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阳光油砂
SUNSHINE OILSANDS LTD.

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陽光油砂有限公司*

*(a corporation incorporated under the Business Corporations Act
of the Province of Alberta, Canada with limited liability)
(HKEX: 2012)*

DESPATCH OF SUPPLEMENTARY CIRCULAR

IN RELATION TO

- (1) PROPOSED CONVERSION OF CONVERTIBLE BONDS
BY CONNECTED PERSON;**
- (2) APPLICATION FOR WHITEWASH WAIVER
AND**
- (3) POSTPONEMENT OF SPECIAL GENERAL MEETING**

By Order of the Board of Sunshine Oilsands Ltd.
Kwok Ping Sun
Executive Chairman

Hong Kong, March 1, 2021
Calgary, March 1, 2021

As at the date of this announcement, the Board consists of Mr. Kwok Ping Sun and Ms. Gloria Pui Yun Ho as executive directors; Mr. Michael John Hibberd, Ms. Linna Liu and Ms. Xijuan Jiang as non-executive directors; and Mr. Yi He, Mr. Alfa Li and Mr. Guangzhong Xing as independent non-executive directors.

** For identification purposes only*

CALGARY (March 1, 2021) and **HONG KONG** (March 1, 2021) – Reference is made to (i) the announcement and the circular issued by Sunshine Oilsands Ltd (“**Sunshine**” or the “**Corporation**”) dated April 1, 2020 (Hong Kong time) and April 24, 2020 (Hong Kong time) respectively in relation to, among others, the Subscription of CB by the Subscriber; (ii) the poll results announcement dated May 25, 2020 (Hong Kong time) in relation to the poll results of the special general meeting held by the Corporation on May 25, 2020 (Hong Kong time); (iii) the announcement and the circular dated October 16, 2020 (Hong Kong time) and February 3, 2021 (Hong Kong time) (the “**Original Circular**”) respectively relating to, among others, the Proposed Conversion of CB in full by the Subscriber and the application for Whitewash Waiver and (iv) the announcement dated February 8, 2021 (Hong Kong time) (the “**Interest Waiver Announcement**”) in relation to the interest waiver agreement entered into between the Forbearing Noteholders and the Corporation.

Unless defined otherwise, terms used herein shall have the same meanings as those defined in the Original Circular and the Interest Waiver Announcement.

A supplementary circular (the “**Supplementary Circular**”) aims at providing information on (i) advice of the Independent Financial Adviser in relation to the Whitewash Waiver subsequent to the Waiver of Interest; (ii) validity of previously published profit forecast under Rule 10 of the Takeovers Code; (iii) other information as required under the Listing Rules and the Takeovers Code; and (iv) the postponement of SGM and proxy arrangement, subsequent to the Waiver of Interest, has been dispatched to Shareholders on March 1, 2021 (Hong Kong time).

The SGM originally scheduled to be held on Friday, February 26, 2021 at 10:00 a.m. (Hong Kong Time) / Thursday, February 25, 2021 at 7:00 p.m. (Calgary Time) for the purposes of considering and approving the Proposed Conversion and the Whitewash Waiver has been postponed to Friday, March 5, 2021 at 10:00 a.m. (Hong Kong time) / Thursday, March 4, 2021 at 7:00 p.m. (Calgary time). The venue remains unchanged.

The Supplementary Circular is supplemental to and should be read in conjunction with the Original Circular. Shareholders are advised to review the Supplementary Circular carefully and in particular (i) the Supplementary Letter from Independent Board Committee; and (ii) the Supplementary Letter from Donvex Capital, as contained in the Supplementary Circular before making any decision on whether or not to vote in favor of or against the resolutions in relation to the Conversion and the Whitewash Waiver.

Shareholders and potential investors of the Corporation should note that the Whitewash Waiver is a possibility only and may not be granted by the Executive.

The Conversion is subject to the passing of resolutions mentioned above and the granting of Whitewash Waiver by the Executive of SFC. As the Conversion may or may not proceed, Shareholders and potential investors of the Corporation are advised to exercise caution when dealing in the Shares and other securities of the Corporation. Persons who are in doubt as to the action to be taken should consult their stockbroker, bank manager or other professional advisers.

ABOUT SUNSHINE OILSANDS LTD.

The Corporation is a Calgary based public corporation, listed on the Hong Kong Stock Exchange since March 1, 2012. The Corporation is focused on the development of its significant holdings of oil sands and heavy oil leases in the Athabasca oil sands region. The Corporation owns interests in oil sands and petroleum and natural gas leases in the Athabasca region of Alberta. The Corporation focus on the West Ells project area. West Ells Phase 1 has a designed production capacity of 5,000 barrels per day.

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FORWARD LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things, the plans and expectations of the Corporation. Such forward-looking information is subject to various risks, uncertainties and other factors. All statements other than statements and information of historical fact are forward-looking statements. The use of words such as “estimate”, “forecast”, “expect”, “project”, “plan”, “target”, “vision”, “goal”, “outlook”, “may”, “will”, “should”, “believe”, “intend”, “anticipate”, “potential”, and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on the Corporation’s experience, current beliefs, assumptions, information and perception of historical trends available to the Corporation, and are subject to a variety of risks and uncertainties including, but not limited to those associated with resource definition and expected reserves and contingent and prospective resources estimates, unanticipated costs and expenses, regulatory approval, fluctuating oil and gas prices, expected future production, the ability to access sufficient capital to finance future development and credit risks, changes in Alberta’s regulatory framework, including changes to regulatory approval process and land-

use designations, royalty, tax, environmental, greenhouse gas, carbon and other laws or regulations and the impact thereof and the costs associated with compliance. Although the Corporation believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the assumptions and factors discussed in this announcement are not exhaustive and readers are not to place undue reliance on forward-looking statements as the Corporation's actual results may differ materially from those expressed or implied. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, subsequent to the date of this announcement, except as required under applicable securities legislation. The forward-looking statements speak only as of the date of this announcement and are expressly qualified by these cautionary statements. Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. For a full discussion of the Corporation's material risk factors, see the Corporation's annual information form for the year ended December 31, 2019 and risk factors described in other documents we file from time to time with securities regulatory authorities, all of which are available on the Hong Kong Stock Exchange at www.hkexnews.hk, on the SEDAR website at www.sedar.com or on the Corporation's website at www.sunshineoilsands.com.