阳光油砂
SUNSHINE OILSANDS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025 and 2024

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the Condensed Consolidated Interim Financial Statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of Canadian dollars)

	Notes	June 30 ,2025 CAD'000	December 31 ,2024 CAD'000
Assets			
Current assets			
Trade and other receivables	4	$ 4,950	$ 4,811
Loan receivables	4	10,834	11,366
Cash and cash equivalents		732	319
		16,516	16,496
Non-current assets			
Exploration and evaluation assets	5	241,208	239,259
Property, plant and equipment	6	478,001	476,446
Right-of-use assets	7	4,850	5,326
Loan receivables	4	1,556	1,496
		725,615	722,527
Total assets		$ 742,131	$ 739,023
Liabilities and Shareholders' Equity			
Current liabilities			
Trade payables, interest payables and accrued liabilities	8	$ 92,258	$ 81,863
Bond		1,182	
Other loans	9.1	20,743	15,213
Senior notes	9.2	10,490	11,511
Lease liabilities	7	592	575
		125,265	109,162
Non-current liabilities			
Interest payables	8	203,305	204,055
Loans from related companies	21.3	53,897	56,205
Loans from shareholders	21.4	3,114	20,990
Other loans	9.1	3,774	3,890
Senior notes	9.2	274,819	274,315
Lease liabilities	7	217	509
Provisions	10	55,538	53,049
		594,664	613,013
Total liabilities		719,929	722,175
Shareholders' equity			
Share capital	12	1,334,425	1,318,681
Reserve for share-based compensation	13	76,416	76,416
Capital reserve	13.3	(4,453)	(4,453)
Exchange fluctuation reserve		(842)	(2,300)
Accumulated deficit		(1,381,597)	(1,369,900)
Equity attributable to owners of the Company		23,949	18,444
Non-controlling interests		(1,747)	(1,596)
Total shareholders' equity		22,202	16,848
Total liabilities and shareholders' equity		$ 742,131	$ 739,023

Going concern (Note 2)
Commitments and contingencies (Note 22)

Approved by the Board

"David Yi He"
Independent Non-Executive Director

"Kwok Ping Sun"
Executive Director

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

SUNSHINE OILSANDS LTD.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in thousands of Canadian dollars, except for per share amounts)

	Notes	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenues					
Petroleum sales, net of royalties	14	$ -	$ 10,266	$ -	$ 21,458
Other income	16	373	380	541	916
Foreign exchange gains/(losses)	20.4	3,681	(5,420)	4,194	(17,729)
		4,054	5,226	4,735	4,645
Expenses					
Diluent		-	4,668	-	9,610
Transportation		-	1,576	-	4,017
Operating		2,473	3,269	4,351	7,559
Depletion and depreciation	6,7	176	1,984	360	4,603
General and administrative	17	2,008	1,857	7,309	6,461
Finance costs	18	1,449	2,920	4,560	5,660
		$ 6,106	$ 16,274	$ 16,580	$ 37,910
Loss before income taxes		(2,052)	(11,048)	(11,845)	(33,265)
Income taxes	11	-	-	-	-
Net loss		(2,052)	(11,048)	(11,845)	(33,265)
Net loss attributable to non-controlling interests		(71)	(74)	(148)	(147)
Net loss and comprehensive loss for the period attributable to owners of the Company		(1,981)	(10,974)	(11,697)	(33,118)
Basic and diluted loss per share	19	$ (0.01)	$ (0.05)	$ (0.04)	$ (0.14)

See accompanying notes to the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in thousands of Canadian dollars)

	Attributable to owners of the Company							
	Share capital	Reserve for share based compensation	Capital Reserve	Exchange fluctuation reserve	Accumulated Deficit	Total	Non-controlling interests	Total Equity
Balance at December 31, 2024	$ 1,318,681	$ 76,416	$ (4,453)	$ (2,300)	$ (1,369,900)	$ 18,444	$ (1,596)	$ 16,848
Net gain (loss) and comprehensive gain (loss)	-	-	-	-	(11,697)	(11,697)	(148)	(11,845)
Exchange fluctuation reserve	-	-	-	1,458	-	1,458	(3)	1,455
FX Gain/loss	-	-	-	-	-	-	-	
Issue of common shares (note 12)	15,744	-	-	-	-	15,744	-	15,744
Issue of shares under employee share savings plan	-	-	-	-	-	-	-	-
Issue of shares Director Share Arrangement (note 12)	-	-	-	-	-	-	-	-
Issue of shares upon exercise of share options	-	-	-	-	-	-	-	-
Share option reserve transferred on exercise of stock options	-	-	-	-	-	-	-	-
Recognition of share-based payments (note 13.3)	-	-	-	-	-	-	-	-
Share issue costs, net of deferred tax ($Nil)	-	-	-	-	-	-	-	-
Six Months Ended June 30, 2025	$ 1,334,425	$ 76,416	$ (4,453)	$ (842)	$ (1,381,957)	$ 23,949	$ (1,747)	$ 22,202
Balance at December 31, 2023	$ 1,315,265	$ 76,416	$ (4,453)	$ (455)	$ (1,294,508)	$ 92,265	$ (1,218)	$ 91,047
Net gain (loss) and comprehensive gain (loss)	-	-	-	-	(33,118)	(33,118)	(147)	(33,265)
Exchange fluctuation reserve	-	-	-	-	-	-	-	-
FX Gain/loss	-	-	-	-	-	-	-	-
Convertible bond-conversion option	-	-	-	-	-	-	-	-
Issue of common shares (note 12)	-	-	-	-	-	-	-	-
Issue of shares under employee share savings plan	-	-	-	-	-	-	-	-
Issue of shares Director Share Arrangement (note 12)	-	-	-	-	-	-	-	-
Issue of shares upon exercise of share options	-	-	-	-	-	-	-	-
Share option reserve transferred on exercise of stock options	-	-	-	-	-	-	-	-
Recognition of share-based payments (note 13.3)	-	-	-	-	-	-	-	-
Share issue costs, net of deferred tax ($Nil)								
Six Months Ended June 30, 2024	$ 1,315,265	$ 76,416	$ (4,453)	$ (455)	$ (1,327,626)	$ 59,147	$ (1,365)	$ 57,782

See accompanying notes to the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of Canadian dollars)

	Notes	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Cash flows from operating activities					
Net profit/(loss)		$ (2,052)	$ (11,048)	$ (11,845)	$ (33,265)
Finance costs	18	1,449	2,920	4,560	5,660
Unrealized foreign exchange (gains)/losses	20.4	(2,823)	5,422	(3,410)	17,730
Other income	16	-	(3)	(2)	(4)
Depletion, depreciation and impairment	6,7	176	1,984	360	4,603
Share-based compensation	13.3	-	-	-	-
Movement in non-cash working capital	24	3,668	514	9,516	4,149
Net cash (used in) operating activities		418	(211)	(821)	(1,127)
Cash flows from investing activities					
Other income received	16	-	3	2	4
Proceeds from sale of Assets	6	-	750	-	1,179
Payments for exploration and evaluation asset	5	(1,375)	(357)	(1,496)	(643)
Payments for property, plant and equipment	6	-	(315)	-	(200)
Movement in non-cash working capital	24	-	-	-	-
Net cash (used in) investing activities		(1,375)	81	(1,494)	340
Cash flows from financing activities					
Proceeds from issue of common shares	12	-	-	-	-
Payment for share issue costs	12	-	-	-	-
Payment for finance and interest costs	18	(1,029)	(65)	(1,427)	(125)
Proceeds from other loan	9.1	212	264	535	949
Payments for other loan	9.1	(552)	(192)	(1,270)	(793)
Proceeds from related companies' loans	21.3	4,560	19	4,683	34
Repayment of related companies' loans	21.3	(1,680)	-	(1,683)	-
Proceeds from shareholders' loans	21.4	-	819	752	1,486
Repayment shareholder loans	21.4	-	-	-	-
Proceeds from Bonds	21.4	-	-	1,438	-
Payment of lease liabilities		(153)	(181)	(315)	(359)
Movement in non-cash working capital	24	-	-		-
Net cash provided by financing activities		1,358	664	2,713	1,192
Net increase / (decrease) in cash		401	534	398	405
Cash, beginning of period		309	388	319	527
Effect of exchange rate changes on cash held in foreign currency	20.4	22	(8)	15	(18)
Cash, end of period		$ 732	$ 914	$ 732	$ 914

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended June 30, 2025 and 2024
(Expressed in thousands of Canadian dollars, unless otherwise indicated)

1. General information

Sunshine Oilsands Ltd. (the "Company") was incorporated under the laws of the Province of Alberta on February 22, 2007. The address of its principal place of business is 1910, 715-5th Avenue S.W., Calgary, Alberta, Canada T2P 2X6. The Company's shares were listed on the Stock Exchange of Hong Kong Limited ("SEHK") on March 1, 2012 pursuant to an initial public offering ("IPO") and trades under the stock code symbol of "2012". On November 16, 2012, the Company completed a listing of its common shares on the Toronto Stock Exchange ("TSX") and traded under the symbol of "SUO". On September 30, 2015, the Company completed a voluntary delisting from the TSX. The Company continues to be a reporting issuer in Canada. The Company and its subsidiaries are collectively referred to as the "Group".

The Group is engaged in the evaluation and the development of oil properties for the future production of bitumen in the Athabasca oilsands region in Alberta, Canada. Details of the subsidiaries are set out in note 23.

On April 15, 2019, Sang Xiang Petroleum & Chemical (Hebei) Limited ("Sunshine Hebei") was incorporated in China and is a joint venture company in which the Company owns 51% interests. The address of the principal place of business for Sunshine Hebei is Techno Building, Level 4, Room 0430, Chengde Hi-Tech Industry Development Zone, Hebei Province.

2. Basis of preparation

Going Concern

The Condensed Consolidated Interim Financial Statements have been prepared on a basis which asserts that the Group will continue to have the ability to realize its assets and discharge its liabilities and commitments in a planned manner with consideration to expected possible outcomes. Conversely, if the assumption made by management is not appropriate and the Group is unable to meet its obligations as they fall due the preparation of these Financial Statements on a going concern basis may not be appropriate and adjustments to the carrying amounts of the Group's assets, liabilities, revenues, expenses, and balance sheet classifications may be necessary and such adjustments could be material. Specifically, in the absence of additional financing and the restructuring of current debt (Note 9) the Group would be unlikely to be able to continue the development of the West Ells project and the Group would be required to consider divestiture of the West Ells project and other assets. Such curtailment of activity would likely materially and negatively impact the Group's assessment of the carrying values of assets and liabilities associated with the West Ells project.

The Group incurred a net loss and comprehensive loss attributable to owners of the Company of CAD11.7 million for the six months ended June 30, 2025, and as at June 30, 2025, the Group had net current liabilities of CAD108.75 million. The Group will need to refinance or restructure its current debt and obtain additional financing in order to meet its near-term operating cash requirements, debt payments and sustaining capital expenditures. The validity of which depends upon that the Group will be able to successfully refinance or restructure its current debt and obtain additional financing to meet its liabilities as they fall due in the foreseeable future.

Management has applied significant judgment in preparing forecasts supporting the going concern assumption. Specifically, management has made assumptions regarding projected oil sales volumes and pricing, scheduling of payments arising from various obligations as at June 30, 2025, the availability of additional financing, and the timing and extent of capital and operating expenditures.

The Company's ability to continue as a going concern is dependent on its ability to realize forecasted revenues, achieve profitable operations, restructure projected cash outflows arising from existing arrangements, control the timing and extent of projected expenditures, and refinance current debt, access immediate additional financing and maintain compliance with all terms in debt and forbearance agreements. The timing and extent of forecast capital and operating expenditures is based on the Company's 2025 budget and on management's estimate of expenditures expected to be incurred beyond 2025. The Company has a significant degree of control and flexibility over both the extent and timing of expenditures under its future capital investment program. There is a material risk that the Company will be unable to meet its financing obligations including payments of outstanding interest and principal balances on its Senior Notes (Note 9.2). Management continually monitors the Company's financing requirements and is pursuing negotiations to refinance current debt and access immediate additional financing to fund its ongoing operations. Management is engaged in discussions with existing shareholders and creditors on proposed transactions and agreements which would reduce anticipated cash outflows and provide the additional financing required to fund capital and operating expenditures, and to meet obligations as they fall due in the 12 months following June 30, 2025.

2.1 Statement of compliance

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance. The Condensed Consolidated Interim financial statements have been prepared on the historical cost basis. Any financial instruments are measured at fair value. The Condensed Consolidated Interim financial statements are presented in Canadian Dollars ("$").

The Condensed Consolidated Interim Financial Statements reflect management's best estimates after giving consideration to likely outcomes. The Group has consistently applied the accounting policies to all periods presented in these financial statements. Certain information and disclosures normally included in the audited annual consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), have been condensed or omitted, except for the adoption of IFRS 15 Revenue from Contracts with Customers, IFRS 9 Financial Instruments and IFRIC 22 Foreign Currency Transactions and Advance Consideration. Accordingly, these Condensed Consolidated Interim Financial Statements should be read in conjunction with the audited annual Consolidated Financial Statements for the year ended December 31, 2024.

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied, for the first time, the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") which are effective for the Group's financial year beginning on January 1, 2024.

Amendments to IAS 21	Lack of Exchangeability

The application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs and interpretation that have been issued but are not yet effective:

Amendments to IFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

[1] Effective for annual periods beginning on or after January 1, 2026

[2] Effective for annual/reporting periods beginning on or after 1 January 2027

[3] No mandatory effective date yet determined but available for adoption

The directors of the Company anticipate that, the application of the new and amendments to IFRSs will have no material impact on the results and the financial position of the Group.

4. Trade and other receivables

		June 30, 2025		December 31, 2024
Trade receivables	$	-	$	-
Other receivables-current		15,784		16,177
Other receivables-non-current		-		-
Other loan receivables-non-current		1,556		1,496
	$	17,340	$	17,673

The Group allows an average credit period of 30 days to its trade customers. The Group transacts with a number of oil and natural gas marketing companies, and the marketing companies typically remit amounts to the Group by the 25th day of the month following production.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group recognised lifetime ECL for trade receivables based on individually significant customer or the ageing of customers collectively that are not individually significant.

As at June 30, 2025, the directors of the Company considered the ECL on trade receivables was insignificant.

5. Exploration and evaluation

		CAD'000
Balance, December 31, 2023	$	237,971
Capital expenditures		560
Non-cash expenditures[1]		728
Balance, December 31, 2024	$	239,259
Capital expenditures		1,496
Non-cash expenditures[1]		453
Balance, June 30, 2025	$	241,208

1. Non-cash expenditures include capitalized share-based compensation and changes in decommissioning obligations.

At the end of the reporting period, the Group assessed impairment for its E&E CGU. For the purpose of impairment (reversal) testing, recoverable amounts for each CGU were estimated based on FVLCD methodology which is calculated using the present value of the CGUs' expected future cash flows (after-tax). The cash flow information was derived from a report on the Group's oil and gas reserves which was prepared by an independent qualified reserve evaluator, GLJ Petroleum Consultants ("GLJ") and its latest oil price forecasts. The projected cash flows used in the FVLCD calculation reflect market assessments of key assumptions, including management forecast of long-term commodity prices, inflation rates, and foreign exchange rates (Level 3 fair value inputs. Cash flow forecasts are also based on GLJ's evaluation of the Group's reserves and resources to determine production profiles and volumes, operating costs, maintenance and future development capital expenditures.

The reversal is recognized in profit or loss only to the extent that it reverses an impairment loss that was previously recognized in profit or loss. Any additional increase is accounted for as a revaluation and is recognized in other comprehensive income.

A reversal of an impairment loss shall be recognized immediately in profit or loss. In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset shall not be increased above the lower of:
(a) its recoverable amount; and
(b) the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods.
For the six months ended June 30, 2025, the Group did not recognize any impairment loss (reversal) for E&E CGU.

6. Property, plant and equipment

		Crude oil assets (CAD'000)		Corporate assets (CAD'000)		Total (CAD'000)
Cost						
Balance, December 31, 2023	$	890,259	$	5,837	$	896,096
Additions		772		-		772
Disposal of Asset		(240)		(327)		(567)
Non-cash expenditures[1]		738		-		738
Exchange alignment		-		81		81
Balance, December 31, 2024	$	891,529		5,591		897,120
Disposal of Asset		-		-		-
Capital expenditures		-		-		-
Non-cash expenditures[1]		1,599		-		1,599
Exchange alignment		-		(66)		(66)
Balance, June 30, 2025	$	893,128		5,525		898,653

1. Non-cash expenditures include capitalized share-based compensation and changes in decommissioning obligations.

		Crude oil assets (CAD'000)		Corporate assets (CAD'000)		Total (CAD'000)
Accumulated depletion, depreciation and impairment						
Balance, December 31, 2023	$	409,391	$	5,321	$	414,712
Depletion and depreciation expense		5,946		84		6,030
Impairment loss (reversal)		-		(143)		(143)
Exchange alignment		-		75		75
Balance, December 31, 2024	$	415,337		5,337		420,674
Depletion and depreciation expense		-		32		32
Disposal of Asset		-		-		-
Impairment loss (reversal)		-		-		-
Exchange alignment		-		(54)		(54)
Balance, June 30, 2025	$	415,337		5,315		420,652
Carrying value, December 31, 2024	$	476,192		254		476,446
Carrying value, June 30, 2025	**$**	**477,791**		**210**		**478,001**

At the end of the reporting period, the Group assessed impairment for its West Ells CGU. For the purpose of impairment (reversal) testing, recoverable amounts for each CGU were estimated based on FVLCD methodology which is calculated using the present value of the CGUs' expected future cash flows (after-tax). The cash flow information was derived from a report on the Group's oil and gas reserves which was prepared by an independent qualified reserve evaluator, GLJ Petroleum Consultants ("GLJ") and its latest oil price forecasts. The projected cash flows used in the FVLCD calculation reflect market assessments of key assumptions, including management forecast of long-term commodity prices, inflation rates, and foreign exchange rates (Level 3 fair value inputs). Cash flow forecasts are also based on GLJ's evaluation of the Group's reserves and resources to determine production profiles and volumes, operating costs, maintenance and future development capital expenditures.

The reversal is recognized in profit or loss only to the extent that it reverses an impairment loss that was previously recognized in profit or loss. Any additional increase is accounted for as a revaluation and is recognized in other comprehensive income.

A reversal of an impairment loss shall be recognized immediately in profit or loss. In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset shall not be increased above the lower of:
(a) its recoverable amount; and
(b) the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods.

Future depletion expenses are adjusted to allocate the CGU's revised carrying amount over its remaining useful life.
For the six months ended June 30, 2025, the Group did not recognize any impairment loss (reversal) for West Ells CGU.

7. Right-of-use Assets and Leases Liabilities

(a) Right-of-use Assets

	Leasehold land (CAD'000)	Offices (CAD'000)	Truck (CAD'000)	Equipment (CAD'000)	Total (CAD'000)
Balance, January 1, 2024	**4,203**	**1,479**	**225**	**76**	**5,983**
Additions	-	247	-	-	247
Termination of lease	-	(355)	(211)	-	(566)
Depreciation	(116)	(489)	(14)	(37)	(656)
Exchange alignment	240	78	-	-	318
December 31, 2024	**4,327**	**960**	**-**	**39**	**5,326**
Additions	-	-		-	-
Depreciation	(58)	(252)	-	(18)	(328)
Exchange alignment	(146)	(2)	-	-	(148)
June 30, 2025	**4,123**	**706**	**-**	**21**	**4,850**

(b) Leases Liabilities

	June 30, 2025 (CAD'000)	December 31, 2024 (CAD'000)
Lease liabilities	$809	$1,084

(c) Cash Flow Summary

	June 30, 2025 (CAD'000)	December 31, 2024 (CAD'000)
Total cash flow used for leases	$315	-

Cash Flow Summary	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Total cash flow used for leases	$ 153	$ -	$ 315	$ -

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, which is 10% for the offices premised, truck and equipment.

8. Trade and accrued liabilities

	June 30, 2025 (CAD'000)	December 31, 2024 (CAD'000)
Trade payables	$ 21,510	$ 20,340
Interest payables	215,578	215,594
Other payables	23,608	23,520
Accrued liabilities	34,867	26,464
	$ 295,563	$ 285,918

The following is an aged analysis of trade payables based on dates of invoices at the end of the reporting period:

	June 30, 2025 (CAD'000)	December 31, 2024 (CAD'000)
Trade payables		
0 - 30 days	$ 130	$ 891
31 - 60 days	18	235
61 - 90 days	681	158
> 90 days	20,681	19,056
	$ 21,510	$ 20,340

9. Debt

9.1 Other loans

		June 30, 2025	December 31, 2024
		CAD'000	CAD'000
Current	$	20,743	15,213
Non-current		3,774	3,890
	$	24,517	19,103

As at June 30, 2025, the balances are unsecured and bearing interest of 0%-36% (December 31, 2024: 0 - 36%) per annum. Approximately CAD20,743,000 (December 31, 2024: CAD15,213,000) have a maturity date within one year.

Included in the above balance is approximately CAD13,976,000 (December 31, 2024: CAD14,899,000) for which the Group and an independent Hong Kong-based investment holding company entered into loan agreements and under which the Group provided Renminbi ("CNY") loan and received Hong Kong dollar ("HKD") loan from the investment holding company. The Group has to repay HKD to receive CNY from the investment holding company.

9.2 Senior notes

On February 16, 2023, the Group and the Forbearing Holder entered into an interest waiver agreement (the "2023 Interest Waiver Agreement") pursuant to which the Forbearing Holder agreed to unconditionally and irrevocably waive the interest accrued between January 1, 2023 and December 31, 2023 (the "Waiver of Interest"). Based on the Forbearance Reinstatement and Amending Agreement ("2021 FRAA") dated August 8, 2021, the waived interest calculated at 10.0% per annum on the outstanding amounts (principal and interests) amounted to approximately US$31.5 million. Save as the waiver of interest, all other terms and conditions in relation to the Senior Note and its subsequent forbearance remain unchanged.

On August 8, 2023 (Calgary time), the Company and the Forbearing Holder confirmed the signing of the Forbearance Reinstatement and Amending Agreement ("**2023 FRAA**"). The principal terms of the 2023 FRAA include:

- The 2023 FRAA covers the period from September 1, 2023 to August 31, 2025 ("Period of Forbearance");
- Same as the Forbearance Reinstatement and Amending Agreement executed on August 8, 2021, all outstanding amounts (principal and interests) will continue to be accrued at an interest of 10% per annum until August 31, 2025, unless otherwise waived in separate interest waiver agreements. During the Period of Forbearance, there will not be any forbearance fee and yield maintenance premium based on the initial Forbearance Agreement executed on September 12, 2016.

The directors of the Company believe the entering into of the 2023 FRAA is in the interests of the Company and its shareholders as a whole in view that the 2023 FRAA will provide the Company with additional time to repay or refinance the indebtedness owned by the Company to the noteholders under the Notes, whilst at the same time the financing cost has been substantially lowered to a reasonable market level.

On April 11, 2024, the Company and the Forbearing Holder entered into an interest waiver agreement (the "2024 Interest Waiver Agreement") pursuant to which the Forbearing Holder agrees to unconditionally and irrevocably waive the interest accrued between January 1, 2024 and December 31, 2024 (the "Waiver of Interest"). Based on the Forbearance Reinstatement and Amending Agreement ("2023 FRAA") dated August 8, 2023, the waived interest calculated at 10.0% per annum on the outstanding amounts (principal and interests) amounted to approximately US$31.5 million. Save as the waiver of interest, all other terms and conditions in relation to the Senior Note and its subsequent forbearance remain unchanged.

On January 7, 2025, the Company and the Forbearing Holder confirmed the signing of the Forbearance Reinstatement and Amending Agreement (the "FRAA2025"). The principal terms of the FRAA2025 include:

- The FRAA2025 covers the period from September 1, 2025 to August 31, 2027 ("Period of Forbearance");
- Same as the 2021 FRAA executed on January 8, 2021, all outstanding amounts (principal and interests) will continue to be accrued at an interest rate of 10% per annum until August 31, 2027, unless otherwise waived in separate interest waiver agreements. During the Period of Forbearance, there will not be any forbearance fee and yield maintenance premium based on the initial Forbearance Agreement executed on September 12, 2016.

The Board believes the entering into of the FRAA2025 is in the interests of the Company and its shareholders as a whole in view that the FRAA2025 will provide the Company with additional time to repay or refinance the indebtedness owed by the Company to the Noteholders under the Notes, whilst at the same time the financing cost will be substantially lowered.

On January 7, 2025, the Company and the Forbearing Holder entered into an interest waiver agreement (the “2025 Interest Waiver Agreement”) pursuant to which the Forbearing Holder agrees to unconditionally and irrevocably waive the interest accrued between January 1, 2025 and December 31, 2025 (the “Waiver of Interest”). Based on the Forbearance Reinstatement and Amending Agreement (“FRAA2025”) dated January 7, 2025, the waived interest calculated at 10.0% per annum on the outstanding amounts (principal and interests) amounted to US$31.5 million.

The Company has presented the portion held by Non-Forbearing holder as current liabilities and the portion held by Forbearing holder as non-current liabilities on the unaudited condensed consolidated interim financial statements as at June 30, 2025.

10. Provisions

Decommissioning obligations, non-current		**June 30, 2025**	**December 31, 2024**
		CAD’000	CAD’000
Beginning balance, as at January 1	$	53,049	49,829
Effect of changes in discount rate		2,052	1,466
Unwinding of discount rate		437	1,754
Ending balance	$	55,538	53,049

As at June 30, 2025, the Group’s share of the estimated total undiscounted cash flows required to settle asset decommissioning obligations was CAD81.4 million (December 31, 2024 - CAD83.0 million). Expenditures to settle asset decommissioning obligations are estimated to be incurred up to 2040. Decommissioning costs are based on estimated costs to reclaim and abandon crude oil properties and the estimated timing of the costs to be incurred in future years, discounted using an annual risk-free rate from 3.59% to 4.28% per annum and inflated using an inflation rate of 2.0% per annum.

11. Income taxes

The components of the net deferred income tax asset are as follows:

Deferred tax assets (liabilities)		**June 30, 2025**	**December 31, 2024**
		CAD’000	CAD’000
E&E assets and property, plant and equipment	$	(33,236)	(50,611)
Decommissioning liabilities		12,774	12,201
Share issue costs		-	-
Tax losses		243,878	243,878
Capital lease asset (liability)		19	19
Deferred tax benefits not recognized		(223,435)	(205,487)
	$	-	-

12. Share capital

The Group's authorized share capital is as follows:

- an unlimited number of Class "A" and Class "B" voting common shares without par value; and
- an unlimited number of Class "C", Class "D", Class "E" and Class "F" non-voting common shares without par value; and,
- an unlimited number of Class "G" and Class "H" non-voting preferred shares.

Issued and fully paid (after share consolidation)	June 30, 2025		December 31, 2024	
	Number of shares	CAD'000	Number of shares	CAD'000
Balance, beginning of year	292,174,417	1,318,681	243,478,681	1,315,265
Issue of Shares – general mandate	48,695,736	3,049	48,695,736	3,416
Issue of Shares – specific mandate	162,310,261	12,695	-	-
Director Share Arrangement	-	-	-	-
Share issue costs, net of deferred tax ($Nil)	-	-	-	-
Balance, end of period	503,180,414	1,334,425	292,174,417	1,318,681

Common shares consist of fully paid Class "A" common shares, which have no par value, carry one vote per share and carry a right to dividends.

General mandate

2025 activity

On April 17, 2025, the Company entered into settlement agreements with the Creditors[1] respectively, pursuant to which the Company allotted and issued 48,695,736 Class "A" common voting shares at the issue price of HK$0.35 per share to the Creditors as full and final settlement of the Debt Payable owed to each of the Creditors with the total amount of HK$17,043,508 (approximately CAD 3,049,000). The market price closed at HK$ 0.4 on April 17, 2025. The share issuance has been completed on 19 May 2025.

On June 25, 2025, the Company entered into Settlement Agreement with the Creditor[2], pursuant to which the Company allotted and issued 60,000,000 Class "A" common voting shares at the issue price of HK$0.64 per share to the Creditor as full and final settlement of the Debt Payable owed to the Creditor in the amount of HK$38,400,000 (approximately CAD 6,728,000). The market price closed at HK$ 0.67 on June 25, 2025. The share issuance has been completed on 13 August 2025.

Specific mandate

2025 activity

On April 28, 2025, the Company entered into Settlement Agreements with the Creditors[3] respectively, pursuant to which the Company will allot and issue 162,310,261 Class "A" common voting shares at the issue price of HK$0.45 per share to the Creditors as full and final settlement of the Debt Payable owed to each of the Creditors in the total amount of HK$73,039,619 (approximately CAD 12,695,000). The market price closed at HK$ 0.48 on April 28, 2025.The Shares will be allotted and issued under the Specific Mandate, which has been approved and granted by shareholders at the Special general meeting dated 18 June 2025. The issue of shares has been completed on 30 June 2025.

Note:

1) *the Creditors are, namely,(i) Xu Lingwu; (ii) NC New Energy Ltd ("NC New Energy"); and (iii) Pensworth Holdings Limited ("Pensworth"), both of (ii) and (iii) are incorporated in Hong Kong with limited liability.*
2) *The Creditor is Future Communications Limited, a company incorporated in Hong Kong with limited liability.*
3) *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.*

13. Share-based compensation

13.1 Employee stock option plan

Post-IPO Stock Option Plan

The maximum number of Class "A" common shares that may be reserved for issuance pursuant to the Post-IPO Stock Option Plan is 10% of the total number of issued and outstanding shares, less the maximum aggregate number of shares underlying the options already granted pursuant to the Pre-IPO Stock Option Plan. Options granted under the Post-IPO Stock Option Plan have an exercise price that is determined by the Board of Directors but is not less than the higher of: the closing price on the Stock Exchange of Hong Kong on the option offer date, which must be a business day; the volume weighted average trading price (VWAP) of the shares on the Stock Exchange of Hong Kong for the five trading days immediately preceding the option offer date; and the average closing price of the shares on the Stock Exchange of Hong Kong for the five trading days immediately preceding the option offer date. .

13.2 Movements in stock options

The following reconciles the stock options outstanding at the beginning and end of each period:

	June 30, 2025		December 31, 2024	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance, beginning of period	-	-	200,000	0.60
Granted	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	(200,000)	(0.60)
Balance, end of period	-	-	-	-
Exercisable, end of period	-	-	-	-

As at June 30, 2025, stock options outstanding have a weighted average remaining contractual life of nil years (December 31, 2024: 0.19 years).

13.3 Share-based compensation

Share-based compensation has been recorded in the Condensed Consolidated Interim financial statements for the years presented as follows:

	Three months ended June 30, 2025			Three months ended June 30, 2024		
	Expensed	Capitalized	Total	Expensed	Capitalized	Total
Stock options	$ -	$ -	$ -	$ -	$ -	$ -

	Six months ended June 30, 2025			Six months ended June 30, 2024		
	Expensed	Capitalized	Total	Expensed	Capitalized	Total
Stock options	$ -	$ -	$ -	$ -	$ -	$ -

14. Revenue

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Petroleum sales	$ -	$ 10,674	$ -	$ 22,111
Royalties	-	(408)	-	(653)
Revenue from contracts with customers	$ -	$ 10,266	$ -	$ 21,458

Note: Royalties include Oil sands royalty paid to the Government of Alberta and royalty paid to Burgess Energy Holdings.

All revenue from contracts with customers is derived from Canada and recognized at a point in time.

Revenues associated with the sale of crude oil are recognized at a point in time when control of goods have transferred, which is generally when title passes from the Group to the customer. Revenues are recorded net of crown royalties. Crown royalties are recognized at the time of production.

The royalty rate at West Ells is based on price sensitive royalty rates set by the Government of Alberta. The applicable royalty rates change dependent upon whether a project is pre-payout or post-payout, with payout being defined as the point in time when a project has generated enough net revenues to recover its cumulative costs. The royalty rate applicable to pre-payout oil sands operations starts at 1% of bitumen sales and increases for every dollar that the WTI crude oil price in Canadian dollars is priced above $55 per barrel, to a maximum of 9% when the WTI crude oil price is $120 per barrel or higher. The West Ells project is currently in pre-payout.

Revenue is allocated to each performance obligation on the basis of its standalone selling price and measured at the transaction price, which is the fair value of the consideration and represents amounts receivable for goods or services provided in the normal course of business. The price is allocated to each unit in the series as each unit is substantially the same and depicts the same pattern of transfer to the customer.

The Group's petroleum sales are determined pursuant to the terms of the marketing agreements and spot sales agreements. The transaction price for crude oil is based on the commodity price in the month published during the delivery month and adjusted for premiums, quality adjustments and equalization adjustments. Commodity prices are based on market indices that are determined on a daily or monthly basis. Petroleum sales are received one month after the crude oil is produced and shipped and typically collected on the 25th day of the month following production.

15. Segment information

The Group operates in one business unit based on their products, and has one reportable and operating segment: mining, production and sales of crude oil products. The directors of the Company monitor the revenue of its business unit as a whole based on the monthly sales and delivery reports for the purpose of making decisions about resource allocation and performance assessment.

Information about geographical area

As all of the Group's revenue is derived from the customers based in the Canada (country of domicile) and majority of the Group's non-current assets are located in Canada, no geographical information is presented.

Information about major customers

Gross revenue from customers contributing over 10% of the total gross revenue of the Group is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Customer A	$ -	$ -	$ -	7,225
Customer B	$ -	$ 10,674	$ -	$ 14,886

Customer A contributed 32.7% of the group's revenue for the six months ended June 30, 2024.

16. Other income

	Three months ended June 30,		Six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Interest income	$ -	$ 3	$ 2	$ 4
Other Income	373	377	539	$ 746
Gain on sale of asset	-	-	-	$ 166
Balance, end of period	$ 373	$ 380	$ 541	$ 916

Other income for the period mainly consists of a reimbursement made by Burgess Energy Holdings L.L.C. ("Burgess") to the Group in respect of mineral and surface lease rental borne by the Group in accordance with the terms of the royalty agreement between the Group and Burgess. For details, please refer to the note 31(c) to the consolidated financial statements for the year ended 31 December 2024.

17. General and administrative costs

	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Salaries, consultants and benefits	$ 1,615	$ 1,373	$ 3,234	$ 2,819
Rent	-	10	13	16
Legal and audit	6	26	29	88
Other	389	448	4,035	3,538
Balance, end of period	$ 2,010	$ 1,857	$ 7,311	$ 6,461

18. Finance costs

	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Interest expense on senior notes, including yield maintenance premium	$ 298	$ 294	$ 610	$ 588
Interest expense on other loans	218	71	338	133
Interest expense on loan from related companies and shareholders	718	2,030	3,088	3,908
Other Interest expenses-leases and others	215	84	87	159
Unwinding of discounts on provisions	-	441	437	872
Balance, end of period	$ 1,449	$ 2,920	$ 4,560	$ 5,660

19. Loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately CAD11,845,000 for the six months ended June 30, 2025 (year ended December 31, 2024: CAD33,118,000) and the weighted average number of Class “A” common shares in issue during the period as presented in the following table.

	Six months ended June 30, 2025	2024
Basic and diluted – Class “A” common shares	301,859,757	243,478,681
Loss per share	$ (0.04)	$ (0.14)

20. Capital and financial risks management

20.1 Capital risk management

The Group can be exposed to financial risks on its financial instruments and in the way that it finances its capital requirements. The Group manages these financial and capital structure risks by operating in a manner that minimizes its exposure to volatility.

The Group's strategy is to access sufficient capital, through equity issuances and the utilization of debt, in order to maintain a capital base for the objectives of maintaining financial flexibility and to sustain the future development of the business. The Group manages its capital structure in order to continue as a going concern and makes adjustments relative to changes in economic conditions and the Group's risk profile. In order to manage risk, the Group may from time to time issue shares and adjust its capital spending to manage current working capital levels.

The Group's capital structure currently includes shareholders' equity and working capital deficiency as follows:

CAD'000		**June 30, 2025**		**December 31, 2024**
Working capital deficiency	$	108,749	$	92,666
Shareholders' equity		22,202		16,848
	$	130,951	$	109,514

There is no change in the Group's objectives and strategies of capital management for the six months ended June 30, 2025.

20.2 Categories of financial instruments

The Group's financial assets and liabilities include trade and other receivables, loan receivables, cash and cash equivalents, trade payables, interest payables and accrued liabilities, loans from related companies, loans from shareholders, other loans and senior notes. The carrying value or fair value of the Group's financial instruments carried on Condensed Consolidated Interim Statements of Financial Position are classified in the following categories:

	30, June, 2025	**December 31, 2024**
	CAD'000	CAD'000
Financial assets		
Financial assets at amortised cost (including cash and cash equivalents)	16,241	16,681
Financial liabilities		
Financial liabilities at amortised cost	687,081	668,042

20.3 Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input. The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost using the effective interest rate method in the consolidated financial statements approximate their fair values.

20.4 Currency risk

The Group is exposed to risks arising from fluctuations in foreign currency exchange rates. Thus, exchange rate fluctuations can affect the fair value of future cash flows. This exposure primarily relates to certain expenditure commitments, deposits, accounts payable and long term debt which are denominated in United States dollars ("USD"), Hong Kong dollars ("HKD") and Renminbi ("RMB"). The Group manages this risk by monitoring foreign exchange rates and evaluating their effects on using Canadian or U.S. vendors as well as timing of transactions. The Group had no forward exchange rate contracts in place as at or during the six months ended June 30, 2025.

If exchange rate to convert from USD to CAD had been one percent higher or lower with all other variables held constant, foreign cash held at June 30, 2025 would have been impacted by $Nil (June 30, 2024: $Nil) and the carrying value of the debt at June 30, 2024 would have been impacted by approximately CAD2.6 million (June 30, 2024: CAD2.7 million).

If exchange rate to convert from HKD to CAD had been one percent higher or lower with all other variables held constant, foreign cash held at June 30, 2025 would have been impacted by Nil (June 30, 2024: $Nil) and the carrying value of the debt at June 30, 2024 would have been impacted by approximately CAD0.7 million (June 30, 2024: CAD0.7 million).

If exchange rate to convert from RMB to CAD had been one percent higher or lower with all other variables held constant, foreign cash held at June 30, 2025 would have been impacted by $Nil (2024: $Nil) and the carrying value of the debt at June 30, 2024 would have been impacted by approximately CAD0.1 million (June 30, 2024: CAD0.1 million).

20.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group's approach to managing liquidity risk is to plan that it will have sufficient liquidity to meet its liabilities when due, using either equity or debt proceeds.

The timing of cash outflows relating to financial liabilities as at June 30, 2025, are as follows:

		Total	Less than 1 year	1-3 years
Trade and accrued liabilities	$	295,563	92,258	203,305
Debt[1]		368,019	32,415	335,604
	$	663,582	124,673	538,909

1. Principal amount of Notes and loans based on the month end exchange rate of $1 US = 1.3687 CAD and $1HKD = $0.1753 CAD.

21. Related party transactions

In addition to the transactions and balances disclosed elsewhere in these Condensed Consolidated Interim financial statements, during the year, the Group entered into the following material related party transactions.

21.1 Trading transactions

For the six months ended June 30, 2025, a consulting Group, to which a director of Sunshine is related, charged the Group CAD0.25 million (December 31, 2024 – CAD0.5 million) for management and advisory services.

As at June 30, 2025, Mr. Kwok Ping Sun, the Company's Executive Chairman, has beneficial ownership of, or control or direction of 150,962,591 common shares of the Company, which represents approximately30.00% of the Company's outstanding common shares.

21.2 Compensation of key management personnel and directors

The remuneration of the directors and key management executives is determined by the Compensation Committee and consists of the following amounts:

	Three months ended June 30,				Six months ended June 30,			
		2025		**2024**		**2025**		**2024**
		CAD'000		CAD'000		CAD'000		CAD'000
Directors' fees	$	71	$	92	$	162	$	182
Salaries and allowances		491		489		980		980
Contribution to retirement benefit scheme		1		1		2		-
	$	563	$	580	$	1,144	$	1,162

21.3 Related companies' loans

		June 30, 2025 CAD'000	December 31, 2024 CAD'000
Current	$	-	-
Non-current		53,897	56,205
	$	53,897	56,205

As at June 30, 2025, the Group had loans from related companies which are unsecured, interest bearing at 10% per annum, and of which approximately CAD53,897,000 can be rollover for a period of 2 to 3 years (December 31, 2024: CAD56,205,000).

21.4 Loan from shareholders

As at June 30, 2025, the Group had loans from shareholders which are unsecured, interest bearing at 10% per annum, and of which approximately CAD3,114,000 are due from 1 to 3 years (December 31, 2024: CAD20,990,000).

22. Commitments and contingencies

22.1 Commitments

As at June 30, 2025, the Group's commitments are as follows:

At June 30, 2025		Total	2025	2026
Drilling, other equipment and contracts not provided in the consolidated financial statements		-	-	-
	$	-	-	-

Note: The Group has an annual obligation for oil sands mineral lease rentals and surface lease rentals. Annual payment is approximately CAD2,500,000.

22.2 Litigation

The Group received a demand notice from the Regional Municipality of Wood Buffalo ("RMWB") in relation to the 2016-2025 municipal property taxes and have accrued up to June 30, 2025 which amounted to a total of CAD17.2 million. The Group was also charged with overdue penalties of CAD23.7 million. Since then the Group was in active negotiation with RMWB for a settlement plan with proposals to waive overdue penalties. As at the date of this report, the Group believes that notices issued by RMWB relating to property taxes did not comply with relevant legislation and the Group has sought judicial review to determine the effect of non-compliant tax notices on RMWB's property tax claim.

The Group is involved in various claims including claims described above and actions arising in the course of operations and is subject to various legal actions, pending claims and exposures. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Unfavorable outcome were to occur against such claims or pending claims, there exists the possibility of a material adverse impact on the Group's consolidated net income or loss in the period in which the outcome is determined. Accruals for litigation, claims and assessments are recognized if the Group determines that the loss is probable and the amount can be reasonably estimated. The Group believes it has made adequate provision for such claims. While fully supportable in the Group's view, some of these positions, if challenged may not be fully sustained on review. From time to time, the Group receives liens or claims on accounts payable balances, and the Group continues to work toward resolution of any liens or claims. At June 30, 2025, the Group had incurred $0.82 million (US $0.57 million equivalent using the period end exchange rate) in Builders' liens (not related to mineral leases) against them during the ordinary course of business.

The Group received a judgement from the Court of the State of New York, New York County (the "Judgement") that the Company shall pay the non-forbearing holder all the amounts due and owing on the Notes issued under the notes indenture dated 8 August 2014 (including principal and interests) in an aggregate amount of approximately US$15,481,000 (equivalent to approximately CAD20,967,000). The judgement was vacated on May 25, 2023. On December 13, 2023, the Company received a judgement from the Court of the State of New York, New York County that the Group should pay the Non-forbearing Holder all the amounts due and owing on the Notes (including principal and interests) in an aggregate amount of approximately US$19,694,000 (equivalent to approximately CAD26,048,000). On January 2, 2024 and February 20, 2024, the Company lodged an appeal against the Judgement to the New York court of appeal. On February 27, 2024, the Non-forbearing Holder tried to execute the judgement by serving notice in the State of New York.

23. Subsidiaries

On May 4, 2012, Sunshine Oilsands (Hong Kong) Limited was incorporated in Hong Kong and is a wholly-owned subsidiary of the Company. The address of its principal place of business is 20/F, Two Chinachem Central, No.26 Des Voeux Road Central, Hong Kong. As of June 30, 2024, the subsidiary had no business activity.

On July 14, 2015, Boxian Investments Limited was incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company. The address of its principal place of business is P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands. The purpose of the subsidiary is to pursue new investment opportunities. As of June 30, 2024, the subsidiary had no business activity.

On March 24, 2017, Sang Xiang Petroleum & Chemical (Shanghai) Limited was incorporated in China and is a wholly-owned subsidiary of the Company. The address of its principal place of business is Building 1, Level 6, Room 41, 39 Jia Tai Road, the China (Shanghai) Pilot Free Trade Zone. As of June 30, 2024, the subsidiary had no business activity.

On April 15, 2019, Sang Xiang Petroleum & Chemical (Hebei) Limited was incorporated in China and is a subsidiary in which the Company owns 51% interests. The address of its principal place of business is Techno Building, Level 4, Room 0430, Chengde Hi-Tech Industry Development Zone, Hebei Province. As of June 30, 2024, the subsidiary had no business activity.

24. Supplemental cash flow disclosures

	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Cash provided by (used in):				
Trade and other receivables	$ (324)	$ 577	$ (377)	$ (224)
Prepaid expenses and deposits	-	(86)	238	(1)
Trade and other payables	3,972	29	9,655	4,393
Foreign Exchange changes	20	(6)	-	(19)
	$ 3,668	$ 514	$ 9,516	$ 4,149
Changes in working capital relating to:				
Operating activities				
Trade and other receivables	$ (324)	$ 577	$ (377)	$ (224)
Prepaid expenses and deposits	-	(86)	238	(1)
Trade and other payables	3,992	23	9,655	4,374
	$ 3,668	$ 514	$ 9,516	$ 4,149
Investing activities				
Property, plant and equipment	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -
Financing activities				
Foreign Exchange Changes-Loans	$ -	$ -	$ -	$ -
Debt settlement	-	-	-	-
	$ -	$ -	$ -	$ -
	$ 3,668	$ 514	$ 9,516	$ 4,149

25. Subsequent event

On July 30, 2025, the Company entered into Settlement Agreement with Mr. Zhang Jun, pursuant to which the Company will allot and issue 8,174,030 Class "A" common voting shares at the issue price of HK$0.50 per share to Mr. Zhang Jun as full and final settlement of the Debt Payable owed to him in the amount of HK$4,087,015 (approximately CDN$ 716,869.26). The market price closed at HK$ 0.48 on July 30, 2025. The Completion took place on 25 August 2025.

On August 19, 2025, 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. 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.

On August 20, 2025, the Company received a winding-up petition filed against it by Keystone Finance Limited in connection with a financial obligation of the Company in the amount of HK$3,106,295. The Company is in the process of seeking legal measures to resolutely oppose the Petition as the Board is of the view that the Petition does not represent the interests of the other stakeholders of the Company and may impair the value of the Company.

26. Approval of Condensed Consolidated Interim Financial Statements

The Condensed Consolidated Interim Financial Statements were approved by the Board of Directors and authorized for issue on August 29 2025 (Calgary Time) /August 29, 2025 (Hong Kong Time).

Appendix to the consolidated financial statements (Unaudited)

Additional Stock Exchange Information

Additional information required by the SEHK and not shown elsewhere in these Condensed Consolidated Interim financial statements is as follows:

A1. Sunshine Oilsands Ltd. Non-Consolidated Statement of Financial Position

	Notes	2025	2024
		CAD'000	CAD'000
Assets			
Current assets			
Trade and other receivables		4,708	6,706
Loan receivables		10,834	-
Amount due from subsidiaries		203	-
Cash and cash equivalents		221	209
		15,966	6,915
Non-current assets			
Exploration and evaluation assets		241,208	238,346
Property, plant and equipment		477,919	476,619
Right-of-use assets		729	1,510
Other receivables		-	2,827
Loan receivables		1,556	10,665
Amounts due from subsidiaries		-	1,364
Investment in subsidiaries		-*	-*
		721,412	731,331
Total assets		737,378	738,246
Liabilities and shareholders' equity			
Current liabilities			
Trade payables, interest payable and accrued liabilities		90,281	75,478
Lease liabilities		592	573
Bonds		1,182	-
Other loans		20,743	3,813
Senior notes		10,490	10,950
Amount due to subsidiaries		2,755	2,778
		126,043	93,592
Non-current liabilities			
Interest payables		198,603	189,288
Lease liabilities		217	1,103
Loans from related companies		44,544	44,187
Loans from shareholders		3,114	21,190
Other loans		3,774	12,342
Senior notes		274,819	260,930
Provisions		55,538	50,991
		581,648	580,031
Total liabilities		706,652	673,623

	Notes	2025	2024
		CAD'000	CAD'000
Shareholders' equity			
Share capital		1,334,425	1,315,265
Reserve for share-based compensation		76,416	76,416
Convertible bonds equity reserve		-	-
Capital reserve		(4,453)	(4,453)
Accumulated deficit		(1,375,662)	(1,322,605)
Total shareholders' equity		30,726	64,623
Total liabilities and shareholders' equity		737,738	738,246

* The amount shown as zero due to rounding less than CAD 1,000

Appendix to the Condensed Consolidated Interim Financial Statements (Unaudited)

A2. Directors' emoluments and other staff costs

The Directors' emoluments and other staff costs are broken down as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Directors' emoluments				
Directors' fees	$ 71	$ 90	$ 162	$ 182
Salaries and allowances	491	490	980	980
Share-based compensation	1	-	2	-
	563	580	1,144	1,162
Other staff costs				
Salaries and other benefits	1,820	793	2,801	1,657
Share-based compensation	-	-	57	-
	1,820	793	2,858	1,657
Total staff costs, including directors' emoluments	2,383	1,373	4,483	2,819
Less: staff costs capitalized to qualifying assets	-	-	-	-
	$ 2,383	$ 1,373	$ 4,483	$ 2,819