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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)*

**UPDATE IN RELATION TO THE DISCLAIMER OF OPINION ON
GOING CONCERN SET OUT IN THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

This announcement is made by Sunshine Oilsands Ltd. (the “**Company**”) pursuant to Rules 13.09 and 13.25(1)(b) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the annual report of the Company for the year ended 31 December 2025 (the “**Annual Report**”) published on 30 April 2026 regarding the disclaimer of opinion solely on the going concern basis of preparation of financial statements (the “**Disclaimer of Opinion**”). In order to address and resolve the Disclaimer of Opinion and to ensure operational and financial sustainability, the Board and management have taken a series of targeted actions. The Company wishes to inform shareholders and potential investors of the implementation progress of these actions and the latest business developments since late May 2026:

**1. ACTIONS TAKEN TO ADDRESS THE GOING CONCERN DISCLAIMER AND
RESUMPTION ROADMAP**

(a) Progress on Repair and Maintenance (“R&M”) Initiatives

To comply with the Alberta Energy Regulator (“AER”) requirements, the Company has actively completed some of the maintenance tasks to remove technical hurdles for production resumption. The completed tasks so far remained to be: (i) Completed the replacement of leaking steam valves; (ii) Engaged external engineering consultants who completed the pipeline assessment and valve failure analysis, establishing a maintenance solution in full compliance with AER pipeline management guidelines; and (iii) Implemented a reasonable care plan to protect active wells, pipelines, facilities, and field sites against impairment or physical damage. The remaining R&M costs required prior to resumption are currently

**For identification purposes only*

estimated at approximately CAD 2.35 million. The Company expected to obtain funds to complete the remaining tasks from the equity placing announced on 21 December 2025. Due to unexpected delay as disclosed in the announcement dated 25 June 2026, the placing was subsequently extended to 31 December 2026. However, the unexpected delay may not be favorable in terms of timing to complete the R&M work ahead of the result of the hearing. The Company is actively seeking alternative source of capital while diligently advancing the placing transaction.

(b) Capital Raise and Refinancing Progress (Funding for R&M)

To satisfy the remaining R&M funding requirement and strengthen working capital:

- (i) **Equity Placing:** On 30 July 2026, the Company and Cheer Unions Securities Limited entered into a Third Supplemental Agreement to revise the placing price to HK\$0.20 per share, increase the maximum placing shares to 205,704,000 shares, and extend the closing date to 31 December 2026. Proceeds from the placing will fully cover the remaining CAD 2.35 million R&M costs.
- (ii) **Convertible Bonds Subscription:** Regarding the connected transaction for the proposed subscription of convertible bonds under a specific mandate, the Company is finalizing disclosure details, and the circular is expected to be despatched on or before 31 August 2026.
- (iii) **Extension of loans/debt –** since the end of the year 2025, the Company has renegotiated loans for further extension of the maturity date. Up to date, approximately CAD13.39 million of loan/debt has been extended from original due date in 1Q/2Q 2026 to 1Q/2Q 2029.
- (iv) **On October 22, 2025,** the Company entered into Settlement Agreement with several creditors, pursuant to which the Company will allot and issue 140,000,000 shares at the issue price of HK\$0.43 per share to the creditors as full and final settlement of HK\$60,200,000 (approximately CDN\$ 10,860,153). The Completion took place and the debt to equity conversion was recognized on 2 February 2026.

(c) AER Regulatory Proceedings and Expected Resumption Timeline

Regarding the AER notice dated 14 May 2025, the Company filed an appeal, and the hearing was successfully conducted on 26 May 2026, with a formal decision expected within 90 days. The Board foresees no material impediments regarding the appeal. Remaining R&M work will commence within one month post-funding receipt, and upon satisfactory AER inspection, management expects to resume production between 4Q2026 and 1Q2027.

2. BUSINESS DIVERSIFICATION AND CASH FLOW ENHANCEMENT (UPDATES SINCE MAY 2026)

While the Canadian oil field is undergoing maintenance, the Company has actively expanded its business scope to generate additional revenue streams and strengthen liquidity:

(a) Crude Oil and Bitumen Supply Framework Agreement:

On 30 April 2026 (announced on 4 May 2026), the Company entered into a 3-year Cooperation Framework Agreement with Guangdong Shouren Supply Chain Management Co., Ltd., under which Guangdong Shouren will prioritize procuring crude oil and bitumen from the Company alongside petroleum trading opportunities.

(b) Establishment of New Energy Joint Venture:

On 10 May 2026, the Company's wholly-owned subsidiary, Sangxiang Petrochemical (Shanghai) Co., Ltd., entered into a JV agreement to invest in and operate smart heat pumps, distributed geothermal energy, and energy-saving projects in China, broadening financing channels and generating immediate cash flow.

3. OTHER CORPORATE AND LEGAL UPDATES

(a) Lapse of Nobao Asset Acquisition:

As disclosed on 30 June 2026, the proposed equity acquisition of Nobao assets lapsed as conditions precedent were not satisfied prior to the Long Stop Date of 30 June 2026.

(b) Hong Kong High Court Winding-up Petition:

On 5 August 2026, a winding-up petition was filed by bondholder Ms. Chu Wai Man regarding US\$657,298.55, with a hearing set for 14 October 2026. The Company is seeking legal counsel to defend its position and is actively engaging in negotiations with the petitioner seeking an early withdrawal of the petition. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

The Company will issue further announcement as and when appropriate.

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

Hong Kong, August 10, 2026

Calgary, August 10, 2026

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.

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:

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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 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.