CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended September 30, 2013

(Unaudited)

SUNSHINE OILSANDS LTD.

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

	Notes	September 30, 2013	December 31, 2012
Assets			
Current assets			
Cash and cash equivalents	4	$ 34,187	$ 282,231
Trade and other receivables	5	2,261	2,155
Prepaids and deposits	6	998	701
		37,446	285,087
Non-current assets			
Exploration and evaluation	7	381,126	366,668
Property, plant and equipment	8	631,716	327,971
		1,012,842	694,639
		$ 1,050,288	$ 979,726
Liabilities and Shareholders' Equity			
Current liabilities			
Trade and other payables	9	$ 154,170	$ 68,821
Provisions for decommissioning obligations	10	1,103	795
		155,273	69,616
Non-current liabilities			
Provisions for decommissioning obligations	10	29,773	39,034
		185,046	108,650
Going Concern	2		
Shareholders' Equity			
Share capital	12	1,003,894	991,798
Reserve for share-based compensation		54,730	47,395
Deficit		(193,382)	(168,117)
		865,242	871,076
		$ 1,050,288	$ 979,726

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 September 30, 2013	For the three months ended September 30, 2012	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012
Other income					
Foreign exchange (losses)/gains		$ (42)	$ (82)	$ 150	$ 8,954
Interest income		160	1,224	1,409	2,242
		118	1,142	1,559	11,196
Expenses					
Salaries, consulting and benefits		2,940	8,521	10,087	14,389
Rent		274	234	722	733
Legal and audit		491	320	919	622
Depreciation	8	119	73	330	199
Share-based payments	13.3	2,357	5,946	7,223	10,680
Expensed portion of IPO costs		-	-	-	16,258
Finance costs	15	1,475	214	4,032	17,378
Other		1,143	1,365	3,511	3,471
		8,799	16,673	26,824	63,730
Loss before income taxes		8,681	15,531	25,265	52,534
Income taxes	11	-	-	-	-
Net loss and comprehensive loss for the period attributable to equity holders of the Company		$ 8,681	$ 15,531	$ 25,265	$ 52,534
Basic and diluted loss per share	16	0.00	0.01	0.00	0.02

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, 2012		$ 47,395	$ 991,798	$ (168,117)	$ 871,076
Net loss and comprehensive loss for the period		-	-	(25,265)	(25,265)
Employee share savings plan		-	455	-	455
Recognition of share-based payments	13.3	10,586	-	-	10,586
Issue of shares upon exercise of share options	12.1	-	8,390	-	8,390
Reserve transferred on exercise of share options		(3,251)	3,251	-	-
Balance, September 30, 2013		$ 54,730	$ 1,003,894	$ (193,382)	$ 865,242
Balance, December 31, 2011		$ 30,074	$ 219,174	$ (100,662)	$ 148,586
Net loss and comprehensive loss for the period		-	-	(52,534)	(52,534)
Recognition of share-based payments	13.3	16,170	-	-	16,170
Issue of common shares		-	569,880	-	569,880
Reclassification of share repurchase obligation		-	247,957	-	247,957
Repurchase of common shares		-	(31,662)	-	(31,662)
Issue of common shares for services	18.1	-	8,378	-	8,378
Issue of shares under employee share option plan		-	4,442	-	4,442
Reserve transferred on exercise of share options		(1,745)	1,745	-	-
Repurchase and cancellation of warrants		-	-	(5,995)	(5,995)
Recognition of credit on credit facility	18.1	-	-	266	266
Share issue costs, net of deferred tax ($Nil)		-	(25,836)	-	(25,836)
Balance, September 30, 2012		$ 44,499	$ 994,078	$ (158,925)	$ 879,652

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 September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Cash flows from operating activities					
Net loss		$ (8,681)	$ (15,531)	$ (25,265)	$ (52,534)
Finance costs		1,475	214	4,032	17,378
Expense portion of IPO costs		-	-	-	10,863
Unrealized foreign exchange losses/(gains)		42	583	(150)	(51)
Interest income		(160)	(1,224)	(1,409)	(2,242)
Depreciation		119	73	330	199
Share-based payment expense		2,357	5,946	7,223	10,680
Employee share savings plan		174	-	226	-
Movement in non-cash working capital	21	(1,585)	(8,604)	(233)	697
Net cash used in operating activities		(6,259)	(18,543)	(15,246)	(15,010)
Cash flows from investing activities					
Interest received		160	1,224	1,409	2,242
Payments for capital investments	21	(53,324)	(32,510)	(240,554)	(165,023)
Net cash used in investing activities		(53,164)	(31,286)	(239,145)	(162,781)
Cash flows from financing activities					
Proceeds from issue of common shares	12.1	167	3,428	8,618	574,322
Payment for repurchase of common shares		-	(16,919)	-	(31,662)
Payment for share issue costs	21	-	-	-	(24,928)
Payment for finance costs	21	(844)	-	(2,421)	-
Payment for advisory fee	18.1	-	-	-	(441)
Payment for warrant settlement		-	-	-	(68,863)
Net cash provided in financing activities		(677)	(13,491)	6,197	448,428
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		(42)	(583)	150	51
Net (decrease)/increase in cash and cash equivalents		(60,142)	(63,903)	(248,044)	270,688
Cash and cash equivalents, beginning of period		94,329	419,548	282,231	84,957
Cash and cash equivalents, end of period		$ 34,187	$ 355,645	$ 34,187	$ 355,645

See accompanying notes to the condensed interim consolidated financial statements.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2013
(Expressed in thousands of Canadian dollars, unless otherwise indicated)
(Unaudited)

1. Corporation 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 - 8 Avenue S.W., Calgary, Alberta, T2P 0P7, Canada. 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 January 26, 2012, shareholders of the Company authorized the Company to complete up to a 25:1 share split. The Board of Directors of the Company concluded that a 20:1 share split was appropriate, increasing the number of common shares, preferred shares and stock options to 20 times their previous outstanding amounts. All share and stock option information is therefore presented on a post split basis. 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 under the Companies Ordinance (Chapter 32 of the Laws of 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.

On August 6, 2013, the Company announced the Board of Directors has directed management of the Company to commence a strategic review process to identify, examine and consider a range of strategic alternatives available to Sunshine, with a view to progressing its oilsands development strategy and to preserving and maximizing shareholder value. This process could result in one or more strategic transactions being completed by the Company including: debt or equity financing of the Company, a joint venture or other strategic transaction involving Sunshine, or its assets, and a third party. There can be no assurance any of these alternatives will be completed.

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 and nine month periods ended September 30, 2013, the Company reported net loss of $8.7 million and $25.3 million, respectively. The Company's negative working capital position has deepened by $ 82.4 million since the second quarter of 2013. At September 30, 2013, the Company had negative working capital of $117.8 million and an accumulated deficit of $193.4 million. The Company's recent losses and negative cash flow have resulted in a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern without additional financing. Effective August 18, 2013, the Company suspended construction of its West Ells SAGD project, pending sourcing of additional financing.

The condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. The appropriateness of the going concern basis is dependent upon, among other things: the ability to obtain debt or equity financing, a joint venture or a sale of assets in order to have sufficient funding to meet its obligations that enables the Company to continue as a going concern, the ability to generate sufficient cash from operations and future profitable operations. There can be no assurance the Company will be able to continue as a going concern.

Basis of Preparation
The condensed interim consolidated financial information included in this report has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The results for the interim periods are unaudited and in the opinion of management include all adjustments necessary for a fair presentation of the results for the periods presented. All such adjustments are of a normal recurring nature. This report should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2012.

3. New Accounting Pronouncements and Changes in Accounting Policies

The IASB issued a number of new and revised International Accounting Standards ("IASs"), International Financial Reporting Standards ("IFRSs"), amendments and related Interpretations ("IFRICs") (hereinafter collectively referred to as the "New IFRSs") which are effective for the Company's financial period beginning on January 1, 2013. The Company has reviewed new IFRSs and the impact of these standards is noted below.

IFRS 10, Consolidated Financial Statements
IFRS 10 replaces portions of IAS 27 Consolidated and Separate Financial Statements and interpretation SIC-12 Consolidation - Special Purpose Entities. The new standard requires consolidated financial statements to include all controlled entities under a single control model. On January 1, 2013, the Company determined that the adoption of IFRS 10 did not result in any change in the consolidation status of its wholly owned subsidiaries.

IFRS 11, Joint Arrangements
IFRS 11 applies to accounting for interests in joint arrangements where there is joint control. The standard requires the joint arrangements to be classified as either joint operations or joint ventures. The structure of the joint arrangement would no longer be the most significant factor when classifying the joint arrangement as either a joint operation or a joint venture. In addition, the option to account for joint ventures (previously called jointly controlled entities) using proportionate consolidation will be removed and replaced by equity accounting. On January 1, 2013, the Company determined that the adoption of IFRS 11 did not have any impact on any of its joint arrangements.

IFRS 12, Disclosure of Interests in Other Entities
IFRS 12 includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. Due to this new section, the Company will be required to disclose the following: judgments and assumptions made when deciding how to classify involvement with another entity, interests that non-controlling interests have in consolidated entities and the nature of the risks associated with interests in other entities. On January 1, 2013, the Company concluded that the adoption of IFRS 12 did not result in any changes in its disclosure of interests in other entities.

IFRS 13, Fair Value Measurement
IFRS 13 will converge the IFRS requirements for how to measure fair value and the related disclosures. IFRS 13 establishes a single source of guidance for fair value measurements, when fair value is required or permitted by IFRS. Upon adoption, the Company will provide a single framework for measuring fair value while requiring enhanced disclosures when fair value is applied. In addition, fair value will be defined as the “exit price” and concepts of “highest and best use” and “valuation premise” would be relevant only for non-financial assets and liabilities. On January 1, 2013, the Company adopted IFRS 13 on a prospective basis and the adoption of this standard did not have any impact on the Company’s consolidated financial statements.

IFRS 9, Financial Instruments
IFRS 9 was issued by the IASB in November 2009 and October 2010 and replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2015.

4. Cash and cash equivalents

		September 30, 2013		December 31, 2012
Cash	$	34,187	$	13,966
Term deposits		-		268,265
	$	34,187	$	282,231

5. Trade and other receivables

		September 30, 2013		December 31, 2012
Trade	$	311	$	297
Accruals and other receivables		354		387
Goods and Services Taxes receivable		1,596		1,471
	$	2,261	$	2,155

6. Prepaid expenses and deposits

	September 30, 2013	December 31, 2012
Prepaids	$ 519	$ 276
Deposits	479	425
	$ 998	$ 701

7. Exploration and evaluation assets

	September 30, 2013
Balance, December 31, 2011	$ 382,277
Capital expenditures	269,348
Non-cash expenditures[1]	41,845
Transferred to PPE	(326,802)
Balance, December 31, 2012	$ 366,668
Capital expenditures	16,688
Non-cash expenditures[1]	(2,230)
Transferred to PPE	-
Balance, September 30, 2013	$ 381,126

1. Non-cash expenditures include capitalized share-based payments/(recovery), financing costs and decommissioning obligations (Note 10).

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 and nine months ended September 30, 2013, the Company capitalized directly attributable costs/(recovery) including $Nil and $(0.1) million for share-based payment expense (three and nine months September 30, 2012 - $2.7 million and $5.5 million), $0.2 million and $0.6 million of pre-production operating loss/(income) (three and nine months September 30, 2012 $0.2 million and $1.3 million), $Nil of finance costs (three and nine months September 30, 2012 - $Nil and $2.1 million) and $Nil and $0.4 million of general and administrative costs (three and nine months September 30, 2012 - $2.6 million and $7.7 million), respectively.

Exploration and evaluation costs are comprised of the following:

	September 30, 2013	December 31, 2012
Intangibles	$ 271,469	$ 258,664
Tangibles	19,553	17,200
Land and lease costs	90,104	90,804
	$ 381,126	$ 366,668

8. Property and equipment

	Crude oil assets	Corporate assets	Total
Cost			
Balance, December 31, 2011	$ -	$ 1,208	$ 1,208
Capital expenditures	-	740	740
Non-cash expenditures[1]	-	-	-
Transferred to PPE	326,802	-	326,802
Balance, December 31, 2012	$ 326,802	$ 1,948	$ 328,750
Capital expenditures	307,514	1,011	308,525
Non-cash expenditures[1]	(4,450)	-	(4,450)
Transferred to PPE	-	-	-
Balance, September 30, 2013	$ 629,866	$ 2,959	$ 632,825

1. Non-cash expenditures include capitalized share-based payments/(recovery) and decommissioning obligations (Note 10).

	Crude oil assets	Corporate assets	Total
Accumulated depreciation			
Balance, December 31, 2011	$ -	$ 489	$ 489
Depreciation expense	-	290	290
Balance, December 31, 2012	$ -	$ 779	$ 779
Depreciation expense	-	330	330
Balance, September 30, 2013	$ -	$ 1,109	$ 1,109
Carrying value, September 30, 2013	$ 629,866	$ 1,850	$ 631,716
Carrying value, December 31, 2012	$ 326,802	$ 1,169	$ 327,971

At September 30, 2013, the crude oil assets included in the above property and equipment were not subject to depletion since they are not ready for use in the manner intended by management.

During the three and nine months ended September 30, 2013, the Company capitalized directly attributable costs including $2.6 million and $7.9 million for general and administrative costs (three and nine months September 30, 2012 - $Nil for both periods), and $0.9 million and $3.5 million for share-based payment expense (three and nine months September 30, 2012 - $Nil for both periods).

During the three and nine months ended September 30, 2013, the Company capitalized $2.9 million for the costs to repair a damaged gas turbine, which costs are being claimed under insurance. The Company did not record a receivable for the insurance claim. If the claim of $2.7 million is paid, it will be recorded in the period in which it is received.

9. Trade and other payables

	September 30, 2013	December 31, 2012
Trade	$ 90,495	$ 6,815
Accrued liabilities	63,675	62,006
	$ 154,170	$ 68,821

Trade and accrued liabilities represent liabilities for goods and services provided to the Company prior to the end of September 30, 2013. The Company's exposure to liquidity risk related to trade and accrued liabilities is disclosed in Note 17.8.

10. Provisions for decommissioning obligations

At September 30, 2013, the Company's share of the estimated total undiscounted cash flows required to settle asset decommissioning obligations was $50.5 million (December 31, 2012 - $73.4 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 1.21% to 3.00% per annum and inflated using an inflation rate of 2.0% per annum.

	September 30, 2013	December 31, 2012
Balance, beginning of period	$ 39,829	$ 6,400
Additional provision recognized	4,436	32,346
Effect of changes in discount rate	(14,409)	322
Unwinding of discount rate and effect	1,020	761
	$ 30,876	$ 39,829
Current portion	(1,103)	(795)
Balance, end of period	$ 29,773	$ 39,034

11. Income taxes

11.1 Income taxes recognized in the Statement of Operations

	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Income taxes comprises:				
Tax recovery in respect of the current period	-	-	-	-
Effect of changes in tax rates and laws	-	-	-	-
Total income taxes	-	-	-	-

11.2 Deferred tax balances

September 30, 2013	**Opening Balance**	**Recogn-ised in loss**	**Recognis-ed in other comprehen-sive loss**	**Recognis-ed directly in equity**	**Reclassifi-ed from equity to loss**	**Acquisition/ Disposals**	**Other**	**Closing Balance**
Temporary differences	$	$	$	$	$	$	$	$
Exploration and evaluation	(56,087)	(31,596)	-	-	-	-	(7,201)	(94,884)
Property and equipment	129	265	-	-	-	-	-	394
Other financial liabilities	9,961	(255)	-	-	-	-	7,201	16,907
Share issue expenses	22,059	15,514	-	-	-	-	-	37,573
	(23,938)	(16,072)	-	-	-	-	-	(40,010)
Tax losses	23,938	16,072	-	-	-	-	-	40,010
Deferred tax assets (liabilities)	-	-	-	-	-	-	-	-

September 30, 2012	**Opening Balance**	**Recogn-ised in loss**	**Recognis-ed in other comprehen-sive loss**	**Recognis-ed directly in equity**	**Reclassifi-ed from equity to loss**	**Acquisition/ Disposals**	**Other**	**Closing Balance**
Temporary differences	$	$	$	$	$	$	$	$
Exploration and evaluation	(32,593)	(8,303)	-	-	-	-	(7,223)	(48,119)
Property and equipment	(32)	(55)	-	-	-	-	-	(87)
Other financial liabilities	755	(88)	-	-	-	-	7,223	7,890
Share issue expenses	872	(4,058)	-	-	-	-	-	(3,186)
	(30,998)	(12,504)	-	-	-	-	-	(43,502)
Tax losses	30,998	12,504	-	-	-	-	-	43,502
Deferred tax assets (liabilities)	-	-	-	-	-	-	-	-

The Company has not recognized any deferred tax asset for the periods presented.

12. 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

		September 30, 2013		December 31, 2012
Common shares	$	1,003,858	$	991,758
Class "G" preferred shares		25		29
Class "H" preferred shares		11		11
	$	1,003,894	$	991,798

12.1 Common shares

	Nine months ended September 30, 2013		Year ended December 31, 2012	
	Number of shares	$	Number of shares	$
Balance, beginning of period	2,831,713,161	991,758	1,470,171,240	216,761
Issued for cash	-	-	923,299,500	569,880
Issued for service	-	-	13,566,395	8,378
Reclassification of share repurchase obligation	-	-	433,884,300	247,957
Repurchase of common shares	-	-	(85,091,500)	(38,731)
Repurchase of purchase warrants	-	-	-	2,371
Conversion of preferred shares exercised	4,740,000	4	1,450,800	2
Issue of shares under share option plan	46,695,000	8,390	74,432,426	8,052
Reserve transferred on exercise of stock options	-	3,251	-	3,124
Issue of shares under employee share saving plan	1,900,706	455	-	-
Share issue costs	-	-	-	(26,036)
Balance, end of period	2,855,048,867	1,003,858	2,831,713,161	991,758

12.2 Class "G" preferred shares

The Company's Board of Directors authorized for issuance a maximum of 65,000,000 Class "G" preferred shares. The Class "G" preferred shares were issued at $0.0005 per Class "G" preferred share and are convertible into Class "A" common shares at the option of the holder at any time in accordance with the conversion schedule outlined below.

	September 30, 2013			December 31, 2012		
	Number of shares	$	Weighted average price $	Number of shares	$	Weighted average price $
Balance, beginning of period	60,440,000	29	0.33	63,310,000	31	0.33
Issued	-	-	-	830,000	-	0.48
Converted	(7,800,000)	(4)	0.33	(3,700,000)	(2)	0.39
Cancelled	(250,000)	-	-	-	-	-
Balance, end of period	52,390,000	25	0.33	60,440,000	29	0.33
Convertible, end of period	40,864,200	20	0.33	27,802,400	14	0.33

The fair value of the Class "G" preferred shares issued in 2012 was estimated to be $0.48 per Class "G" preferred share, using the Black Scholes pricing model with the following assumptions:

	December 31, 2012
Weighted average expected volatility (%)	75%
Risk-free rate of return (%)	1%
Expected life (years)	1.89 – 1.99
Expected forfeitures	Nil
Dividends	Nil

12.3 Class "H" preferred shares

The Company's Board of Directors authorized for issuance a maximum of 25,000,000 Class "H" preferred shares. The Class "H" preferred shares were issued at $0.0005 per Class "H" preferred share and are convertible into Class "A" common shares at the option of the holder at any time in accordance with the conversion schedule outlined below.

	September 30, 2013			December 31, 2012		
	Number of shares	$	Weighted average price $	Number of shares	$	Weighted average price $
Balance, beginning of period	22,200,000	11	0.42	22,200,000	11	0.42
Issued	-	-	-	-	-	-
Balance, end of period	22,200,000	11	0.42	22,200,000	11	0.42
Convertible, end of period	17,316,000	9	0.42	10,212,000	5	0.42

Features of Class "G" and Class "H" preferred shares

The term, conversion rights and conversion schedule are the same for both the Class "G" and the Class "H" preferred shares. The preferred shares have a term commencing from the date of issue until the earlier of December 31, 2013 or a change of control (the "expiry date").

Both the Class "G" and the Class "H" preferred shares are convertible into Class "A" common shares on a one for one basis, at the option of the holder, at any time prior to the expiry date for no additional consideration to the Company. The number of Class "A" common shares the holder is entitled to receive upon conversion is determined based on the following conversion schedule. The preferred shares shall automatically convert on the expiry date for the number of Class "A" common shares the holder is entitled to as set out in the following conversion schedule:

Time Period	Preferred shares conversion schedule %	Class "G" and "H" Preferred Shares Outstanding	Class "A" Common Shares Issuable on Conversion
Date of issuance to IPO less a day or February 29, 2012	0%	74,590,000	-
IPO date to 6 months after IPO date less a day or March 1, 2012 – August 31, 2012	30%	74,590,000	22,377,000
6 months after IPO date to 12 months after IPO date less a day or September 1, 2012 – February 28, 2013	46%	74,590,000	34,311,400
12 months after IPO date to 18 months after IPO date less a day or March 1, 2013 – August 31, 2013	62%	74,590,000	46,245,800
18 months after IPO date to 21 months after IPO date less a day or September 1, 2013 – November 30, 2013	78%	74,590,000	58,180,200
21 months after IPO date to 24 months after IPO date or December 1, 2013 – February 28, 2014	100%	74,590,000	74,590,000
Expiry date or December 31, 2013	100%	74,590,000	74,590,000

Prior to the IPO, the holders of Class "G" and Class "H" preferred shares were only entitled to a redemption amount of $0.0005 per Class "G" and Class "H" preferred share.

The Class "G" preferred shares are redeemable by the Company at any time for the number of Class "A" common shares the holder is entitled to on the date of redemption as set out in the above conversion schedule. The Class "H" preferred shares are redeemable by the Company for $0.0005 each on or after the date that is 21 months after an IPO, upon 30 days' notice to the holder.

The preferred shares are retractable at the option of the holder commencing on the date that is 21 months after an IPO for the number of Class "A" common shares the holder is entitled to on the date of redemption as set out in the above conversion schedule for $0.0005 each.

In the event that a holder of preferred shares ceases to be eligible to hold preferred shares (e.g. ceases to be a director, officer, employee, consultant or advisor of the Company), the preferred shares held by such holder shall terminate and be cancelled on the date that is 30 days after such holder ceases to be eligible and, to the extent the holder requests such preferred shares be converted or redeemed, shall only be convertible or redeemable for the number of Class "A" common shares the holder is then entitled to on the date the person ceases to be eligible as set out in the above conversion schedule.

13. Share-based payments

13.1 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 of 5% of salary. The Company issues shares from treasury for the employee's contribution and the matching Company contribution. Compensation expense is recognized based on the fair value of the award on the ESSP contribution date.

13.2 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 September 30, 2013		**Nine months ended September 30, 2013**		**Year ended December 31, 2012**	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance, beginning of period	142,214,064	0.42	192,505,688	0.37	202,958,540	0.22
Granted	-	-	6,850,368	0.25	70,194,338	0.55
Exercised	-	-	(46,695,000)	0.18	(74,432,426)	0.11
Forfeited	(2,311,427)	0.39	(12,758,419)	0.41	(6,214,764)	0.51
Balance, end of period	139,902,637	0.42	139,902,637	0.42	192,505,688	0.37
Exercisable, end of period	92,668,649	0.39	92,668,649	0.39	129,172,529	0.29

The stock options outstanding as at September 30, 2013, had a weighted average remaining contractual life of 2.7 years (December 31, 2012 – 2.6 years).

13.3 Share-based compensation

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

			Three months ended September 30, 2013			Three months ended September 30, 2012
	Expensed	Capitalized	Total	Expensed	Capitalized	Total
Stock options	882	63	945	4,297	1,851	6,148
Preferred shares	1,475	795	2,270	1,649	898	2,547
	2,357	858	3,215	5,946	2,749	8,695

			Nine months ended September 30, 2013			Nine months ended September 30, 2012
	Expensed	Capitalized	Total	Expensed	Capitalized	Total
Stock options	2,633	883	3,516	5,709	2,716	8,425
Preferred shares	4,590	2,480	7,070	4,971	2,774	7,745
	7,223	3,363	10,586	10,680	5,490	16,170

14. Credit facility

In October 2012, the Company signed a Credit Facility of up to $200 million with a syndicate of financial institutions. The Credit Facility matures on October 10, 2013 and is extendable at the lenders' discretion. Undrawn amounts are subject to a standby fee of 100 basis points per annum. The Credit Facility is secured by all assets of the Company.

The amount available for draw under the facility depended on the value attributed to the Company's Proved reserves by its independent engineers, while drawdown was subject to, among other things, demonstrating sufficient funding (including draws under the Credit Facility) to complete the West Ells project to a defined stage. As at September 30, 2013, $Nil was available for draw under the Credit Facility. Subsequent to period end, the Credit Facility was cancelled by the Company at maturity.

15. Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2013	**2012**	**2013**	**2012**
Finance cost on share repurchase obligation[1]	$ -	$ -	$ -	$ 5,864
Expensed portion of share issue costs[2]	-	-	-	13,012
Finance cost on related party loan[3]	-	-	-	266
Finance cost on credit facility[4]	505	-	1,541	-
Financing related costs[5]	871	-	1,471	-
Unwinding of discounts on provisions	99	214	1,020	351
Less: Amounts capitalized in exploration and evaluation assets[6]	-	-	-	(2,115)
	$ 1,475	$ 214	$ 4,032	$ 17,378

1. There were no finance costs associated with the share repurchase obligation for the three and nine months ended September 30, 2013. Finance costs on share repurchase obligation relate to the $210.0 million common share subscriptions, which closed in February 2011. These finance costs relate to accretion of the common share subscriptions, which had a share repurchase right, and have been accounted for using the effective interest method. During the three and nine months ended September 30, 2012, total finance costs of $Nil and $5.9 million were recognized, of which, $Nil and $1.9 million was capitalized in exploration and evaluation assets with the remaining $Nil and $4.0 million expensed in finance costs, respectively. On March 1, 2012, the share repurchase obligation was reclassified to equity.

2. There were no share issue costs expensed for the three and nine months ended September 30, 2013. For the three and nine months ended September 30, 2012, expensed portion of share issue costs of $Nil and $13.0 million, respectively, relates to the allocation portion of transaction costs incurred in relation to 433,884,300 common shares issued in February 2011 for $210.0 million, which were previously netted against the share repurchase obligation.

3. The related party loan was terminated in October 2012; as such, there were no finance costs for the three and nine months ended September 30, 2013. During the nine months ended September 30, 2012, the Company drew and repaid $30.0 million on an available $100.0 million credit facility. The loan was accounted for using the effective interest method (Note 18). During the three and nine months ended September 30, 2012, total finance costs of $Nil and $0.3 million were recognized, of which, $Nil and $0.2 million was capitalized in exploration and evaluation assets with the remaining $Nil and $0.1 million expensed in finance costs, respectively.

4. For the three and nine months ended September 30, 2013, finance costs on the Credit Facility of $0.5 million and $1.5 million were incurred for standby fees (September 30, 2012 - $Nil and $Nil).

5. For the three and nine months ended September 30, 2013, financing related costs of $0.9 million and $1.5 million are for legal and other professional expenses incurred (September 30, 2012 - $Nil and $Nil).

6. No finance costs were capitalized for the three and nine months ended September 30, 2013. For the three and nine months ended September 30, 2012, amount consists of $Nil and $1.9 million for the capitalized portion of finance costs on the share repurchase obligation and $Nil and $0.2 million capitalized finance costs on the credit facility, respectively.

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 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 September 30,		For the nine months ended September 30,	
	2013	**2012**	**2013**	**2012**
Basic – Class "A" common shares	2,884,139,827	2,856,120,186	2,875,184,637	2,541,193,270
Diluted – Class "A" common shares	2,884,139,827	2,856,120,186	2,875,184,637	2,541,193,270
Class "G" preferred shares	52,390,000	61,340,000	52,390,000	61,340,000
Class "H" preferred shares	22,200,000	22,200,000	22,200,000	22,200,000
Stock options	139,902,637	183,786,222	139,902,637	183,786,222

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 manages its exposure to volatility.

The Company's financing strategy is to access sufficient capital, through equity issuances, joint ventures and the utilization of debt, in order to maintain a strong 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 its current operating period and will be required to raise additional funds through equity or debt financings, asset sales or joint ventures. The Company's ability to continue as a going concern is dependent on its ability to raise additional funds.

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

		September 30, 2013		**December 31, 2012**
Working capital deficiency/(surplus)	$	117,827	$	(215,471)
Shareholders' equity		865,242		871,076
	$	983,069	$	655,605

There is no change in the Company's objectives and strategies of capital management for the three and nine months ended September 30, 2013. In October 2012, the Company negotiated and signed a $200 million Credit Facility (the "Credit Facility") with a syndicate of financial institutions (Note 14). The available amount under the Credit Facility is undrawn at September 30, 2013 and the available amount has been excluded from the capital structure. $Nil is available under the Credit Facility based on certain financial covenants under the terms and conditions of a Credit Facility agreement (Note 14). Subsequent to period end, the Credit Facility was cancelled by the Company at maturity.

17.2 Categories of financial instruments

	September 30, 2013		December 31, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	$	$	$	$
Cash, deposits and other receivables	36,926	36,926	284,811	284,811
Financial liabilities				
Other liabilities	154,170	154,170	66,621	66,621

17.3 Fair value of financial instruments

The fair value of cash, term deposits, trade and other receivables, trade and other payables and accrued liabilities approximate their carrying values due to their short term maturity. These financial instruments have been assessed on a Level 1 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.

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, and accounts payable 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 and nine months ended September 30, 2013.

At September 30, 2013, the Company held approximately HK$1.0 million, or $0.1 million using the September 30, 2013 exchange rate of 7.5405, as cash in the Company's Hong Kong bank account. If exchange rates to convert from HK dollars to Canadian dollars had been one percent higher or lower with all other variables held constant, the Canadian equivalent of HK dollars held at September 30, 2013 would have been impacted by approximately $1,300.

At September 30, 2013, the Company held approximately USD$ 2.2 million, or $2.3 million using the September 30, 2013 exchange rate of 1.029, as cash in the Company's US bank account. If exchange rates to convert from US dollar to Canadian dollars had been one percent higher or lower with all other variables held constant, the Canadian equivalent of US dollars held at September 30, 2013 would have been impacted by approximately $23,000.

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 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 September 30, 2013, the Company does not have any floating rate debt.

The Company's cash and cash equivalents consists of cash held in bank accounts and term deposits that earn interest at variable 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 and nine months ended September 30, 2013, the interest rate earned on cash equivalents was between 0.5% and 1.30% and 0.5% and 1.35%, respectively.

17.7 Credit risk management

Credit risk is the risk of financial loss to the Company if a 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 September 30, 2013, the Company's receivables consisted of 71% from Goods and Services Tax receivable, 12% from oil sale receivables, 1% joint interest billing receivable and 16% from other receivables (December 31, 2012 – 68% from oil sale receivables, 26% from Goods and Services Tax receivable and 6% from other receivables).

The Company's cash and cash equivalents as at September 30, 2013, are held in accounts with third party financial institutions and consist of invested cash and cash in the Company's operating accounts. The cash equivalents portion is invested in high yield savings and high grade liquid term deposits.

The Company is exposed to credit risk from the purchasers of its crude oil. At September 30, 2013, there was no allowance for impairment of 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 past due or impaired (December 31, 2012 - $Nil). The Company considers any amounts outstanding in excess of 30 days past due.

17.8 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 September 30, 2013, the Company had negative working capital of $117.8 million and an accumulated deficit of $193.4 million. The Company's recent losses and negative cash flow have resulted in a material uncertainty that casts significant doubt about the appropriateness of the use of the going concern assumption (Note 2).

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

18. Related party transactions

Balances and transactions between the Company and its subsidiary, who are related parties, have been eliminated on consolidation.

18.1 Trading transactions

The Company had transactions with a law firm in which a director of the Company is a partner. The Company also paid consulting fees to two directors of the Company (Note 18.2).

During the period, the Company recorded the following trading transactions with related parties:

	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Share issue costs	$ -	$ -	$ -	$ 271
	-	-	-	271
Legal expense	$ 524	$ 42	$ 640	$ 128
Finance fees	70	-	235	-
Capitalized legal fees	165	-	165	-
Expensed portion of IPO costs	-	-	-	551
	$ 759	$ 42	$ 1,040	$ 679

The following balances were outstanding and included in trade and other payables at the end of the reporting period:

	September 30, 2013	December 31, 2012
Legal	$ 745	$ 136

Advisory Fee Agreement (the "Agreement")

During 2010, the Company entered into the Agreement in which the Company agreed to pay a fee for services to be rendered in connection with an initial filing of an IPO prospectus and listing. On March 1, 2012, the Company successfully closed its Qualifying IPO and listing on the SEHK. Pursuant to this event, the obligation was settled through the issuance of 13,566,395 common shares for $8.4 million and cash paid of $0.4 million. The service provider is a company which is controlled by a director who is a principal of a significant shareholder of the Company, and who also holds a senior management position with the service provider company.

Credit Facility Agreement (the "Credit Facility Agreement")

The Company had a Credit Facility Agreement with a non-arm's length lender in which a credit facility for general working capital purposes was available of up to a maximum of $100 million. During the nine months ended September 30, 2012, the Company drew $30.0 million on the credit facility and subsequently repaid the balance prior to period end. The loan was a financial liability and was classified as other liabilities and recorded at amortised cost, using the effective interest method. For the three and nine months ended September 30, 2012, total finance costs were $Nil and $0.3 million, of which $Nil and $0.1 million was expensed and $Nil and $0.2 million was capitalized as the funds are directly attributable to the development of the Company's qualifying assets, respectively. Upon repayment of the outstanding balance owing on this credit facility, $0.3 million was recorded to Other Reserve due to the related party nature of this transaction. In the fourth quarter of 2012, this Credit Facility Agreement was terminated.

Employee Share Purchase Loan

The Company loaned $50,000 to a senior employee to facilitate the exercise of stock options to purchase 250,000 Class "A" common shares. The loan bears interest at 3.0% per annum, is secured by the common shares and matures December 15, 2013. The Company classified the loan as other receivable under financial assets.

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 September 30,		For the nine months ended September 30,	
	2013	**2012**	**2013**	**2012**
Directors' fees	$ 221	$ 142	$ 548	$ 517
Salaries and allowances	389	334	1,146	1,067
Share-based payments	2,693	7,398	7,204	10,713
Consulting fees	226	225	676	675
Performance related incentive payments	-	7,928	-	12,928
	$ 3,529	$ 16,027	$ 9,574	$ 25,900

19. Operating lease arrangements

Payments recognised as an expense

	For the three months ended September 30,		For the nine months ended September 30,	
	2013	**2012**	**2013**	**2012**
Minimum lease payments	$ 537	$ 519	$ 1,589	$ 1,538

20. Commitments and contingencies

As at September 30, 2013, the Company's commitments are as follows:

	Due within the next 12 months	Due in the next 2 to 5 years	Over 5 years
Drilling, other equipment and contracts	$ 38,409	$ -	$ -
Lease rentals	1,840	7,225	10,593
Office leases[1]	2,155	8,494	2,278
	$ 42,404	$ 15,719	$ 12,871

1. Office leases only includes minimum lease commitments up to October 31, 2014 for the Hong Kong premises lease.

Following suspension of construction at the Company's West Ells SAGD project, many suppliers have placed builders' liens on the property to secure past due and unpaid invoices. The Company has been served with eight lawsuits claiming payment for unpaid invoices for a total aggregate value of $18.8 million. Through the normal course of business, the Company has recorded the unpaid invoices in trade and other payables. The Company is pursuing additional financing to enable it to clear up these issues and continue developing its business.

21. Supplemental cash flow disclosures

Non-cash transactions

For the three and nine months ended September 30, 2013, the Company had the following non-cash transactions:

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

For the three and nine months ended September 30, 2012, the Company had the following non-cash transactions:

- the settlement of the advisory fee through the issuance of 13,566,395 common shares for $8.4 million (Note 18.1);
- the share repurchase obligation has been reclassified to share capital for $0.3 million (Note 12); and
- 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 September 30, 2013	For the three months ended September 30, 2012	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012
Cash provided by (used in):				
Trade and other receivables	$ 2,910	$ (321)	$ (106)	$ 1,415
Prepaids and deposits	263	269	(297)	(223)
Trade and other payables	19,146	9,035	85,349	14,086
	$ 22,319	$ 8,983	$ 84,946	$ 15,278
Changes in non-cash working capital relating to:				
Operating activities				
Trade and other receivables	$ (122)	$ (750)	$ (317)	$ 1,212
Prepaid expenses and deposits	263	306	(297)	(187)
Trade and other payables	(1,726)	(8,160)	381	(328)
	(1,585)	(8,604)	(233)	697
Investing activities				
Exploration and evaluation assets	23,370	17,587	84,589	19,594
Financing activities				
Share issue costs, IPO costs and finance costs	534	-	590	(5,013)
	$ 22,319	$ 8,983	$ 84,946	$ 15,278

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

	For the three months ended September 30, 2013	For the three months ended September 30, 2012	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012
Reconciliation of:				
Capital investments	$ 76,694	$ 50,097	$ 325,143	$ 184,617
Changes in non-cash working capital	(23,370)	(17,587)	(84,589)	(19,594)
Payments for capital investments	53,324	32,510	240,554	165,023
Reconciliation of:				
Share issue costs, IPO costs and finance costs	1,378	-	3,011	19,914
Changes in non-cash working capital	(534)	-	(590)	5,014
Payments for share issue costs, IPO costs and finance costs	$ 844	$ -	$ 2,421	$ 24,928

22. Subsequent event

On October 20, 2013 the Company signed a joint venture ("JV") arrangement for the Muskwa and Godin properties. Under the terms of the JV, the new partner acquired a 50% working interest in the properties in return for spending up to $250 million, or achieving production of 5,000 barrels per day, whichever comes first. If neither of the spending or production targets are met by three years after project regulatory approval, but in any event no later than October 20, 2019, the new partner's working interest is reduced in proportion to the higher of the percentage of the spending and the production target amounts achieved. The deal excludes the carbonate oil sands rights, which remain 100% owned by the Company.

23. 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 November 12, 2013.

Appendix to the Condensed Interim Consolidated Financial Statements

Additional Stock Exchange Information

Additional information required by the SEHK and not shown elsewhere in these Condensed Consolidated Interim 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. The Company's wholly owned subsidiary, Fern Energy Ltd., was wound up during the nine months ended September 30, 2013.

	September 30, 2013	December 31, 2012
Non-current assets		
Property and equipment	$ 631,714	$ 327,968
Exploration and evaluation assets	381,126	366,625
Amounts due from subsidiary	663	293
Investment in subsidiary	-	60
	1,013,503	694,946
Current assets		
Other receivables	2,261	2,147
Prepaids and deposits	998	691
Cash and cash equivalents	34,179	282,230
	37,438	285,068
Current liabilities		
Trade and other payables	154,170	68,782
Provisions for decommissioning obligations	1,103	795
Amount due to subsidiary	328	-
	155,601	69,577
Net current assets (liabilities)	(118,163)	215,491
Total assets less current liabilities	895,340	910,437
Non-current liabilities		
Provisions for decommissioning obligations	29,773	39,034
Net assets	$ 865,567	$ 871,403
Capital and reserves		
Share capital	$ 1,003,894	$ 991,798
Reserve for share-based compensation	54,730	47,395
Deficit	(193,057)	(167,790)
	$ 865,567	$ 871,403

A2. Directors' emoluments and other staff costs

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

	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Directors' emoluments				
Directors' fees	$ 221	$ 142	$ 548	$ 517
Salaries and allowances	226	225	676	675
Contribution to retirement benefit scheme	-	-	-	-
Share-based payments	1,913	5,848	4,971	8,108
Performance related incentive payments	-	7,000	-	12,000
	2,360	13,215	6,195	21,300
Other staff costs				
Salaries and other benefits	4,686	2,874	15,456	9,061
Contribution to retirement benefit scheme	67	39	371	226
Share-based payments	1,302	2,846	5,614	8,063
Performance related incentive payments	-	294	-	2,986
	6,055	6,053	21,441	20,336
Total staff costs, including directors' emoluments	8,415	19,270	27,636	41,636
Less: bonus included with expensed portion of IPO costs	-	-	-	5,000
Less: staff costs capitalized to qualifying assets	3,118	4,803	10,326	11,567
	$ 5,297	$ 14,467	$ 17,310	$ 25,069

Details of the directors' emoluments are as follows:

For the three months ended September 30, 2013						
Name of Director	Directors' fees	Salaries and allowances	Contribution to retirement benefits scheme	Share-based compensation	Performance related incentive payments	Total
Michael Hibberd	$ 26	$ 113	$ -	$ 554	$ -	$ 693
Songning Shen	26	113	-	554	-	693
Tseung Hok Ming	21	-	-	609	-	630
Tingan Liu	19	-	-	-	-	19
Haotian Li	15	-	-	30	-	45
Raymond Fong	22	-	-	29	-	51
Wazir (Mike) Seth	21	-	-	29	-	50
Greg Turnbull	22	-	-	42	-	64
Robert Herdman	25	-	-	33	-	58
Gerald Stevenson	24	-	-	33	-	57
	$ 221	$ 226	$ -	$ 1,913	$ -	$ 2,360

For the three months ended September 30, 2012						
Name of Director	Directors' fees	Salaries and allowances	Contribution to retirement benefits scheme	Share-based compensation	Performance related incentive payments	Total
Michael Hibberd	$ 18	$ 113	$ -	$ 2,464	$ 3,500	$ 6,095
Songning Shen	18	113	-	2,464	3,500	6,095
Tseung Hok Ming	14	-	-	626	-	640
Tingan Liu	-	-	-	-	-	-
Haotian Li	13	-	-	47	-	60
Kevin Flaherty[1]	-	-	-	-	-	-
Raymond Fong	14	-	-	47	-	61
Zhijian Qin[1]	-	-	-	-	-	-
Wazir (Mike) Seth	15	-	-	47	-	62
Greg Turnbull	13	-	-	59	-	72
Robert Herdman	20	-	-	47	-	67
Gerald Stevenson	18	-	-	47	-	65
	$ 143	$ 226	$ -	$ 5,848	$ 7,000	$ 13,217

For the nine months ended September 30, 2013						
Name of Director	Directors' fees	Salaries and allowances	Contribution to retirement benefits scheme	Share-based compensation	Performance related incentive payments	Total
Michael Hibberd	$ 66	$ 338	$ -	$ 1,424	-	$ 1,828
Songning Shen	67	338	-	1,424	-	1,829
Tseung Hok Ming	47	-	-	1,782	-	1,829
Tingan Liu	45	-	-	-	-	45
Hoatian Li	43	-	-	49	-	92
Raymond Fong	53	-	-	43	-	96
Wazir (Mike) Seth	55	-	-	43	-	98
Greg Turnbull	52	-	-	80	-	132
Robert Herdman	63	-	-	63	-	126
Gerald Stevenson	57	-	-	63	-	120
	$ 548	$ 676	$ -	$ 4,971	-	$ 6,195

For the nine months ended September 30, 2012						
Name of Director	Directors' fees	Salaries and allowances	Contribution to retirement benefits scheme	Share-based compensation	Performance related incentive payments	Total
Michael Hibberd	$ 62	$ 338	$ -	$ 2,941	$ 3,500	$ 6,841
Songning Shen	63	338	-	2,941	3,500	6,841
Tseung Hok Ming	50	-	-	1,791	4,600	6,441
Tingan Liu	-	-	-	-	-	-
Hoatian Li	46	-	-	73	-	119
Kevin Flaherty[1]	-	-	-	2	-	2
Raymond Fong	56	-	-	49	75	180
Zhijun Qin[1]	-	-	-	2	-	2
Wazir (Mike) Seth	59	-	-	48	75	182
Greg Turnbull	53	-	-	86	100	239
Robert Herdman	68	-	-	87	75	230
Gerald Stevenson	60	-	-	87	75	222
	$ 517	$ 676	$ -	$ 8,107	$ 12,000	$ 21,299

1. These individuals ceased to be directors of the Company in 2011.

A3. Five highest paid individuals

The five highest paid individuals includes three directors of the Company and two officers of the Company for the three and nine months ended September 30, 2013 (three and nine months ended September 30, 2012 – three directors and two officers). Since the directors' emoluments are disclosed above, the compensation of the remaining officers for the Company is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2013	2012	2013	2012
Salaries and other benefits	$ 182	$ 167	$ 539	$ 537
Contributions to retirement benefits scheme	-	2	4	5
Share-based payments	558	1,030	1,662	1,710
Performance related incentive payments	-	560	-	560
	$ 740	$ 1,759	$ 2,205	$ 2,812

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2013	2012	2013	2012
HK$ nil to HK$1,000,000	-	-	-	-
HK$1,000,001 to HK$1,500,000	-	-	-	-
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	1	-	-	-
HK$3,000,001 to HK$3,500,000	1	-	-	-
HK$3,500,001 to HK$4,000,000	-	-	-	-
HK$4,000,001 to HK$4,500,000	-	-	-	-
HK$4,500,001 to HK$5,000,000	1	-	-	-
HK$5,000,001 to HK$5,500,000	2	1	1	-
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	-	4	4	5

For the three and nine months ended September 30, 2013, respectively, the conversion factor used in the above table is 1C$ = 7.47 HK$ and 1C$ = 7.58 HK$ (three and nine months ended September 30, 2012 – 1C$ = 7.793 HK$ and 1C$ = 7.741 HK$, respectively)