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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 Corporation Act of the Province of Alberta, Canada
with limited liability)
(HKEX: 2012)*

**ISSUE OF SHARES UNDER SPECIFIC MANDATE
FOR SETTLEMENT OF DEBTS**

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

Hong Kong, April 28, 2025
Calgary, April 27, 2025

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 and Ms. Xijuan Jiang as non-executive directors; and Mr. Yi He, Mr. Guangzhong Xing and Ms. Jue Pang as independent non-executive directors.

**For identification purposes only*

Hong Kong (April 28, 2025) / **Calgary, Alberta** (April 27, 2025) - The Board of Directors (the “**Board**”) of Sunshine Oilsands Ltd. (the “**Company**” or “**Sunshine**”) (HKEX: 2012) wishes to announce the following:

ISSUE OF SHARES UNDER SPECIFIC MANDATE FOR SETTLEMENT OF DEBTS

On Hong Kong (April 28, 2025) / Calgary, Alberta (April 27, 2025), the Company entered into Settlement Agreements with the Creditors respectively, pursuant to which the Company will allot and issue the Relevant Shares to the Creditors as full and final settlement of the Debt Payable owed to each of the Creditors.

The Issue Price is HK\$0.45, which represents:

- i) a premium of approximately 2.27% over the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on April 25, 2025; and
- ii) a premium of approximately 18.11% over the average closing price of approximately HK\$0.381 per Share as quoted on the Stock Exchange for the last five trading days of the Shares ending on April 24, 2025.

The 162,310,261 Relevant Shares represents approximately 55.55% of the issued share capital of the Company of 292,174,417 Shares as at the date of this announcement, and approximately 35.71% of the issued share capital of the Company as enlarged by the issue of 162,310,261 Relevant Shares.

The Relevant Shares will be allotted and issued under the Specific Mandate, which is subject to the Shareholders’ approval at the SGM. As at the date of this announcement, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, saved as disclosed below, none of the Shareholders and their respective close associates has any material interest in the Settlement Agreements, the allotment and issue of the Relevant Shares pursuant to the Specific Mandate and the transactions contemplated thereunder and no Shareholder is required to abstain from voting at the SGM to approve the relevant resolution(s) regarding the Settlement Agreements, the allotment and issue of the Relevant Shares pursuant to the Specific Mandate and the transactions contemplated thereunder.

A circular, containing, among other things, further information on the Settlement Agreements and the transactions contemplated thereunder (including the Specific Mandate), and the notice of SGM, is expected to be dispatched to the Shareholder on or before May 21, 2025.

Shareholders and potential investors should note that completion of the Issuance is subject to fulfilment of the conditions under the Settlement Agreements. As the Issuance may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE ISSUE OF THE RELEVANT SHARES

On Hong Kong (April 28, 2025) / Calgary, Alberta (April 27, 2025), the Company entered into Settlement Agreements with the Creditors respectively, pursuant to which the Company will allot and issue the Relevant Shares to the Creditors as full and final settlement of the Debt Payable owed to each of the Creditors.

THE RELEVANT SHARES

The 162,310,261 Relevant Shares represents approximately 55.55% of the issued share capital of the Company of 292,174,417 Shares as at the date of this announcement, and approximately 35.71% of the issued share capital of the Company as enlarged by the issue of 162,310,261 Relevant Shares, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Relevant Shares) between the date of this announcement and the Completion.

ISSUE PRICE

The Issue Price is HK\$0.45, which represents:

- i) a premium of approximately 2.27% over the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on April 25, 2025; and
- ii) a premium of approximately 18.11% over the average closing price of approximately HK\$0.381 per Share as quoted on the Stock Exchange for the last five trading days of the Shares ending on April 24, 2025.

It was arrived after arm's length negotiation between the Company and each of the Creditors with reference to the market condition and the prevailing market price of the Shares.

Specific mandate to issue the Relevant Shares:

The Relevant Shares will be issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM. The Specific Mandate, if approved, will be valid until the Completion of the Settlement Agreements or the transactions contemplated thereunder.

Ranking:

The Relevant Shares, when issued and fully paid, will rank *pari passu* among themselves and with all existing Shares presently in issue and at the time of allotment and issue of the Relevant Shares. Application will be made to the Stock Exchange for the grant of the listing of, and permission to deal in the Relevant Shares.

CONDITION PRECEDENT

Completion of the Settlement Agreements shall be subject to and conditional upon the following:

- I. the duly passing of the resolution(s) at the SGM by the Shareholders approving the Settlement Agreements and the transactions contemplated thereunder and the issue of the Relevant shares under the Specific Mandate in accordance with the Listing Rules;
- II. The Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Relevant Shares; and
- III. all relevant approvals and consents from governmental or other competent authority or in accordance with applicable laws having been obtained, if necessary.

None of the above conditions are capable of being waived. In the event that the conditions of the Issuance are not fulfilled on or before August 27, 2025 (or such other time and date as may be agreed between the parties to the Settlement Agreements), the Settlement Agreements shall cease and determine and neither the Company nor the Creditors shall have any obligations and liabilities under the Settlement Agreements.

Completion of each of the Settlement Agreements is not inter-conditional with each other. If any Settlement Agreement does not complete for any reason, the other Settlement Agreements may still proceed to Completion.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 292,174,417 Shares in issue.

The shareholding structure of the Company as at the date of this announcement and immediately after completion of the Issuance (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement to the date of completion of the Issuance) are as follows:

Name of Shareholders	As at the date of this announcement		Immediately after Completion of the Placing (assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement to the date of completion of the Issuance)	
	Number of Shares	Approx. % of Shares	Number of Shares	Approx. % of Shares
Kwok Ping Sun	150,232,591	51.42%	150,232,591	33.06%
Creditor (Zhang Jun) ¹	13,576,400	4.65%	38,621,346	8.50%
Creditor (He Ran)	0	0	57,777,777	12.71%
Creditor (Chen Jiongliang)	0	0	19,823,837	4.36%
Creditor (NC New Energy) ²	0	0	13,165,184	2.90%
Creditor (Pensworth) ³	0	0	13,165,184	2.90%
Creditor (Cosmetic)	0	0	33,333,333	7.33%
Other Public Shareholders (excluding the Creditors)	128,365,426	43.93%	128,365,426	28.24%
	292,174,417	100%	454,484,678	100%

Notes:

1. As at the date hereof, Mr. Zhang Jun holds 13,576,400 shares, representing 4.65% of the total issued share capital of the Company.
2. Per the Company's announcement dated April 17, 2025, the Company entered into Settlement Agreement with NC New Energy whereby the Company will issue 11,847,868 Class A common voting Shares for full and final settlement of debts Payable owed to it by the Company. As at the date of this announcement, the said issuance of Shares has yet to be completed.
3. Per the Company's announcement dated April 17, 2025, the Company entered into Settlement Agreement with Pensworth whereby the Company will issue 11,847,868 Class A common voting Shares for full and final settlement of debts Payable owed to it by the Company. As at the date of this announcement, the said issuance of Shares has yet to be completed.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT AGREEMENT

As at the date of the Settlement Agreements, the Company has an aggregate of Debt Payable balance of HK\$ 73,039,619 (approximately CDN\$ 13,052,180 ⁽¹⁾) with the Creditors. This Debt Payable will be settled by the issuance of 162,310,261 Shares.

The Directors are of the view that the settlement of the Debt Payable by way of Issuance would not result in significant cash outflow of the Company while reducing the indebtedness of the Company. Accordingly, the Directors consider that the terms of the Settlement Agreements are fair and reasonable and the Issuance is in the interests of the Company and its Shareholders as a whole.

1. Based on the Bank of Canada's nominal noon exchange rate (as at April 25, 2025) of CDN\$1.00 =HK\$5.5960.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Approximate net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds
December 18, 2024	Private placement of Common Shares under General Mandate	18,504,380 (approximately CDN\$ 3,241,967 ⁽²⁾)	For settlement with creditor	The entire amount of HK\$ 18,504,380 (approximately CDN\$ 3,241,967) used for debt settlement. There is no actual cash inflow into the Company as the issuance of shares was to settle the payable

Note:

2. Based on the Bank of Canada's nominal noon exchange rate (as at December 17, 2024) of CDN\$1.00 =HK\$5.7077.
3. The Company entered into settlement agreements with each of (i) Xu Lingwu; (ii) NC New Energy and (iii) Pensworth on April 17, 2025 (Hong Kong time) respectively, whereby the Company would allot and issue the Class A Common Voting Shares to them as full and final settlement of the debt payable owed to each of them. Details are set out in the announcement dated April 17, 2025 (Hong Kong time). As at the date hereof, the said issuance of Shares has yet to be completed.

LISTING RULES IMPLICATIONS

The Relevant Shares will be allotted and issued under Specific Mandate, which is subject to Shareholders' approval at the SGM. As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed herein, none of the Shareholders and their respective close associates has any material interest in the Settlement Agreements, the allotment and issue of the Relevant Shares pursuant to the Specific Mandate and the transactions contemplated thereunder and no Shareholder is required to abstain from voting at the SGM to approve the relevant resolution(s) regarding the Settlement Agreements, the allotment and issue of the Relevant Shares pursuant to the Specific Mandate and the transactions contemplated thereunder.

A circular, containing, among other things, further information on the Settlement Agreements and the transactions contemplated thereunder (including the Specific Mandate), and the notice of SGM, is expected to be dispatched to the Shareholder on or before May 21, 2025.

Shareholders and potential investors should note that completion of the Issuance is subject to fulfilment of the conditions under the respective Settlement Agreements. As the Issuance may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associate(s)” and “close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CDN\$”	Canadian dollars, the lawful currency of Canada
“Completion”	completion of the Issuance
“Completion Date”	the date of Completion
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Creditor(s)”	the Creditors are, namely, (i) Zhang Jun; (ii) He Ran; (iii) Chen Jiongliang; (iv) NC New Energy Ltd (“NC New Energy”); (v) Pensworth Holdings Limited (“Pensworth”); and (vi) Cosmetic Cabinet Ltd (“Cosmetic”), saved as (i), (ii) and (iii), all other Creditors are companies incorporated in Hong Kong with limited liability. To the best of Directors’ knowledge, information and belief, having made all reasonable enquiries, all Creditors and their respective ultimate beneficial owners (if applicable) are independent of and not connected with the Company, the connected persons of the Company and their respective associates
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance”	the allotment and issue of the Relevant Shares to the Creditor in accordance with the terms and conditions of the Settlement Agreement
“Issue Price”	HK\$0.45 per Relevant Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Debt Payable(s)”	HK\$73,039,619, being the aggregate amount of the Debt Payable outstanding as at the date of the Settlement Agreements due from the Company to the Creditors
“Relevant Share(s)”	162,310,261 new Shares, which represents the amount of Debt Payable divided by the Issue Price to be allotted and issued by the Company to each of the Creditors on Completion Date
“Settlement Agreement(s)”	the agreement dated April 28, 2025 (Hong Kong time) and entered into by the Company with each of the Creditors, in relation to the settlement of Debt Payable due from the Company to the Creditors
“SGM”	a special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Settlement Agreements and the transactions contemplated thereunder (including the grant of the Specific Mandate)
“Shares” or “Common Shares”	the Class A common voting shares of the Company that is listed on the Stock Exchange
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Specific Mandate”	The specific mandate to allot, issue and deal with the Relevant Shares to be proposed for approval as an ordinary resolution of the Shareholders at the SGM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

ABOUT SUNSHINE OILSANDS LTD.

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

For further enquiries, please contact:

Kwok Ping Sun

Executive Chairman

Tel: + 852-3188-9298

Email: investorrelations@sunshineoilsands.com

Website: www.sunshineoilsands.com

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 Company; 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 Company’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 Company’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's website at www.hkexnews.hk or the Company's website at www.sunshineoilsands.com.