Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Sunshine Oilsands Ltd.

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, October 22, 2025
Calgary, October 22, 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, Ms. Xijuan Jiang and Mr. Yonglan Chen 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 (October 22, 2025) / **Calgary, Alberta** (October 22, 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 (October 22, 2025) / Calgary, Alberta (October 22, 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$0.43 per Share, which represents:

i) at par with the closing price of HK$0.43 per Share as quoted on the Stock Exchange on October 22, 2025; and

ii) a discount of approximately 3.80% over the average closing price of approximately HK$0.447 per Share as quoted on the Stock Exchange for the last five trading days of the Shares ending on October 21, 2025.

The 140,000,000 Relevant Shares represents approximately 24.50% of the issued share capital of the Company of 571,354,444 Shares as at the date of this announcement, and approximately 19.68% of the issued share capital of the Company as enlarged by the issue of 140,000,000 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 November 13, 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 (October 22, 2025) / Calgary, Alberta (October 22, 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 140,000,000 Relevant Shares represents approximately 24.50% of the issued share capital of the Company of 571,354,444 Shares as at the date of this announcement, and approximately 19.68% of the issued share capital of the Company as enlarged by the issue of 140,000,000 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$0.43 per Share, which represents:

i) at par with the closing price of HK$0.43 per Share as quoted on the Stock Exchange on October 22, 2025; and

ii) a discount of approximately 3.80% over the average closing price of approximately HK$0.447 per Share as quoted on the Stock Exchange for the last five trading days of the Shares ending on October 21, 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

(i) 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 February 27, 2026 (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 571,354,444 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:

	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)**	
Name of Shareholders	**Number of Shares**	**Approx. % of Shares**	**Number of Shares**	**Approx. % of Shares**
Kwok Ping Sun	170,962,591	29.92%	170,962,591	24.03%
Creditor (Union Green[2])	-	-	50,000,000	7.03%
Creditor (Happiness Sino)	-	-	21,000,000	2.95%
Creditor (HongKong Base Power[2])	-	-	39,000,000	5.48%
Creditor (Yes Garden Holdings Ltd.[1])	-	-	30,000,000	4.22%
Other Public Shareholders	400,391,853	70.08%	400,391,853	56.29%
	571,354,444	100%	711,354,444	100%

Notes:

1. *As at the date hereof, the beneficial owner of Yes Garden, *Zhou Huiming, directly held 4,100,000 shares, representing 0.72% of the total issued share capital of the Company. Upon Completion, *Zhou Huiming will be deemed to hold 34,100,000, representing 4.79% of the Company's total issued share capital.*

2. *As at the date hereof, the beneficial owner of Union Green and HongKong Base Power, Chen Jiongliang, directly held 10,000,000 shares, representing 1.75% of the total issued share capital of the Company. Upon Completion, Chen Jiongliang will be deemed to hold 99,000,000, representing 13.92% of the Company's total issued share capital.*

3. *Per the Company's announcement dated August 19, 2025 (Hong Kong time), the Company entered into the Equity Purchase Agreement with Nobao Energy Holding (China) Company Limited (the "Vendor") for which the Company agrees to purchase and the Vendor agrees to sell 51% equity interests in the Nobao Technology Co., Limited (the "Target Company") at the Consideration of HK $50,919,450. The Consideration will be satisfied by way of issuance and allotment of 56,983,240 Consideration Shares by the Company at the Issue Price of HK$0.895 per Consideration Share to the Vendor (the "Issuance"). The Target Company is 48.16% held by a company owned by Mr. Kwok Ping Sun, an executive chairman and controlling shareholder of the Company. Therefore, the transaction constitutes a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules. The Consideration Shares will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM. As at the date of this announcement, the said issuance of Shares has yet to be completed.*

**For identification purposes only*

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$60,200,000 (approximately CDN$10,860,153[(1)]) with the Creditors. This Debt Payable will be settled by the issuance of 140,000,000 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 October 21, 2025) of CDN$1.00 =HK$5.5432.*

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	HK$18,504,380 (approximately CDN$ 3,241,967[(1)])	For settlement with creditor	The entire amount of HK$ 18,504,380 (approximately CDN$ 3,241,967[(1)]) used for debt settlement. There is no actual cash inflow into the Company as the issuance of shares was to settle the payable
April 17, 2025	Private placement of Common Shares under the general mandate granted on 18 June 2024 (Hong Kong Time) /17 June 2024 (Calgary Time)	HK$ 17,043,508 (approximately CDN$ 3,050,787[(2)])	For settlement with creditors	The entire amount of HK$ 17,043,508 (approximately CDN$ 3,050,787 [(2)]) used for Debt Settlement. There is no actual cash inflow into the Company as the issuance of shares was to settle the payable
April 28, 2025	Private placement of Common Shares	HK$ 73,039,619 (approximately	For settlement with creditors	The entire amount of HK$ 73,039,619 (approximately

Date of announcement	Fund raising activity	Approximate net proceeds raised	Intended use of the net proceeds	Actual use of the net proceeds
	under the specific mandate granted on 18 June 2025 (Hong Kong Time) /17 June 2025 (Calgary Time)	CDN$13,052,180[3])		CDN$13,052,180[3]) used for Debt Settlement. There is no actual cash inflow into the Company as the issuance of shares was to settle the payable
June 25, 2025	Private placement of Common Shares under the general mandate granted on 24 June 2025 (Hong Kong Time) /23 June 2025(Calgary Time)	HK$ 38,400,000 (approximately CDN$6,727,636[4])	For settlement with the creditor	The entire amount of HK$ 38,400,000 (approximately CDN$ 6,727,636[4]) used for Debt Settlement. There is no actual cash inflow into the Company as the issuance of shares was to settle the payable
July 30, 2025	Private placement of Common Shares under the general mandate granted on 24 June 2025 (Hong Kong Time) /23 June 2025(Calgary Time)	HK$ 4,087,015 (approximately CDN$ 716,869.26[5])	For settlement with the creditor	The entire amount of HK$ 4,087,015 (approximately CDN$ 716,869.26[5] used for Debt Settlement. There is no actual cash inflow into the Company as the issuance of shares was to settle the payable

Notes:

1. *Based on the Bank of Canada's nominal noon exchange rate (as at May 18, 2024) of CDN$1.00 =HK$5.7077.*
2. *Based on the Bank of Canada's nominal noon exchange rate (as at April 16, 2025) of CDN$1.00 =HK$5.5866.*
3. *Based on the Bank of Canada's nominal noon exchange rate (as at April 25, 2025) of CDN$1.00 =HK$5.5960.*
4. *Based on the Bank of Canada's nominal noon exchange rate (as at June 23, 2025) of CDN$1.00 =HK$5.7078.*
5. *Based on the Bank of Canada's nominal noon exchange rate (as at July 29, 2025) of CDN$1.00 =HK$5.7012.'*
6. *Per the Company's announcement dated August 19, 2025 (Hong Kong time), the Company entered into the Equity Purchase Agreement with Nobao Energy Holding (China) Company Limited (the "Vendor") for which the Company agrees to purchase and the Vendor agrees to sell 51% equity interests in the Nobao Technology Co., Limited (the "Target Company") at the Consideration of HK $50,919,450. The Consideration will be satisfied by way of issuance and allotment of 56,983,240 Consideration Shares by the Company at the Issue Price of HK$0.895 per Consideration Share to the Vendor (the "Issuance"). The Target Company is 48.16% held by a company owned by Mr. Kwok Ping Sun, an executive chairman and controlling shareholder of the Company. Therefore, the transaction constitutes a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules. The Consideration Shares will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM. . As at the date of this announcement, 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 November 13, 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) Union Green; (ii) Happiness Sino; (iii) HongKong Base Power and (iv) Yes Garden. 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
"Debt Payable(s)"	HK$60,200,000 (approximately CDN$ 10,860,153), being the aggregate amount of the Debt Payable outstanding as at the date of the Settlement Agreements due from the Company to the Creditors
"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
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HongKong Base Power"	HongKong Base Power Technology Co., Limited, being a corporation incorporated in Hong Kong , is wholly owned by Chen Jiongliang.
"Happiness Sino"	Happiness Sino Limited, being a corporation incorporated in Hong Kong with limited liability, is wholly owned by Huang Ninghao.

"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$0.43 per Relevant Share
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Relevant Share(s)"	140,000,000 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 October 22, 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
"Union Green"	Union Green Energy Hong Kong Industrial Co., Limited, being a corporation incorporated in Hong Kong with limited liability, is wholly owned by Chen Jiongliang.
"Yes Garden"	Yes Garden Holdings Ltd., being a corporation incorporated in British Virgin Islands with limited liability, is wholly owned by *Zhou Huiming.
"%"	per cent.

**For identification purposes only*

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.