

# Cogency Group Investment Report

November 17, 2016

Alberta Oilsands Inc. (AOS-TSXV: \$0.11)

## AOS Shareholders Are Getting No Love

### Background

**February 7** Cogency released an Investment Report and disclosed it had sent a letter to AOS board requesting a \$30 million dividend or \$0.14 per share.

**March 21** Smoothwater Capital Corporation filed an EWR and disclosed a similar dividend request.

**August 19** AOS announced a Strategic Business Combination with Marquee Energy Ltd. (MQL-TSXV) that **DOES NOT REQUIRE** AOS shareholder approval.

**August 21** Smoothwater demands vote, engages TSXV and challenges new AGM date.

**September 8** TSXV defers decision on merger.

**September 16** Alberta Court of Queen's Bench rules AOS shareholder vote is required.

**November 15** Alberta Court of Appeal rules that AOS shareholder vote is not required.

### Share Information

(thousands)

Shares Outstanding-Basic	212,532	
Diluted-In the Money	220,707	
Bruce Mitchell	33,724	16%
Smoothwater Capital Corporation	36,321	17%
Management & Board	12,817	
Market Capitalization	\$23,379	
Cash (June 30, 2016)	\$32,000	
TSXV Volume (since January 1)	85,000	
High-Low (52 weeks)	\$0.08-\$0.14	

### Activist History

2012	DLE Investments wins proxy contest
2013	Jason Sawyer files circular
2016	Smoothwater requisitions meeting

### Alberta Court of Appeal Decision Is Preposterous

AOS shareholders are getting no love. The appeal court ruled that an AOS shareholder vote is not required. The appeal court determined that no such right existed because only Marquee was being "arranged." Of course, Marquee was the only company being "arranged." As the lower court argued and everyone in Calgary knows, the transaction was done this way for the sole purpose of **denying** AOS shareholders the right to vote. The appeal court ruling is totally form over substance and fails to protect AOS shareholders' rights.

### Three Things We Know

1. The proposed oil & gas deal with Marquee is not in the best interests of AOS shareholders.
2. A transaction without shareholder approval is the latest example of a serious governance problem at AOS.
3. Smoothwater is acting in the best interests of shareholders. **The TSXV should do the same.**

### About Us

Cogency Group is an investment company in Vancouver. In May 2014, we made a proposal to AOS to help maximize the cash settlement, arrange a \$2 million private placement and revamp the board of directors. Our proposal was not accepted. An affiliate of Cogency is an AOS shareholder.

### For more information

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### Notice

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