

SUNSHINE AGRI-TECH INC.

2900 - 550 Burrard Street
Vancouver, BC V6C 0A3

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of shareholders of Sunshine Agri-Tech Inc. (the “**Company**”) will be held at 2:00 p.m. (PT) on Monday, January 20, 2025 at #410-938 Howe Street, British Columbia, Canada V6Z 1N9, for the following purposes:

1. To receive the audited financial statements of the Company for the financial year ended December 31, 2023 and accompanying report of the auditor;
2. To set the number of directors of the Company at four (4);
3. To elect four (4) directors of the Company for the ensuing year;
4. To appoint MNP LLP, Chartered Accountants, as the auditor of the Company for the ensuing year at a remuneration to be fixed by the directors;
5. To consider and, if thought fit, to pass an ordinary resolution to approve the Company’s stock option plan, as described in the accompanying Information Circular; and
6. To transact such other business as may properly come before the Meeting.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. The Board of Directors of the Company has fixed December 9, 2024 as the record date for determining the shareholders who are entitled to vote at the Meeting. Only holders of common shares of the Company (the “**Common Shares**”) at the close of business on December 9, 2024 will be entitled to receive notice of and to vote at the Meeting.

Registered shareholders are requested to date, sign and return the accompanying form of Proxy for use at the Meeting if they are not able to attend the Meeting personally. To be effective, forms of proxy must be received by the Company’s registrar and transfer agent, Computershare Investor Services Inc., no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting (namely, by 2:00 p.m., Pacific Time, on Thursday, January 16, 2025) or any adjournment thereof at which the proxy is to be used. Proxies delivered by regular mail should be addressed to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Proxies delivered by facsimile must be sent to Computershare Investor Services Inc., Attention: Proxy Department, at +1 416 263 9524 or toll free 1 866 249 7775. Further instructions with respect to the voting by proxy are provided in the form of proxy and in the Information Circular accompanying this Notice.

Non-registered shareholders who are non-objecting beneficial owners and have received a voting instruction form from Computershare Investor Services Inc., please complete and return the form in accordance with the instructions provided in the Information Circular and on the voting instruction form.

Non-registered shareholders who have received this Notice and the accompanying Information Circular through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your Common Shares on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by the Intermediary.

DATED at Vancouver, British Columbia, December 13, 2024.

SUNSHINE AGRI-TECH INC.

(s) Baojun Zhang

BAOJUN ZHANG

Chief Executive Officer and Director

SUNSHINE AGRI-TECH INC.

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at December 13, 2024 unless indicated otherwise)

This Management Information Circular (the “**Information Circular**”) furnished in connection with the solicitation of proxies by the management of Sunshine Agri-Tech Inc. (the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of its shareholders to be held at 2:00 p.m. PT on January 20, 2025 at #410-938 Howe Street, Vancouver British Columbia V6Z 1N9 or at any adjournment or postponement thereof and for the purposes set forth in the accompanying Notice of the Meeting.

In this Information Circular, references to the “**Company**”, “**we**” and “**our**” refer to Sunshine Agri-Tech Inc. and “**common shares**” means common shares without par value in the capital of the Company.

VOTING AND PROXIES

Persons Making the Solicitation

This Information Circular is provided to shareholders of the Company in connection with the solicitation of proxies by management of the Company for use at the Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, by electronic communication or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation of proxies by management will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation

Appointment and Revocation of Proxies

Voting by Proxy Before the Meeting – Registered Shareholders

A form of proxy (the “**Proxy**”) is enclosed with this Information Circular. If your common shares are held in physical form (i.e. paper form) and are registered in your name, then you are a registered shareholder (a “**Registered Shareholder**”). Only Registered Shareholders of the Company as of December 9, 2024 (the “**Record Date**”) or their duly appointed proxyholders are permitted to vote at the Meeting. Registered Shareholders who wish to be represented by proxy at the Meeting must deliver their respective forms of Proxy to Computershare Investor Services Inc. (the “**Transfer Agent**”) at their offices located at 100 University Avenue, 8th Floor, Toronto, ON M5J 2Y1, by mail or fax, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or the adjournment thereof.

The persons named in the accompanying form of Proxy are officers of the Company.

Each Registered Shareholder submitting a Proxy has the right to appoint a person or company other than the persons named in the accompanying form of Proxy to represent the Registered Shareholder at the Meeting. A Registered Shareholder may exercise this right by striking out the names of the persons named in the Proxy and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy, and in either case depositing the proxy with the Transfer Agent at the place and within the time specified above for the deposit of proxies. The proxyholder does not need to be a shareholder of the Company.

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by signing a proxy bearing a later date or by signing a valid notice of revocation, either of the foregoing to be signed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date or the notice of revocation to the Transfer Agent at the place specified above for the deposit of proxies at any time up to and including the last business day before the Meeting or any adjournment or postponement thereof, or to the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Voting by VIF Before the Meeting – Non-Registered (Beneficial) Shareholders

The following information is of significant importance to shareholders who do not hold common shares registered in their own name. A significant number of our shareholders are "non-registered" shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but, rather, are registered in the name of a clearing agency or the name of the brokerage firm, investment dealer, bank, trust company or other intermediary (the "**Intermediary**") through which they deal with the shares they beneficially own. Non-Registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares). Only Registered Shareholders as of the Record Date or their duly appointed proxyholders are permitted to vote at the Meeting. The purpose of the procedures described under this heading "Non-Registered (Beneficial) Shareholders" is to permit the Non-Registered Shareholders to direct the voting of any common shares they beneficially own.

There are two kinds of Non-Registered Shareholders: those who object to their name being made known to the issuers of securities they own (called "**OBOs**" for "**Objecting Beneficial Owners**") and those who do not object to their name being made known to the issuers of securities which they own (called "**NOBOs**" for "**Non-Objecting Beneficial Owners**").

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), we have elected to send copies of the proxy-related materials, including the Notice of Meeting, this Information Circular and the accompanying materials (collectively, the "**Meeting Materials**") directly to the Canadian NOBOs and indirectly through Intermediaries for onward distribution to the OBOs and NOBOs in the United States. Intermediaries must forward the Meeting Materials to each OBO or Non-Registered Shareholders in the United States (unless such shareholder has waived the right to receive such materials), and often use a service company (such as Broadridge Investor Communication Solutions), to permit a Non-Registered Shareholder to direct the voting of the shares held by the Intermediary on behalf of such Non-Registered Shareholder.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. In most cases, the Intermediary will provide the Non-Registered Shareholder with a voting instruction form (a "**VIF**"), which must be completed and signed by the Non-Registered Shareholder in accordance with the directions on the VIF and then returned to the Intermediary in accordance with the instructions of the Intermediary. If you receive a VIF, you cannot use it to vote common shares directly at the Meeting; the VIF must be completed and returned in accordance with the Intermediary's instructions, well in advance of the Meeting in order to have your common shares voted.

In some cases, an Intermediary will send Non-Registered Shareholders a proxy which has already been signed by the Intermediary which specifies the number of shares beneficially owned by the Non-Registered Shareholder but which otherwise is not completed. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete, date and return the form of proxy to the Company or the Transfer Agent as provided under the heading "Appointment and Revocation of Proxies". In all cases, Non-Registered Shareholders should carefully follow the instructions of their respective Intermediaries.

You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the VIF.

Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your Intermediary, you, or a person designated by you, may attend the Meeting as proxyholder for your Intermediary and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your Intermediary, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return it to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.**

Exercise of Discretion

On any ballot that may be called for at the Meeting, the persons designated by a Registered Shareholder in the accompanying form of Proxy as proxyholders will vote or withhold from voting the Registered Shareholder's shares in accordance with the instructions of the Registered Shareholders, and if the Registered Shareholder specifies a choice regarding any matter to be acted upon, the shares will be voted accordingly. If a Registered Shareholder does not provide such instructions, the common shares will be voted by the management representatives FOR the matters described in this Information Circular.

The persons appointed under the Proxy are given discretionary authority regarding amendments or variations of those matters specified in the Proxy and Notice of Meeting and regarding any other matters which may properly be brought before the Meeting or any adjournment or postponement thereof. If any such matters should come before the Meeting, it is the intention of the persons named in the Proxy to vote the shares in accordance with their best judgment unless the Registered Shareholder has specified to the contrary that the common shares represented by the Proxy are to be withheld from voting on such matters. As of the date of this Information Circular, management of the Company is not aware of any such amendment, variation, or other matter.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company, or any person who has held such a position since the beginning of the Company's last completed financial year end, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors or the approval of the Company's stock option plan (the "**Stock Option Plan**"), as such persons are eligible to participate in the Stock Option Plan as may be set out in this Information Circular.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Our board of directors (the "**Board**") has fixed December 9, 2024 as the Record Date for determination of persons entitled to receive notice of the Meeting. Only Registered Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the procedures described above will be entitled to vote or to have their common shares voted at the Meeting.

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, a total of 72,006,250 common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

Only registered shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at the Meeting, or any adjournment or postponement of the Meeting.

To the best knowledge of the Company's directors or executive officers, no person or company beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, common shares carrying more than 10% of the voting rights attached to the common shares of the Company as of the Record Date, other than as forth below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares ⁽¹⁾
Sunscape Holding Limited ⁽²⁾	23,825,000	33.09%
Dalian International Innovation Park (Hong Kong) Limited ⁽³⁾	13,500,000	18.74%

Notes:

- (1) Based on 72,006,250 common shares issued and outstanding as of the Record Date, on an undiluted basis.
(2) Sunscape Holding Limited (“Sunscape”) is a private company owned and controlled by Baojun Zhang.
(3) Dalian International Innovation Park (Hong Kong) Limited (“Dalian Innovation Park”) is a private company owned and controlled by Baojun Zhang.

RECEIPT OF FINANCIAL STATEMENTS

The directors will place before the Meeting the audited financial statements for the financial year ended December 31, 2023 together with the auditors’ reports thereon.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described in this Information Circular. If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at four (4). The Board proposes that the number of directors be fixed at four (4). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at four (4).

Management recommends the approval of the resolution to set the number of directors of the Company at four (4).

ELECTION OF DIRECTORS

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director’s office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the “BCBCA”), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management’s nominees for election as a director (each, a “**proposed director**”), the province and country in which he or she is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company	Occupation, Business or Employment	Director Since	Common Shares Beneficially Owned or Controlled
Baojun Zhang⁽³⁾ Liaoning Province, China <i>Chief Executive Officer and Director</i>	CEO of the Company since July 27, 2010; President of Sunscape Holding Limited from 2000 to present.	July 27, 2010	39,132,500 Common Shares ⁽²⁾
Xuexian Wang Dalian, China <i>Director</i>	Partner at Liaoning Hengxin Law Firm from December of 1994 to present; Independent Director of NVC Lighting Holding Limited from 2014 to present; Associate professor of Dalian Technology University Management School.	December 22, 2017	Nil
Raymond Lu⁽³⁾ British Columbia, Canada <i>Director</i>	A Chartered Professional Accountant and a partner of a mid-size accounting firm in the Province of British Columbia; Board Director at Western Resource Corp. (TSX: WRX), a public company listed on the TSX Venture Exchange (the “TSX”).	December 10, 2020	Nil
Xiang (George) Gao⁽³⁾ Ontario Canada <i>Director</i>	Board Director, Senior Vice President and CFO of Western Resources Corp (TSX: WRX), a public company listed on the TSX.	December 10, 2020	Nil

Notes:

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at December 31, 2023, based upon information furnished to the Company by the individual directors.
- (2) Baojun Zhang holds 1,350,000 Common Shares directly; 13,500,000 common shares indirectly through Dalian Innovation Park; 23,825,000 common shares indirectly through Sunscape; and 457,500 Common Shares indirectly through Sunjoy Capital Inc., Mr. Zhang owns and controls Dalian Innovation Park, Sunscape and Sunjoy Capital Inc.
- (3) Member of the Audit Committee.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.

Cease Trade Orders

No proposed director of the Company is, as at the date of the Information Circular, or has been within the 10 years before the date of this Information Circular, a director, Chief Executive Officer (“CEO”) or Chief Financial Officer (“CFO”) of any company (including the Company) that:

- (a) was subject to a cease trade order or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities laws that was in effect for a period of more than 30 consecutive days (in each case, an “Order”), which was issued while the proposed director was acting in the capacity as director, CEO or CFO; or

- (b) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Bankruptcies

No proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

The above information was provided by individual directors and officers of the Company.

Penalties or Sanctions

No proposed director of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

The above information was provided by individual directors and officers of the Company.

APPOINTMENT OF AUDITOR

MNP LLP, Chartered Professional Accountants, of Suite 2200, 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3, will be nominated at the Meeting for appointment as auditor of the Company at a remuneration to be fixed by the Board. MNP LLP was first appointed as auditor of the Company on October 20, 2014.

To be effective, the resolution to approve the appointment of the auditor must be passed by at least a majority of the votes cast at the Meeting. The persons designated in the enclosed form of Proxy, unless instructed otherwise, INTEND TO VOTE FOR the appointment of MNP LLP, as auditor of the Company.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee’s Charter

The Audit Committee has a charter. A copy of the Audit Committee Charter is attached to this Information Circular as Schedule “A”

Composition of the Audit Committee

The members of the Audit Committee are Baojun Zhang, Raymond Lu and Xiang (George) Gao. Mr. Zhang is the Chief Executive Officer of the Company and is not independent. Mr. Lu and Mr. Gao are not executive officers of the Company and, therefore, are independent members of the Audit Committee. All members are considered to be financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

The following is a brief description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member. The following information concerning the respective director has been furnished by each of them.

Baojun Zhang

Mr. Baojun Zhang is currently a director and Chief Executive Officer of the Company and has been a member of the Audit Committee since 2010. Mr. Zhang holds a Master of Business Administration from Dalian University of Technology.

Raymond Lu

Mr. Raymond Lu is Chartered Professional Accountant and a partner of a BC mid-size accounting firm, and currently the Board Director of Western Resources Corp. (TSX: WRX). He has extensive public practice experience in providing assurance services to public companies, mainly in the manufacturing and resource industries. He has worked for both medium-sized and national accounting firms. Before starting his career in public practice in Canada, he was the chief financial officer of a private company based in Hong Kong. Mr. Lu obtained his Chartered Accountant designation in 2000 and has a Bachelor degree (with honours) in Accountancy.

Xiang (George) Gao

Mr. Xiang (George) Gao is currently the Board Director, Senior Vice President and CFO of Western Resources Corp. (TSX: WRX). Before that, he was the President of the Beijing Mining Exchange and was responsible for its overall strategy and operations. Mr. Gao has also worked as the Head of Business Development for the Toronto Stock Exchange and TSX Venture Exchange, and the Chief Representative out of the TSX Beijing office. Mr. Gao obtained Master of Business Administration from Schulich School of Business.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Company must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provided by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor, MNP LLP, Chartered Accountant, for the last two financial years ended December 31, 2022 and 2023, are as follows:

Nature of Services	Fees Billed by Auditor for the Financial Year Ended December 31, 2022	Fees Billed by Auditor for the Financial Year Ended December 31, 2023
Audit Fees	\$12,000	\$13,000
Audit-Related Fees	N/A	N/A
Tax Fees	N/A	N/A
All Other Fees	N/A	N/A
TOTAL:	\$12,000	\$13,000

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 regarding the composition of our Audit Committee and its reporting obligations under NI 52-110 for the financial year ended December 31, 2020. This exemption exempts a "venture issuer" from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument, as would otherwise be required by NI 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON

RE-APPROVAL OF THE STOCK OPTION PLAN

On July 10, 2013, the Board initially approved the Company's Stock Option Plan. Under the Stock Option Plan, a maximum number of options equal to 10% of the issued and outstanding Common Shares at the date of grant are available for issuance. The policies of the Exchange require that such a rolling plan be reapproved yearly by the shareholders and the Exchange.

The Stock Option Plan was established to provide incentive to directors, officers, employees, management, and others who provide services to the Company to act in the best interests of the Company as well as to provide incentive to such persons to increase their interest in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company. It is proposed that under the Stock Option Plan, which will be subject to approval by the Exchange, the total number of common shares allotted and reserved for future issuance will be equivalent to 10% of the issued and outstanding share capital of the Company from time to time.

As at December 31, 2023 there were no stock options outstanding.

The Company's common shares trade on the Exchange, which requires that listed companies obtain the approval of their shareholders for stock option plans where the Stock Option Plan reserves for issuance pursuant to stock options a number of shares equivalent to a "rolling" percentage of the Company's issued and outstanding share capital.

Accordingly, at the Meeting, the shareholders of the Company will be asked to consider and, if thought fit, pass the following ordinary resolution to approve the Stock Option Plan:

"BE IT RESOLVED THAT:

1. the Company's Stock Option Plan, initially approved by the directors on July 10, 2013 be and is hereby reapproved, including the reserving for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued and outstanding common shares of the Company, subject to any amendments that may be required by the TSX Venture Exchange or by the NEX;
2. the Company be authorized to abandon or terminate all or any part of the Stock Option Plan if the directors of the Company deem it appropriate and in the best interests of the Company to do so;
3. The Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the Stock Option Plan;
4. the Board is authorized to make such amendments to the Stock Option Plan from time to time as the Board may, in its discretion, consider to be appropriate and in certain cases, in accordance with the terms of the Stock Option Plan; and
5. the approval of the Stock Option Plan by the Board is hereby ratified and any one director of the Company is hereby authorized to execute any other documents as the director deems necessary to give effect to the transactions contemplated in the Stock Option Plan."

Management of the Company recommends that shareholders vote in favour of the above resolution, and the persons named in the enclosed form of Proxy as the management designees intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision making.

NI 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Board has reviewed the Company's own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Board will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations. NI 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

Board of Directors

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the BCBCA;
- (b) the Company's articles of incorporation; and
- (c) other applicable laws and the Company policies.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of our internal control and management information systems. The Board also monitors the Company's compliance with our timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with our external auditor.

The Board is responsible for choosing the CEO, CFO and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Company are not considered independent. Directors who do not also act as officers of the

Company, do not work in the Company's day-to-day operations, are not party to any material contracts with the Company, or receive any fees from the Company are considered by the Board to be independent.

The Board will consist of four directors, Baojun Zhang, Xuexian Wang, Raymond Lu and Xiang (George) Gao. Mr. Xuexian Wang, Raymond Lu and Xiang (George) Gao are independent based upon the tests for independence set forth in NI 52-110. Mr. Baojun Zhang is not independent as he is the Company's CEO. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Each member of the Board understands that he is entitled, at the cost of the Company, to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances. No director found it necessary to do so during the financial year ended December 31, 2023.

Directorships

The following directors and officers of the Company are also directors/officers of the following other reporting issuers, which information has been furnished by each of them:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Exchange or Market	Position
Baojun Zhang	None		
Xuexian Wang	NVC Lighting Holding Limited	Hong Kong Stock Exchange	Independent Director
Raymond Lu	Western Resources Corp.	Toronto Stock Exchange	Board Director
Xiang(George) Gao	Western Resources Corp.	Toronto Stock Exchange	Senior Vice President, CFO and Board Director

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

The Board briefs all new directors regarding the Board's policies and other relevant corporate and business information. New Board members are also provided with access to all of the Company's publicly filed documents, the Company's records, and our management and professional advisors, including our auditor and legal counsel.

The Board also ensures that each director is up-to-date with current information regarding the Company's business, the role the director is expected to fulfill, and basic procedures and operations of the Board. Board members are encouraged to communicate with management and our auditor.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the Company's best interests.

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director is also required to disclose to the Board the nature and extent of any

interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to his or her remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction must be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for our mission and strategic objectives, and a willingness to serve.

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders. Compensation packages, including benefits, for executives and key managers will be developed based on performance and the Company's cash flow.

The Board decides the compensation of our officers, based on industry standards and the Company's financial situation.

Other Board Committees

The Company has no other committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

STATEMENT OF EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the “**Named Executive Officers**” or “**NEOs**” for the purposes of this disclosure:

- (a) the Company's CEO;
- (b) the Company's CFO;

- (c) each of the Company's most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the year ended December 31, 2023; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2023.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Office and director of the Company during the Company's two most recent financial years ended December 31, 2023 and 2022.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites ⁽¹⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bojun Zhang⁽²⁾ <i>Director and CEO</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Xuexian Wang <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Raymond Lu³ <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Xiang (George) Gao <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Hengwei Zhang⁽³⁾ <i>Former Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Xiaozhu Pang⁽⁴⁾ <i>CFO</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (2) Mr. Baojun Zhang has been the CEO and director of the Company since July 27, 2010.
- (3) Mr. Hengwei Zhang was a director of the Company from December 10, 2020 to September 1, 2021.
- (4) Ms. Xiaozhu Pang has been the CFO of the Company since August 2018.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended December 31, 2023 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
NONE	Stock option	Nil	N/A	N/A	N/A	N/A	N/A

Stock Option Plan

The Company's current stock option plan (the "**Stock Option Plan**") is in the form of a rolling stock option plan reserving for issuance upon the exercise of options granted pursuant to the Stock Option Plan, a maximum of 10% of the issued and outstanding shares of the Company at any time, less any shares required to be reserved with respect to options granted by the Company prior to the implementation of the Stock Option Plan. The Stock Option Plan is administered by the Board, or a committee of directors appointed by the Board.

Subject to the provisions of the Stock Option Plan, and the policies of the NEX or the TSX Venture Exchange (the "**Exchange**"), the Board in its sole discretion will determine all options to be granted pursuant to the Stock Option Plan. A full copy of the Stock Option Plan is attached to this Information Circular as **Schedule "B"**. The following is a summary of the Stock Option Plan.

The Stock Option Plan provides that stock options can be issued to directors, officers, employees or consultants of the Company or any of its affiliates or subsidiaries or to employees of companies providing management or administrative services to the Company. The Stock Option Plan also provides for amendment of stock options granted under the Stock Option Plan or granted prior thereto.

The Stock Option Plan provides that it is solely within the discretion of the Board to determine who should receive options and in what amounts. Further, the Board may delegate such authority as it sees fit to a committee comprised of two or more directors.

Options granted under the Stock Option Plan will be for a term not to exceed 10 years. The options will be non-assignable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death.

The Stock Option Plan is subject to the following limitations: (a) the maximum number of Options which may be granted to a Participant, other than a Consultant and an Employee (as defined in the policies of the TSX Venture Exchange) conducting Investor Relations Activities within any 12-month period shall be 5% of the issued and outstanding shares, on a non-diluted basis, calculated on the date an option is granted; (b) the maximum number of Options which may be granted to any one Consultant within any 12-month period must not exceed 2% of the issued and outstanding shares, on a non-diluted basis, calculated on the date an option is granted; and (c) the maximum number of Options which may be granted within any 12-month period to employees engaged in investor relations activities must not exceed 2% of the issued and outstanding shares, on a non-diluted basis, calculated on the date an option is granted, and such options must vest in stages over 12 months with no more than 25% of the Options vesting in any three-month period.

Pursuant to the policies of the Exchange, options granted under the terms of the Stock Option Plan will be exercisable at a price which is not less than the Discounted Market Price (as defined by the Exchange Policy 1.1). For as long as the Company is categorized as a Tier 2 issuer, options granted to a person who is engaged in investor relations activities will expire within a maximum of 30 days after the optionee ceases to be employed and options granted to all other persons will expire within 90 days from the date the optionee ceases to hold his or her position or office.

All of the other provisions described in this Information Circular regarding the Exchange's policy in respect of stock options are incorporated in the Stock Option Plan.

The Company will not issue shares pursuant to options granted under the Stock Option Plan until the shares have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their options.

Oversight and Description of Director and Named Executive Officer Compensation

The Board is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the NEOs and directors of the Company.

Director compensation

Other than as set forth in the foregoing, no director of the Company who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or expert.

Named Executive Officer Compensation

At this time the Company does not have a formal compensation program with specific performance goals; however, the performance of each NEO is considered along with the Company's ability to pay compensation and the Company's results of operation for the period.

Compensation is designed to achieve the following key objectives:

- to support the Company's overall business strategy and objectives;
- to provide market competitive compensation that is substantially performance-based;
- to provide incentives that encourage superior corporate performance and retention of highly skilled and talented NEOs; and
- to align executive compensation with corporate performance and therefore shareholders' interests.

The Company's compensation package is comprised of a base salary or service fees and option-based awards.

The Company does not have a formal compensation program which sets benchmarks for performance by NEOs.

The Board has not directly considered the implications of the risks associated with our compensation policies and practices.

The Company does not have a set policy preventing an NEO or director from purchasing financing instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the directors at, following, or in connection with retirement.

Compensation Governance

The Company does not currently have a Compensation Committee. All tasks related to developing and monitoring the Company's approach to the compensation of executive officers of the Company are performed by the members of the Board collectively. The Board has not, but does not rule out, taking actions such as retaining professional executive compensation consultants or using compensation analytical tools such as market data for similar sized and situated companies to help the Board to determine the appropriate compensation for executive officers.

Risk Management Disclosure

When the Board makes compensation decisions, the Board also endeavors to ensure that the compensation being paid to NEO's do not encourage them to take unnecessary and excessive risks that could hurt our long term value. The Company believes that the following components of the executive officer compensation discourage our executive officers from taking unnecessary or excessive risks:

- Base salaries and personal benefits are sufficiently competitive and not subject to performance risk.
- When possible, the Company imposes longer vesting period for stock options awarded to executive officers to generally align their interests with the long-term interests of our shareholders.
- Corporate and individual performance objectives for our executive officers are generally designed to be achievable with sustained and focused efforts.
- The short-term and long-term incentives are discretionary and we reserve the right to amend or discontinue our short-term and long-term incentives at any time with our without notice.
- In order for executive officers to be eligible to receive short-term or long-term incentives, he or she must be employed by the Company at the time of payout, unless the Board determines otherwise.

Termination and Change of Control Benefits

The Company has no contract, agreement, plan or arrangement that provides for payments to an NEO or director, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the NEO's or director's responsibilities.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information required to be disclosed by Form 52-102F5 – "Information Circular" as at the end of the Company's most recently completed financial year.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at December 31, 2023	Weighted-average exercise price of outstanding options, warrants and rights as at December 31, 2023 (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	Nil	Nil	7,200,625
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	Nil	Nil	7,200,625

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year or as of the Record Date, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of our management, no informed person (a director, officer or holder of 10% or more of the common shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since January 1, 2023 (being the commencement of the Company's last completed financial year), or has any interest in any material transaction in the current year.

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR+ at <https://www.sedarplus.ca/landingpage/> under "Company Profiles - Sunshine Agri-Tech Inc.". The Company's audited consolidated financial statements and management discussion and analysis ("MD&A") for the period ended December 31, 2023 are available for review under the Company's profile on SEDAR. Shareholders may contact the Company to request copies of the financial statements and MD&A by: telephone to 778-856-2296.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

SCHEDULE “A”

SUNSHINE AGRI-TECH INC. (the “Company”)

AUDIT COMMITTEE CHARTER

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of SUNSHINE AGRI-TECH INC. (the “Company”):

Mandate

The primary function of the audit committee (the “**Committee**”) is to assist the Company’s Board of Directors (the “**Board**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board, each of whom shall be (i) free from any direct or indirect material relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee, and (ii) financially literate (as that term is defined below). All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a Chairperson is elected by the full Board, the members of the Committee may designate a Chairperson by a majority vote of the full Committee membership.

The Company and the Committee shall ensure that it satisfies the composition and other requirements adopted by any securities regulatory authority or stock exchange from time to time.

Meetings

The Committee shall meet at least quarterly or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfil its responsibilities and duties, the Committee shall:

1. Documents/Reports Review

- (a) review and update this Audit Committee Charter annually;
- (b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors;
- (c) establish, review and periodically assess the adequacy of procedures for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements;
- (d) approve the Report of Committee to be included in the Company's Proxy Statement for its annual meeting of the Company's shareholders.

2. External Auditors

- (a) oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (b) review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (c) obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company;
- (d) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (e) take or recommend that the full Board take appropriate action to oversee the independence of the external auditors;
- (f) recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (g) review and approve the external auditors' annual engagement letter;
- (h) recommend to the Board the compensation to be paid to the external auditors;
- (i) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (k) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (l) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company and its subsidiaries to its external auditors during the fiscal year in which the non-audit services are provided,
 - (ii) such services were not recognized by the Company or its subsidiaries at the time of the engagement to be non-audit services, and
 - (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Process

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;

- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) communicate directly with the internal and external auditors;
- (b) review any related-party transactions;
- (c) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (d) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

SCHEDULE "B"

SUNSHINE AGRI-TECH INC. STOCK OPTION PLAN

Dated for Reference; July 10, 2013

1. PURPOSE

The purpose of this incentive stock option plan (the "**Plan**") of Sunshine Agri-Tech Inc., a body corporate incorporated under the *Business Corporations Act* (British Columbia) (the "**Company**"), is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire shares in the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of their affairs.

2. ADMINISTRATION AND GRANTING OF OPTIONS

- 2.1 The Plan shall be administered by the Company's Board of Directors (the "**Board**") or, if appointed, by a special committee of directors appointed from time to time by the Board, subject to approval by the Board (such committee or, if no such committee is appointed, the Board, is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board.
- 2.2 The Committee may from time to time designate bona fide directors, officers, employees or consultants of the Company (the "**Participants**") to whom options in purchase common shares of the Company (each, an "**Option**") may be granted and the number of common shares to be optioned to each, provided that the total number of common shares to be optioned shall not exceed the number provided in Section 3 and 4 hereof. The Company represents that Participants who are granted Options will be bona fide directors, officers, employees or consultants of the Company at the time of grant.

3. SHARES SUBJECT TO PLAN

Subject to adjustment as provided in Section 12 hereof, the shares to be offered under the Plan shall consist of Options to acquire up to a maximum of 10% of the number of common shares in the Company's capital stock issued and outstanding at the time of such grant. The aggregate number of shares to be delivered upon the exercise of all Options granted under the Plan shall not exceed the maximum number of shares permitted under the rules of any stock exchange on which the common shares are then listed or other regulatory body having jurisdiction. If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purpose of this Plan

4. NUMBER OF OPTIONED SHARES

- 4.1 The number of shares subject to an Option to a Participant, other than a Consultant (as defined in the policies of the TSX Venture Exchange) and an Employee (as defined in the policies of the TSX Venture Exchange) conducting Investor Relations Activities (as defined in the policies of TSX Venture Exchange) shall be determined by the Committee, but no Participant, where the Company is listed on any stock exchange, shall be granted an Option which exceeds the maximum number of shares permitted under any stock exchange on which the common shares are then listed or other regulatory body having jurisdiction. which maximum number of shares is presently an amount equal to 5% of the then issued and outstanding shares of the Company (on a non-diluted basis) in any 12 month period.

- 4.2 The maximum number of shares subject to an Option to a Participant who is a Consultant is presently limited to an amount equal to 2% of the then issued and outstanding shares of the Company (on a non-diluted basis) in any 12 month period.
- 4.3 The number of options granted to all persons in aggregate who are employed to perform Investor Relations Activities is presently limited to an amount equal to 2% of the then issued and outstanding shares of the Company (on a non-diluted basis) in any 12 month period, provided that such Options vest in stages over a 12 month period with no more than 1/4 of the Options vesting in any 3 month period.

5. MAINTENANCE OF SUFFICIENT CAPITAL

The Company shall at times during the term of the Plan reserve and keep available such numbers of shares as will be sufficient to satisfy the requirements of the Plan.

6. PARTICIPATION

The Committee shall determine to whom Options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such Options shall be granted and the number of shares to be subject to each Option. An individual who has been granted an Option may, if the individual is otherwise eligible, and if permitted by any stock exchange on which the common shares are then listed or other regulatory body having jurisdiction, be granted an additional Option or Options if the Committee shall so determine.

7. EXERCISE PRICE

The exercise price of the shares covered by each Option shall be determined by the Committee. The exercise price shall not be less than the price permitted by any stock exchange on which the common shares are then listed or other regulatory body having jurisdiction. Currently, the minimum exercise price as determined by the TSX Venture Exchange is not less than the Discounted Market Price as defined by the TSX Venture Exchange.

8. DURATION OF OPERATION

Each Option and all rights thereunder shall be expressed to expire on the date set out in the option agreements and shall be subject to earlier termination as provided in Clauses 10 and 11.

9. OPTION PERIOD, CONSIDERATION AND PAYMENT

- 9.1 The option period (the “**Option Period**”) shall be a period of time fixed by the Committee, not to exceed the maximum period permitted by any stock exchange on which the common shares are then listed or other regulatory body having jurisdiction, which maximum period is presently 10 years from the date the Option is granted, provided that the Option Period shall be reduced with respect to any Option as provided in Clauses 11 and 12 covering cessation as a director, officer, employee or consultant of the Company or death of the Participant.
- 9.2 Except as set forth in Clauses 11 and 12, no Option may be exercised unless the Participant is, at the time of such exercise, a director, officer, employee or consultant of the Company.
- 9.3 The exercise of any Option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such shares with respect to which the Option is exercised, No Participant or his legal representatives, legatees or distributors will be, or will be deemed to be, a holder of any shares subject to an Option under

this Plan unless and until the certificates for such shares are issued to such persons under the terms of the Plan.

10. HOLD PERIOD

Share certificates issued on exercise of an Option shall be legended in all cases as may be required by applicable securities laws and the rules of the TSX Venture Exchange.

11. CEASING TO BE A DIRECTOR, OFFICER, EMPLOYEE OR CONSULTANT

11.1 If a Participant shall cease to be a director, officer, employee or consultant, as the case may be, of the Company for any reason (other than death), he may, but only within 90 days next succeeding his ceasing to be a director, officer, employee or consultant, exercise his Option to the extent that he was entitled to exercise it at the date of such cessation provided that, in the case of a Participant who is engaged in Investor Relations Activity on behalf of the Company, this 90 day period referenced herein shall be shortened to 30 days.

11.2 Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, employee or consultant of the Company or of any affiliate.

12. DEATH OF A PARTICIPANT

In the event of the death of a Participant, the Option previously granted to him shall be exercisable only within the 12 months next succeeding such death and then only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that he was entitled to exercise the Option at the date of his death.

13. ADJUSTMENTS

Appropriate and proportional adjustments in the exercise price of the Options and in the number of Options granted or to be granted may be made by the Committee in its discretion to give effect to adjustments in the number of common shares of the Company resulting from subdivisions, consolidations or reclassification of the common shares of the Company, the payment of stock dividends by the Company or other relevant charges in the capital of the Company.

14. TRANSFERABILITY

All benefits, rights and Options accruing to the Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of a Participant any benefits, rights and Options may only be exercised by the Participant.

15. AMENDMENT AND TERMINATION OF PLAN

The Committee may, at any time, suspend or terminate the Plan. The Board of Directors may, subject to such approvals as may be required under the rules of any stock exchange or which the common shares are then listed or other regulatory body having jurisdiction, also at any time amend or revise the terms of the Plan, PROVIDED that no such amendment or revision shall alter the terms of any Options theretofore granted under the Plan.

16. DISINTERESTED SHAREHOLDER APPROVAL

- 16.1 The ability of the Options to be exercised, and the obligation of the Company to issue and deliver shares in accordance with the Plan is subject to any approvals which may be required from the Company's shareholders, any regulatory authority or stock exchange having jurisdiction over the securities of the Company so long as it remains a policy of the Exchange, the Company will obtain disinterested shareholder approval for:
- (a) any reduction in the exercise price of the Option if the Participant is an insider of the Company at the time of the proposed amendment;
 - (b) the grant to any Participant within a 12 month period of a number of options exceeding 5% of the issued shares; and
 - (c) the grant to any group of Participants, if the Participants are insiders of the Company at the time of the grant, within a 12 month period of a number of options exceeding 10% of the issued shares.
- 16.2 If any shares cannot be issued to the Participant for whatever reason, the obligation of the Company to issue such shares shall terminate and any Option exercise price paid to the Company will be returned to the Participant.

17. PRIOR PLANS

The Plan shall entirely replace and supersede any prior share option plans, if any, adopted by the Board of Directors of the Company or its predecessor companies.

18. EFFECTIVE DATE OF PLAN

The Plan has been adopted by the Board of Directors subject to the approval of any stock exchange on which the shares of the Company are to be listed or other regulatory body having jurisdiction and approval of the shareholders and, if so approved, the Plan shall become effective upon such approvals being obtained.

