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阳光油砂
SUNSHINE OILSANDS LTD.

SUNSHINE OILSANDS LTD.
陽光油砂有限公司*

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

(HKEX: 2012)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

By Order of the Board of Sunshine Oilsands Ltd.

Sun Kwok Ping
Executive Chairman

Hong Kong, January 24, 2017
Calgary, January 23, 2017

As at the date of this announcement, the Board consists of Mr. Kwok Ping Sun, Mr. Hong Luo, Dr. Qi Jiang and Mr. Qiping Men as executive directors; Mr. Michael John Hibberd, Mr. Jianzhong Chen and Ms. Xijuan Jiang as non-executive directors; and Mr. Raymond Shengtí Fong, Mr. Gerald Franklin Stevenson, Ms. Joanne Yan and Mr. Yi He as independent non-executive directors.

**For identification purposes only*

Hong Kong (January 24, 2017) and Calgary, Alberta (January 23, 2017) – The Board of Directors (the “**Board**”) of Sunshine Oilsands Ltd. (the “**Corporation**” or “**Sunshine**”) (HKEX: 2012) is pleased to announce the following:

The Board is pleased to announce that all conditions of the Placing Agreement have been fulfilled and the Completion took place on January 24, 2017. An aggregate of 60,000,000 Placing Shares were allotted and issued to not less than six Placees at the Placing Price of HK\$0.262 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

Reference is made to the announcement of the Corporation dated 17 January 2017 (the “Announcement”) in relation to the placing of new Shares under the General Mandate. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that all conditions of the Placing have been fulfilled and the completion of the Placing took place on 24 January 2017. A total of 60,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.262 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

To the best of the Director’s knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners are third parties residing in Hong Kong independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Corporation and its connected persons (as defined under Listing Rules). None of the Placees becomes a substantial shareholder (as defined under the Listing Rules) of the Corporation upon completion of the Placing. The net proceeds from the Placing, after deducting relevant expenses incurred in relation to the Placing, amount to approximately HK\$ 15,602,100 (approximately CDN\$ 2,673,123.6 at the current exchange rate) which will be used as general working capital of the Corporation and as funds for future development of the existing business of the Corporation, including funding the operation costs of the West Ells project.

EFFECT ON SHAREHOLDING STRUCTURE

The 60,000,000 Placing Shares represent (i) approximately 1.20% of the issued share capital of the Corporation immediately before completion of the Placing and (ii) approximately 1.19% of the issued share capital of the Corporation as enlarged by the allotment and issue of the Placing Shares.

Set out below is the shareholding structure of the Corporation immediately before and after completion of the Placing:

Name of Shareholder	As at the date of this Announcement		Immediately after Completion of the Placing	
	Number of Shares	Approx. % of Shares	Number of Shares	Approx. % of Shares
Sun Kwok Ping	1,312,881,500	26.24%	1,312,881,500	25.93%
Bright Hope Global Investment Limited ⁽¹⁾	267,353,088	5.34%	267,353,088	5.28%
China Life Insurance (Overseas) Co., Ltd	201,941,600	4.04%	201,941,600	3.99%
Tseung Hok Ming	295,893,656	5.91%	295,893,656	5.84%
Sinopec Century Bright Capital Investment Limited	239,197,500	4.78%	239,197,500	4.72%
Placees	-	-	60,000,000	1.19%
Other public shareholders (excluding Placees)	2,685,334,014	53.68%	2,685,334,014	53.04%
Total	5,002,601,358	100	5,062,601,358	100

Notes:

- Bright Hope Global Investments Limited is a company incorporated in the British Virgin Islands. The company is 100% held by Mr. Zhang Yi. On March 15, 2016 in Hong Kong (March 15, 2016 in Calgary), the Corporation entered into a subscription agreement (the "Subscription Agreement") with Bright Hope Global Investments Limited ("Bright Hope Global") under which Bright Hope Global agreed to subscribe for a total of 558,823,500 Class "A" Common Voting Shares of the Corporation ("Common Shares") at a price of HK\$ 0.34 per Common Share. The Corporation and Bright Hope Global Investments Limited mutually terminated the Subscription Agreement on 21 November 2016 (Hong Kong time). Up to the date of the termination of the Subscription Agreement, a total of 308,575,588 Common Shares were allotted and issued to Bright Hope Global Investments Limited under the Subscription Agreement.
- As at the date of the announcement, the private placement of 150,000,000 Shares with Zhengwei International Investment and Management Co. Ltd as disclosed in the announcement dated December 29, 2016 (Hong Kong time)/December 28, 2016 (Calgary time) is yet to be completed.

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

For further enquiries, please contact:

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THE PLACING AGENT

The Placing Agent has been appointed to place, on a best efforts basis, the Placing shares at the Placing Price. The Placing Agent is a licensed corporation to carry out business in type 1 regulated activity (dealing in securities) and type 6 regulated activity (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of and not connected with the Corporation and its connected persons (as defined under the Listing Rules).

Notwithstanding that the Placing Shares shall only be placed to Placees residing in Hong Kong, the Placing Agent and the Corporation agree that the Placing and the Placees must qualify with the applicable securities laws of Alberta, Canada (the "**Applicable Securities Laws**") as the Corporation is a "reporting issuer" under such law. The Placing Agent agrees, inter alia, that it will offer the Placing Shares for sale on behalf of the Corporation only to Placees who are eligible to purchase such Placing Shares under the private placement exemptions available under the Applicable Securities Laws and conduct its activities in connection with the Placing in compliance with all Applicable Securities Laws.

The Placing Agent will be entitled to receive a commission of 0.75% of the amount equal to the Placing Price multiplied by the actual number of the Placing Shares successfully placed by the Placing Agent. The commission for the Placing was arrived at after arm's length negotiation between the Corporation and the Placing Agent with reference to the prevailing market practice.

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, 2015 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.