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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)

INSIDE INFORMATION AMENDED ROYALTY AGREEMENT

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

Hong Kong, June 9, 2023
Calgary, June 8, 2023

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*

Reference is made to the announcement issued by Sunshine Oilsands Ltd. (the “**Corporation**” or “**Sunshine**”) dated September 1, 2021 and September 24, 2021, both Hong Kong time (the “**Announcement**”), in relation to, among others, the Royalty Agreement. Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

On August 31, 2021 (Calgary time), the Corporation entered into a Royalty Agreement (together with its ancillary documents, the “**Original Royalty Agreement**”) with Burgess Energy Holdings, L.L.C. (“**BEH**”), pursuant to which, the Corporation has granted to BEH a royalty interest in the bitumen for an aggregate consideration of CAD\$20 million (the “**Aggregate Consideration**”), subject to the terms and conditions stipulated therein. The royalty rate used to determine BEH’s share of Sunshine’s produced bitumen of the month is based on the Western Canadian Select (“**WCS**”) price.

On June 8, 2023, the Corporation entered into an amended Royalty Agreement (together with its ancillary documents, the “**Amended Royalty Agreement**”) with BEH, pursuant to which, the Corporation will receive accelerated payment of CAD\$5 million from the aggregate consideration of CAD\$20 million, subject to the terms and conditions stipulated therein. In accordance with the Amended Royalty Agreement, the royalty rate calculation for WCS prices above US\$80/bbl is amended as follows:

When average daily WCS price of the month is US\$80/bbl, the royalty rate is 8.75% and proportionally increases up to a maximum of 25.00% when the WCS price rises to US\$113/bbl (based on the original Royalty Agreement, the royalty rate increases from 8.75% up to a maximum of 15.00% when the WCS price rises to US\$100/bbl).

Save as the amendments disclosed above, there’s no other major amendment to the original Royalty Agreement.

REASONS FOR ENTERING INTO THE AMENDED ROYALTY AGREEMENT

International oil prices have recovered to pre-COVID-19 price levels but remain volatile. The Directors (including the Independent Non-executive Directors) determined that entering into the Amended Royalty Agreement, as determined based on arm’s length negotiation, will provide a reliable source of funding and strengthen the Corporation’s cashflow position. Hence, the Amended Royalty Agreement is in the interests of the Corporation and its shareholders as a whole.

Given that the Amended Royalty Agreement does not involve any acquisition or disposal of assets of the Corporation, acquisition or disposal of securities through allotment of share capital by subsidiary of the Corporation, formation of joint venture, entering into finance or operating lease, grant of indemnity or guarantee, provision of financial

assistance by the Corporation etc., or any title change in its properties, hence, the royalty arrangement is not considered as a notifiable transaction as defined under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. However, the Corporation believes the royalty arrangement is considered as inside information.

ABOUT SUNSHINE OILSANDS LTD.

The Corporation is a Calgary based public corporation, listed on the Hong Kong Stock Exchange since May 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 is currently focused on executing milestone undertakings in the West Ells project area. West Ells Phase 1 has an initial production target of 5,000 barrels per day.

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FORWARD LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things, (a) the future financial performance and objectives of Sunshine; (b) the plans and expectations of the Corporation; and (c) the anticipated closings of the current private placements and the timing thereof. Such forward-looking information is subject to various risks, uncertainties and other factors. All statements other than statements and information of historical fact are forward-looking statements. The use of words such as “estimate”, “forecast”, “expect”, “project”, “plan”, “target”, “vision”, “goal”, “outlook”, “may”, “will”, “should”, “believe”, “intend”, “anticipate”, “potential”, and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on Sunshine’s experience, current beliefs, assumptions, information and perception of historical trends available to Sunshine, and are subject to a variety of risks and uncertainties including, but not limited to, those associated with resource definition and expected reserves and contingent and prospective resources estimates, unanticipated

costs and expenses, regulatory approval, fluctuating oil and gas prices, expected future production, the ability to access sufficient capital to finance future development and credit risks, changes in Alberta's regulatory framework, including changes to regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon and other laws or regulations and the impact thereof and the costs associated with compliance. Although Sunshine believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the assumptions and factors discussed in this announcement are not exhaustive and readers are not to place undue reliance on forward-looking statements as the Corporation's actual results may differ materially from those expressed or implied. Sunshine disclaims any intention or obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, subsequent to the date of this announcement, except as required under applicable securities legislation. The forward-looking statements speak only as at the date of this announcement and are expressly qualified by these cautionary statements. Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. For a full discussion of the Corporation's material risk factors, see 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 or the Corporation's website at www.sunshineoilsands.com.