation to the issuance of the Notes were $11.9 million. Transaction costs are capitalized against the long term debt and amortized using the effective interest rate method. The effective annualized interest rate for the three month period ended March 31, 2015, was 16.9% which includes interest and amortization of the applicable financing costs and discount. The Notes are redeemable by the Company at any time prior to maturity. Prior to August 1, 2015, Notes are redeemable at par plus applicable premium payment calculated to August 1, 2015. Thereafter, the Notes are redeemable subject to the payment of principal amount plus the applicable call premiums to the holders of the Notes ranging from zero to 7%. Upon change of control of the Company, the Notes require the Company to make an offer of repayment in cash equal to 101% of the aggregate principal amount of the Notes outstanding plus the applicable accrued and unpaid interest. No value was ascribed to the repayment option as the fair value of this option was not significant at the date of issue and as at March 31, 2015.

The Notes contain various non-financial covenants which, among other things, restrict the Company with respect to certain capital expenditures and payments, making investments and loans, incurrence of additional debt and issuance of certain preferred stock, paying dividends, altering the nature of the business and undertaking certain corporate transactions. A reporting covenant also exists which requires standard reporting in line with a reporting issuer on the TSX and includes timely reporting of material changes. The Company is in compliance with all covenants under the Notes as at March 31, 2015.

As at March 31, 2015, US$20 million of proceeds from the Notes are held is a separate escrow account with a trustee. These funds are restricted to cover the interest payments for the second and third interest payments. Interest payments are payable semi-annually on February 1 and August 1 of each year.

The Notes are translated into Canadian dollars at the period end exchange rate of $1 US = 1.2683 CDN

11. Provision for decommissioning obligations

As at March 31, 2015, the Company’s share of the estimated total undiscounted cash flows required to settle asset decommissioning obligations was $81.7 million (December 31, 2014 - $83.3 million). Expenditures to settle asset decommissioning obligations are estimated to be incurred up to 2112. Decommissioning costs are based on estimated costs to reclaim and abandon crude oil properties and the estimated timing of the costs to be incurred in future years, discounted using an annual risk-free rate between 0.49% and 1.79% per annum and inflated using an inflation rate of 2.0% per annum.

11. Provision for decommissioning obligations (continued)

		March 31, 2015		December 31, 2014
Balance, beginning of period	$	49,484	$	24,469
Additional provision recognized		-		3
Disposal of Asset (Note 7)		-		(42)
Effect of changes in estimates		5,490		24,293
Unwinding of discount rate and effect		270		761
	$	55,244	$	49,484
Current portion		(863)		(834)
Balance, end of period	$	54,381	$	48,650

12. Income taxes

12.1 Deferred tax balances

The components of the net deferred income tax asset are as follows:

		March 31, 2015		December 31, 2014
Deferred tax assets (liabilities)				
Exploration and evaluation assets and property, plant and equipment		(144,550)		(137,644)
Decommissioning liabilities		13,811		12,371
Share issue costs		8,948		10,159
Non-capital losses		140,614		130,061
Deferred tax benefits not recognized		(18,823)		(14,947)
	$	-	$	-

12.2 Tax pools

The following is a summary of the Company's estimated tax pools:

		March 31, 2015		December 31, 2014
Canadian development expense		40,546		39,455
Canadian exploration expense		214,876		214,890
Undepreciated capital cost		302,613		276,217
Non-capital losses		562,455		520,247
Share issue costs		35,792		40,638
	$	1,156,282	$	1,091,447

The Company's non-capital losses of $562,455 (December 31, 2014 - $520,247), expire between 2028 and 2034.

13. Share capital

The Company's authorized share capital is as follows:

- an unlimited number of Class "A" and Class "B" voting common shares without par value; and
- an unlimited number of Class "C", Class "D", Class "E" and Class "F" non-voting common shares without par value; and,
- an unlimited number of Class "G" and Class "H" non-voting preferred shares.

Issued Capital

		March 31, 2015		December 31, 2014
Common shares	$	1,139,286	$	1,139,022

13.1 Common shares

	March 31, 2015		December 31, 2014	
	Number of shares	$	Number of shares	$
Balance, beginning of period	3,896,103,191	1,139,022	3,067,167,791	1,024,423
Private placements	-	-	821,242,193	119,123
Issue of shares under employee share savings plan (Note 14.2)	3,123,452	264	5,772,789	835
Director share arrangement (Note 14.3)	-	-	1,920,418	261
Reclassification of share purchase warrants (Note 13.2)	-	-	-	(4,751)
Share issue costs, net of tax	-	-	-	(869)
Balance, end of period	3,899,226,643	1,139,286	3,896,103,191	1,139,022

Common shares consist of fully paid Class “A” and Class “B” common shares, which have no par value, carry one vote per share and carry a right to dividends.

During the three month period ended March 31, 2015, the Company did not issue any Class “A” common shares in private placements.

During the three month period ended March 31, 2015, the Company issued 3,123,452 Class “A” common shares, from the Company’s employee share savings plan for gross proceeds of $0.3 million.

During the three month period ended March 31, 2015 there were no share repurchases (March 31, 2014 - $Nil).

During the year ended December 31, 2014, the Company issued 640,000,000 Class “A” common shares in private placements at a price of HK$0.85 per share (approximately $0.12 per share) for gross proceeds of HK$544.0 million or approximately $75.4 million.

During the year ended December 31, 2014, the Company completed closings of equity private placements, totaling 181,242,193 Units at a price of HK$1.70 per Unit (approximately $0.24 per Unit) for gross proceeds of HK$308.1 or approximately $43.8 million. Each Unit is comprised of one Class “A” common share and one-third of one share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of HK$1.88 per common share (approximately $0.28 per common share) for a period of 24 months following the closing date. These warrants were valued at an average of $0.04 per warrant for a total of $2.2 million. As part of a finders’ fee, the Company issued two-fifths of a warrant for each purchased Unit. These finders’ fee warrants were valued at $0.04 per warrant for a total of $2.6 million. Total value of warrants granted during the year ended December 31, 2014, was $4.8 million (refer Note 13.2). The ascribed values of the warrants were determined using the Black-Scholes fair value pricing model based on a risk free rate of 0.98-1.05%, expected volatility of 43.01% and an expected life of two years. The total cost to complete the private placements was $0.9 million which includes a 3% finders’ fee of HK$4.6 million (approximately $0.7 million) to the finder of 90,588,235 Units.

As the exercise price of the share purchase warrants is fixed in Hong Kong dollars and the functional currency of the Company is in the Canadian dollar, the warrants are considered a derivative, as a variable amount of cash in the Company’s functional currency will be received on exercise. The fair value of share purchase warrants is reclassified to equity upon exercise. The share purchase warrants are re-measured at fair value at each statement of financial position date with the change in fair value recorded in the consolidated statements of operations and comprehensive loss. For the three month period ended March 31, 2015, the Company recognized a gain of $0.4 million related to the re-measurement of the fair value of share purchase warrants in the consolidated statements of operations and comprehensive loss (refer Note 13.2).

13.2 Share purchase warrants

	March 31, 2015		December 31, 2014	
	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $
Balance, beginning of period	211,230,941	0.28	78,320,000	0.26
Issued under private placement	-		132,910,941	0.27
Balance, end of period	211,230,941	0.31	211,230,941	0.28
Exercisable, end of period	211,230,941	0.31	211,230,941	0.28

As at March 31, 2015, the share purchase warrants outstanding had a weighted average remaining contractual life of 0.8 years (March 31, 2014 – 1.8 years)

The table below details the fair value of warrants granted in the period:

	March 31, 2015	December 31, 2014
Balance, beginning of period	$ 382	$ 3,832
Issued under private placement	-	4,751
Fair value adjustment	(376)	(8,201)
Balance, end of period	$ 6	$ 382

14. Share-based payments

14.1 Employee stock option plan

Post-IPO Stock Option Plan:

On January 26, 2012, the Post-IPO Stock Option Plan was approved and adopted by shareholders at the Company's Annual General Meeting. The Post-IPO Stock Option Plan was effective immediately prior to the Company's IPO closing and listing on the SEHK on March 1, 2012. The maximum number of Class "A" common shares that may be reserved for issuance pursuant to the Post-IPO Stock Option Plan is 10% of the total number of issued and outstanding shares, less the maximum aggregate number of shares underlying the options already granted pursuant to the Pre-IPO Stock Option Plan. The Post-IPO Stock Option Plan was amended at the last Annual and Special Meeting of Shareholders on June 25, 2014. As a result of the amendment, Options granted under the Post-IPO Stock Option Plan will have an exercise price that is determined by the Board of Directors but is not less than the higher of: the closing price on the Toronto Stock Exchange or the Stock Exchange of Hong Kong (whichever is higher) on the option offer date, which must be a business day; the volume weighted average trading price (VWAP) of the shares on Toronto Stock Exchange or the Stock Exchange of Hong Kong (whichever is higher) for the five trading days immediately preceding the option offer date; and the average closing price of the shares on the Toronto Stock Exchange or the Stock Exchange of Hong Kong (whichever is higher) for the five trading days immediately preceding the option offer date.

14.2 Employee share savings plan

The Company's Board of Directors approved the establishment of an employee share savings plan ("ESSP") on May 7, 2013. The maximum number of Class "A" common shares that may be reserved for issuance pursuant to the ESSP is 10% of the total number of issued and outstanding shares, less the maximum aggregate number of shares underlying the ESSP and the shares issuable on the exercise of options granted under the Post IPO Share Option Plan and the Pre IPO Plan. Under the terms of the ESSP, the Company matches 100% of a participating employee's contributions to the ESSP up to a set maximum. Contributions made by the Company and employees are used to purchase Company shares from treasury. Compensation expense is recognized based on the fair value of the award on the ESSP contribution date.

14.3 Director Share Arrangements

At the Annual and Special Meeting of Shareholders of the Company held on June 25, 2014, shareholders approved the option of payment of 50% of the directors' base retainer fees to the directors in shares in lieu of cash in respect of the period from October 1, 2013 to June 25, 2014 and future base retainer fees. Shareholders also approved the option of payment of 50% of the base fees payable to the co-chairmen in shares in lieu of cash in respect of the period from April 1, 2014 to June 25, 2014 and in relation to future base co-chairman fees.

Upon approval, at the discretion of the Board, the option of payment of shares in lieu of cash will result in an expense to share based payments and reversal of directors and/or employment or consulting fees as applicable. For the three month period ended March 31, 2015, no shares were issued in lieu of cash.

14.4 Fair value of share options granted in the period

The weighted average fair value of the share options granted for the three month period ended March 31, 2015 was $0.05 (year ended December 31, 2014 - $0.06). Options were priced using the Black-Scholes model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected volatility is based on the historical share price volatility of the Company during 2014. It was assumed that option holders will exercise the options on average three years from the grant date, with an expected forfeiture rate of 11.0%.

The table below details the input variables used in the Black-Scholes model to determine the fair value of options granted in the year for share-based compensation:

Input Variables	**Three months ended March 31, 2015**	**Year ended December 31, 2014**
Grant date share price ($)	0.10	0.09-0.135
Exercise Price ($)	0.10	0.09-0.135
Expected volatility (%)	67.01	64.84-65.84
Option life (years)	4.1	4.1
Dividend yield (%)	-	-
Risk-free interest rate (%)	0.68	1.21-1.40
Expected forfeitures (%)	11.01	11.04-11.13

14.5 Movements in stock options during the period

The following reconciles the stock options outstanding at the beginning and end of each period:

		Three months ended March 31, 2015		**Year Ended December 31, 2014**
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance, beginning of period	135,727,289	0.30	135,145,593	0.43
Granted	3,758,425	0.10	70,619,940	0.13
Exercised	-	-	-	-
Forfeited	(7,196,374)	0.22	(70,038,244)	0.37
Balance, end of period	132,289,340	0.30	135,727,289	0.30
Exercisable, end of period	78,753,073	0.37	81,378,764	0.36

As at March 31, 2015, stock options outstanding had a weighted average remaining contractual life of 3.2 years (December 31, 2014 – 3.3 years).

The Company granted 3,758,425 stock options during the three month period ended March 31, 2015. The stock options were granted to certain officers and employees. No substantial shareholder, chief executive or associate were granted options.

14.6 Share-based compensation

Share-based compensation has been recorded in the condensed interim consolidated financial statements for the periods presented as follows:

	Three months ended March 31, 2015			Three months ended March 31, 2014		
	Expensed	Capitalized	Total	Expensed	Capitalized	Total
Stock options	$ 426	263	689	$ 171	(197)	(26)

15. Finance costs

	For the three months ended March 31, 2015	2014
Interest expense on senior notes	$ 6,205	$ -
Amortization of financing transaction costs and discount	2,676	-
Financing related costs	3	1,691
Unwinding of discounts on provisions	270	180
	$ 9,154	$ 1,871

16. Loss per share

The weighted average number for basic Class "A" common shares for the periods presented is in the following table. Other than Class "A" common shares, all equity instruments (note 14) have been excluded in calculating the diluted loss per share as they were anti-dilutive, considering the Company was in a loss position for the periods presented.

	For the three months ended March 31, 2015	2014
Basic and Diluted – Class "A" common shares	3,897,026,124	3,182,226,278

17. Financial instruments

17.1 Capital risk management

The Company can be exposed to financial risks on its financial instruments and in the way that it finances its capital requirements. The Company manages these financial and capital structure risks by operating in a manner that minimizes its exposure to volatility.

The Company's strategy is to access sufficient capital, through equity issuances, joint ventures and the utilization of debt, in order to maintain a capital base for the objectives of maintaining financial flexibility and to sustain the future development of the business. The Company manages its capital structure in order to continue as a going concern and makes adjustments relative to changes in economic conditions and the Company's risk profile. In order to manage risk, the Company may from time to time issue shares and adjust its capital spending to manage current working capital levels. The Company expects its current capital resources will not be sufficient to complete its development plans through the next twelve months and will be required to raise additional funds through future equity or debt financings, a joint venture or a sale of assets. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds.

17.1 Capital risk management (continued)

The Company's capital structure currently includes shareholders' equity and working capital surplus as follows:

		March 31, 2015		December 31, 2014
Working capital surplus	$	(93,301)	$	(138,249)
Senior secured notes		233,024		210,050
Shareholders' equity		942,130		972,016
	$	1,081,853	$	1,043,817

There was no change in the Company's objectives and strategies of capital management for the three month period ended March 31, 2015.

17.2 Categories of financial instruments

	March 31, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	$	$	$	$
Cash, restricted cash and cash equivalents, deposits and other receivables	124,169	124,169	178,789	178,789
Financial liabilities				
Trade and accrued liabilities	30,445	30,445	28,128	23,828
Share purchase warrants (Note 13.2)	6	6	382	382
Long-term debt	233,024	205,044	210,050	180,850

17.3 Fair value of financial instruments

The fair value of cash, restricted cash and cash equivalents, deposits, trade and other receivables and trade and accrued liabilities approximate their carrying values due to their short term maturity.

The fair value of share purchase warrants have been assessed on a Level 2 fair value measurement. The fair value of the long term debt was assessed on a Level 2 fair value measurement.

Level 1 fair value measurements are based on quoted prices in active markets. Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted prices or indices. Level 3 fair value measurements are based on unobservable information.

17.4 Financial risk management

Financial risks include market risk (including currency risk, interest rate risk, and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company does not use any derivative financial instruments to mitigate these risk exposures. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

17.5 Market risk

Market risk is the risk that changes in market prices will affect the Company's net loss. The objective of market risk management is to manage and control market risk exposures within acceptable limits. There have been no changes over the prior year to the Company's objectives, policies or processes to manage market risks.

17.5 Market risk (continued)

Commodity price risk is the risk that the value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum are impacted by world economic events that dictate the levels of supply and demand. The Company has not attempted to mitigate commodity price risk through the use of various financial derivative or physical delivery sales contracts.

17.6 Currency risk

The Company is exposed to risks arising from fluctuations in foreign currency exchange rates. Thus, exchange rate fluctuations can affect the fair value of future cash flows. This exposure primarily relates to certain expenditure commitments, deposits, accounts payable and long term debt which are denominated in US dollars and/or HK dollars. The Company manages this risk by monitoring foreign exchange rates and evaluating their effects on using Canadian or U.S. vendors as well as timing of transactions. The Company had no forward exchange rate contracts in place as at or during the three month period ended March 31, 2015.

If exchange rates to convert from US dollars to Canadian dollars had been one percent higher or lower with all other variables held constant, foreign cash and restricted cash held at March 31, 2015 would have been impacted by approximately $0.5 million. At March 31, 2015, the Company held approximately US$36.5 million or $46.3 million using the March 31, 2015 exchange rate of 1.2683, as cash, restricted cash and cash equivalents in the Company's US bank account.

The following table summarizes the components of the Company's foreign exchange loss / (gain):

	For the three months ended March,			
		2015		**2014**
Unrealized foreign exchange loss (gain) on translation of:	$		$	
U.S. denominated senior secured notes		20,298		-
Foreign currency denominated cash balances		(5,012)		(147)
Foreign currency denominated accounts payable balances		41		86
	$	15,327	$	(61)
Realized foreign exchange loss		1,180		11
Total foreign exchange loss (gain)	$	16,507	$	(50)

17.7 Interest rate risk management

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at March 31, 2015, the Company does not have any floating rate debt.

The Company's cash and cash equivalents consist of cash held in bank accounts that earn interest at varying interest rates. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values or result in material interest rate risk. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. For the three month period ended March 31, 2015, the interest rate earned on cash was between 0.35% and 1.30%.

The Company's restricted cash and cash equivalents, consists of US$20 million held in two treasury notes. In addition, $0.1 million of restricted cash is held by the legal counsel of the Company. For the three month period ended March 31, 2015, the interest rate earned on the treasury notes was between 0.02% and 0.26%.

17.8 Credit risk management

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash, deposits and receivables and GST receivables. As at March 31, 2015, the Company's receivables consisted of 61% from Goods and Services Tax receivable, 27% joint interest billing receivable and 12% from other receivables (December 31, 2014 – 45% from Goods and Services Tax receivable, 37% from joint interest billing receivable and 18% from other receivables).

17.8 Credit risk management (continued)

The Company's unrestricted cash as at March 31, 2015, is held in accounts with third party financial institutions and consists of invested cash and cash in the Company's operating accounts.

The Company is exposed to credit risk from the purchasers of its crude oil. At March 31, 2015, there was no allowance for doubtful accounts receivable and the Company did not provide for any doubtful accounts nor was it required to write-off any receivables, as no receivables were considered impaired (December 31, 2014 - $Nil). The Company considers any amounts outstanding in excess of 30 days past due.

17.9 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to plan that it will have sufficient liquidity to meet its liabilities when due, using either equity or debt proceeds. At March 31, 2015, the Company had positive working capital of $93.3 million and an accumulated deficit of $258.5 million. The Company's ability to continue as a going concern is dependent on completion of West Ells development and the ability to access additional financing.

The Company utilizes authorizations for expenditures to manage its planned capital expenditures and actual expenditures are regularly monitored and modified as considered necessary.

The timing of cash outflows (excluding interest) relating to financial liabilities as at March 31, 2015, are as follows:

		Total		Less than 1 year		1-2 years
Trade and accrued liabilities	$	30,445	$	30,445	$	-
Long-term debt[1]		253,660		-		253,660
	$	284,105	$	30,445	$	253,660

1. Principal amount of Notes based on the period end exchange rate of $1 US = 1.2683 CDN

18. Related party transactions

Balances and transactions between the Company and its subsidiary, who is a related party, have been eliminated on consolidation. All related party transactions disclosed below were incurred by the Company.

18.1 Trading transactions

During the year ended December 31, 2014 the Company had transactions, totaling $1.5 million, with a law firm in which Mr. Turnbull, a former director of the Company, is a partner. Mr. Turnbull was a director until the time of his resignation on November 28, 2014. On this date the law firm ceased to be a related party of the Company. The legal costs incurred were in the normal course of operations and were based on the exchange value of the services provided, which approximates those amounts of consideration with third parties.

18.2 Compensation of key management personnel and directors

The remuneration of the directors and key management executives is determined by the Compensation Committee and consists of the following amounts:

	For the three months ended March 31,			
		2015		2014
Directors' fees	$	180	$	198
Salaries and allowances		882		204
Share-based payments		235		58
Consulting fees		-		226
	$	1,297	$	686

19. Operating lease arrangements

Payments recognised as an expense

	For the three months ended March 31, 2015	2014
Minimum lease payments	$ 567	$ 553

20. Commitments and contingencies

As at March 31, 2015, the Company's commitments are as follows:

	Total	2015	2016	2017	2018	2019	Thereafter
Repayment of long-term debt[1]	$ 253,660	-	253,660	-	-	-	-
Interest payments on long-term debt[2]	38,049	12,683	25,366	-	-	-	-
Drilling, other equipment and contracts	10,580	7,388	2,982	173	37	-	-
Lease rentals[3]	9,723	900	1,187	1,169	1,169	1,169	4,129
Office leases	11,422	2,264	3,018	2,885	2,604	651	-
	$ 323,434	23,235	286,213	4,227	3,810	1,820	4,129

1. Principal amount of Notes based on the period exchange rate of $1US=1.2683CDN and a maturity date of August 1, 2016, as the conditions to extend to August 1, 2017, have not yet been satisfied.
2. Based on 10% per annum and a maturity date of August , 2016, at the period exchange rate of $1US=1.2683CDN.
3. The Company has an annual obligation for oil sands mineral lease rentals and surface lease rentals.

Following suspension of construction at the Company's West Ells SAGD project in August 2013, many suppliers, following normal practice in Canada, placed builders' liens on the West Ells property to secure past due and unpaid invoices. Through the normal course of business, the Company recorded the unpaid invoices in trade and accrued liabilities.

During 2014, the Company raised equity funds disclosed in Note 13 and completed additional financing, through the $20 million sale of assets and the issuance of US$200 million Senior Secured notes (Note 10), to enable it to meet obligations and continue developing its business. The Company obtained discharge of outstanding liens by October 7, 2014, thus satisfying the condition in the Notes (Note 10). The aggregate value of the claims outstanding against Sunshine related to claiming payment for unpaid invoices was approximately $1.3 million as at March 31, 2015. Sunshine continues to work toward resolution of these claims.

The Company has been named as a Defendant in Court of Queen's Bench of Alberta Judicial District of Calgary, commenced by a shareholder of the Company (the "Claimant") by Statement of Claim (the "Action") filed January 2, 2014. The Claimant alleges that, pursuant to a share subscription agreement entered into in January 2011, it is entitled to require the Company to repurchase 4,132,232 shares (prior to the 20:1 share split that occurred prior to the Company's IPO) of the Company that the Claimant acquired pursuant to the Share Subscription Agreement. The Company's Statement of Defence was filed on April 2, 2014. Management considers the Action to be unfounded. No amounts have been accrued in the condensed interim consolidated financial statements for the three month period ended March 31, 2015 as the ultimate resolution is undeterminable at this time. The Company will record a provision if it believes that the outcome of the contingency becomes probable and can be reasonably estimated.

In the normal conduct of operations, there are other pending claims by and against the Company. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, the final determination of these other litigations will not materially affect the Company's financial position or results of operations.

21. Supplemental cash flow disclosures

Non-cash transactions

For the three month periods ended March 31, 2015, and March 31, 2014, the Company had the following non-cash transactions:

- capitalized general and administrative costs including share-based payments and finance costs (Notes 7 and 8).

Supplemental cash flow disclosures

	For the three months ended March 31, 2015	2014
Cash provided by (used in):		
Trade and other receivables	$ (934)	$ 108
Prepaid expenses and deposits	(73)	(2,918)
Trade and accrued liabilities	2,276	(32,869)
	1,269	(35,679)
Changes in non-cash working capital relating to:		
Operating activities		
Trade and other receivables	$ (221)	$ (1,569)
Prepaid expenses and deposits	(73)	(2,918)
Trade and accrued liabilities	1,108	(3,352)
	814	(7,839)
Investing activities		
Exploration and evaluation assets	-	-
Property, plant and equipment	5,465	(29,642)
	5,465	(29,642)
Financing activities		
Share issue costs, IPO costs and finance costs	$ (5,010)	$ 1,802
	$ 1,269	$ (35,679)

Reconciliation of certain amounts disclosed in the Condensed Interim Consolidated Statements of Cash Flows:

	For the three months ended March 31, 2015	2014
Reconciliation of:		
Exploration and evaluation assets	$ 200	$ 2,790
Changes in non-cash working capital	-	-
Payments for exploration and evaluation assets	200	2,790
Reconciliation of:		
Property, plant and equipment	$ 49,283	$ (228)
Changes in non-cash working capital	(5,465)	29,642
Payments for property, plant and equipment	43,818	29,414
Reconciliation of:		
Share issue costs, IPO costs and finance costs	$ 6,208	$ 2,434
Changes in non-cash working capital	5,010	(1,802)
Payments for share issue costs, IPO costs and finance costs	$ 11,218	$ 632

22. Approval of condensed interim consolidated financial statements

The condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on May 13, 2015.

Appendix to the Condensed interim consolidated financial statements

Additional Stock Exchange Information
(Unaudited)

Additional information required by the SEHK and not shown elsewhere in these condensed interim consolidated financial statements is as follows:

A1. Sunshine Oilsands Ltd. Non-Consolidated Statement of Financial Position

The Company's statement of financial position is on a non-consolidated basis which excludes the Company's wholly owned subsidiary Sunshine Hong Kong.

		March 31, 2015		December 31, 2014
Non-current assets				
Property, plant and equipment		755,820		701,735
Exploration and evaluation assets		380,413		379,403
Restricted cash and cash equivalents		-		11,601
Amounts due from subsidiary		1,839		1,530
		1,138,072		1,094,269
Current assets				
Trade and other receivables	$	2,847	$	1,913
Prepaid expenses and deposits		5,916		5,843
Cash		89,849		136,087
Restricted cash and cash equivalents		25,993		23,467
		124,605		167,310
Current liabilities				
Trade and other payables		30,389		28,074
Provisions for decommissioning obligations		863		834
Share purchase warrants		6		109
Amount due to subsidiary		1,713		1,567
		32,971		30,584
Net current assets		91,634		136,726
Total assets less current liabilities		1,229,706		1,230,995
Non-current liabilities				
Share purchase warrants		-		273
Long term debt		233,024		210,050
Provisions for decommissioning obligations		54,381		48,650
		287,405		258,973
Net assets	$	942,301	$	972,022
Capital and reserves				
Share capital	$	1,139,286	$	1,139,022
Reserve for share-based compensation		61,347		60,658
Deficit		(258,332)		(227,658)
	$	942,301	$	972,022

A2. Directors' emoluments and other staff costs

The Directors' emoluments and other staff costs are broken down as follows:

	For the three months ended March 31, 2015	2014
Directors' emoluments		
Directors' fees	$ 180	$ 198
Salaries and allowances	639	226
Share-based payments	170	575
	989	999
Other staff costs		
Salaries and other benefits	$ 3,136	$ 2,839
Contribution to retirement benefit scheme	192	192
Share-based payments	519	(601)
	3,847	2,430
Total staff costs, including directors' emoluments	4,836	3,429
Less: staff costs capitalized to qualifying assets	1,659	1,683
	$ 3,177	$ 1,746

Details of the Directors' emoluments are as follows:

For the three months ended March 31, 2015						
Name of Director	Directors' fees	Salaries and allowances	Contribution to retirement benefits scheme	Share-based compensation	Performance related incentive payments	Total
Michael Hibberd	$ 20	$ 113	$ -	$ 75	$ -	$ 208
Tseung Hok Ming	15	-	-	6	-	21
Tingan Liu	19	-	-	-	-	19
Haotian Li	12	-	-	6	-	18
Raymond Fong	19	-	-	6	-	25
Robert Herdman	20	-	-	6	-	26
Gerald Stevenson	19	-	-	6	-	25
Jin Hu	13	-	-	-	-	13
Zhefei Song	14	-	-	-	-	14
Hong Luo	13	-	-	15		28
Qi Jiang	16	526	-	50	-	592
	$ 180	$ 639	$ -	$ 170	$ -	$ 989

A2. Directors' emoluments and other staff costs (continued)

For the three months ended March 31, 2014						
Name of Director	Directors' fees	Salaries and allowances	Contribution to retirement benefits scheme	Share-based compensation	Performance related incentive payments	Total
Michael Hibberd	$ 21	$ 113	$ -	$ 242	$ -	$ 376
Songning Shen[1]	21	113	-	242	-	376
Tseung Hok Ming	15	-	-	13	-	28
Tingan Liu	12	-	-	-	-	12
Hoatian Li	14	-	-	13	-	27
Raymond Fong	17	-	-	13	-	30
Wazir (Mike) Seth[2]	27	-	-	13	-	40
Greg Turnbull[3]	15	-	-	13	-	28
Robert Herdman	28	-	-	13	-	41
Gerald Stevenson	28	-	-	13	-	41
	$ 198	$ 226	$ -	$ 575	$ -	$ 999

1. Mr Shen was a director and Co-Chairmen until the time of his resignation on July 7, 2014
2. Mr Seth was a director until the time of his resignation on July 7, 2014
3. Mr Turnbull was a director until the time of his resignation on November 28, 2014

A3. Five highest paid individuals

The five highest paid individuals were within the following emolument bands:

	For the three months ended March 31, 2015	2014
HK$ nil to HK$1,000,000	3	3
HK$1,000,001 to HK$1,500,000	1	-
HK$1,500,001 to HK$2,000,000	-	-
HK$2,000,001 to HK$2,500,000	-	-
HK$2,500,001 to HK$3,000,000	-	2
HK$3,000,001 to HK$3,500,000	-	-
HK$3,500,001 to HK$4,000,000	1	-
HK$4,000,001 to HK$4,500,000	-	-
HK$4,500,001 to HK$5,000,000	-	-
HK$5,000,001 to HK$5,500,000	-	-
HK$5,500,001 to HK$6,000,000	-	-
HK$6,000,001 to HK$6,500,000	-	-
HK$6,500,001 to HK$7,000,000	-	-
> HK$7,000,000	-	-

For the three month period ended March 31, 2015, the conversion factor used in the above table is 1C$ = 6.25 HK$ (three month period ended March 31, 2014 – 1C$ = 7.03 HK$)

The five highest paid individuals includes two directors of the Company and three key management executives of the Company for the three month period ended March 31, 2015 (three month period ended March 31, 2014 – three directors and two key management). Since the directors' emoluments are disclosed above, the compensation of the three key management executives for the Company is as follows (three month period ended March 31, 2014 – two key management executives):

A3. Five highest paid individuals (continued)

	For the three months ended March 31,			
		2015		**2014**
Salaries and other benefits	$	238	$	127
Contributions to retirement benefits scheme		5		2
Share-based payments		65		59
	$	308	$	188