SUNSHINE OILSANDS LTD.
陽光油砂有限公司*

(a corporation incorporated under the Business Corporations Act of the Province of Alberta, Canada with limited liability)

(HKEX: 2012)

2024 INTERIM REPORT

**For identification purpose only*

SUMMARY OF FINANCIAL FIGURES

The Petroleum sales, net of royalties for the six months ended June 30, 2024 increased to CAD21.5 million from CAD17.9 million for the six months ended June 30, 2023. The increase was mainly due to higher dilbit sales price partially offset by higher royalty expenses.

The net operating income for the three months ended June 30, 2024 excluding one-off foreign exchange loss, was a net operating income of CAD1.13 million compared to a net operating income of CAD1.66 million for the same period in 2023.

The operating cash flow for the three months ended June 30, 2024 was a net gain of CAD0.8 million compared to a net loss of CAD0.7 million for the three months ended June 30, 2023. The increase in the operating cash flow was primarily due to increase in dilbit sales price and decrease in transportation and operating costs, partially offset by the increased diluent and royalty costs.

For Q2 2024, net loss and comprehensive loss attributable to owners of the Company was approximately CAD11.0 million compared to a net profit and comprehensive profit to owners of the Company of approximately CAD5.7 million in Q2 2023.

As at June 30, 2024, December 31, 2023 and June 30, 2023, the Company notes the following selected financial figures.

(Canadian $000s)	1H24	1H23
Petroleum sales, net of royalties	21,458	17,945
Average Dilbit sales (bbl/day)	1,484.1	1,380.1

(Canadian $000s)	2Q24	2Q23
Net Operating income, excluding one-off foreign exchange loss	1,130	1,660
Operating cash flow	753	(702)
Net profit (loss) attributable to owners of the Company	(10,974)	5,745

(Canadian $000s)	June 30, 2024	December 31, 2023
Property, plant and equipment	476,717	481,384
Exploration and evaluation assets	238,346	237,971
Shareholders' equity	57,782	91,047

MANAGEMENT'S DISCUSSION AND ANALYSIS

*This Management's Discussion and Analysis ("MD&A") of the financial condition and performance of Sunshine Oilsands Ltd. ("*Sunshine*" or the "Company") for the three and six months ended June 30, 2024 is dated August 9, 2024, and approved by the Company's Board of Directors. This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and notes thereto for the three and six months period ended June 30, 2024 and with the audited consolidated financial statements and notes thereto for the year ended December 31, 2023. All amounts and tabular amounts are stated in thousands of Canadian dollars unless indicated otherwise.*

Overview

Sunshine is a holder and a developer of Athabasca region oil sands resources with approximately 0.91 billion barrels of risked best estimate contingent resources. The Company's un-risked best estimate contingent resources at December 31, 2023 was approximately 1.53 billion barrels. With approximately 1 million acres of oil sands and petroleum and natural gas leases, the Company has significant commercial development potential. Phase I (5,000 barrels) of the West Ells 10,000 barrels thermal commercial project is in production. The Athabasca region is the most prolific oil sands region in the Province of Alberta, Canada. Canada's oil sands represent the largest oil resource found in a stable political environment located in the Western Hemisphere and the third largest oil resource in the world. Canadian oil sands represent the largest single source of supply of oil imported into the United States. The Company has one business and geographical segment. Accordingly, no business and geographical segment information is presented.

The Company's focus is on evaluating and developing its oil sands assets with the completion and operation of the 5,000 bbls/day Phase I commercial West Ells (the "Project"). When financing is available, the Company plans to add an additional 5,000 barrels/day Phase II to the Project. On March 1, 2017, the West Ells Phase I commenced commercial production.

As at June 30, 2024, the Company had invested approximately $1.29 billion in oil sands leases, drilling operations, project engineering, procurement and construction, operation start-up, regulatory application processing and other assets. As at June 30, 2024, the Company had $0.91 million in cash.

The Company relies on its ability to obtain various forms of financing and cash flow from operations to fund administration expenses and future exploration and development cost of its projects. The Company's ability to continue as a going concern is dependent on continuing operations and development in West Ells, marketing bitumen blends at favorable prices, achieving profitable operations and the ability to refinance current debt and access immediate additional financing. There can be no assurance that steps management takes will be successful. As such, there is significant doubt and there can be no assurance the Company will be able to continue as a going concern.

Operational Update

West Ells

On March 1, 2017, the Project commenced commercial production. Hence, effective March 1, 2017, the Company started recording revenue, royalties, expenses and depletion of the West Ells Project. On March 31, 2020, the Board has decided to temporarily suspend production due to volatility in the international crude oil market, severe decline in crude oil prices, and having considered the fact that the Company's West Ells production equipment and road need repair, coupled with the outbreak of COVID-19 in Canada. On April 11, 2022, the West Ells project has fully resumed operation.

For the three and six months ended June 30, 2024, the Company's average bitumen production was 905.2 bbls/day and 1,045.5 bbls/day. The bitumen is blended with diluent as part of the production process to create the marketable "Dilbit" blend product. For the three and six months ended June 30, 2024, the average Dilbit sales volume was 1,302.8 bbls/day and 1,484.1 bbls/day.

Muskwa and Godin Clastics Operations (Non-Operated 50% working interest)

As at the date of this report, Muskwa has no production. Development of Muskwa area is expected to be reactivated with the execution of the Amended Supplementary Agreement with Renergy, at no cost to Sunshine.

Summary of Quarterly Results

The following table summarizes selected unaudited financial information for the Company for the last eight quarters:

($ thousands except per share & bbl/d)	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**	**Q4 2022**	**Restated[3] Q3 2022**
Bitumen sales (bbl/d)	884	1,227	1,550	9	1,294	1,025	816	802
Petroleum sales	10,674	11,437	11,932	49	11,064	7,192	7,275	7,765
Royalties	408	245	373	(2)	298	13	266	676
Diluent	4,668	4,942	5,040	31	3,528	3,863	3,596	3,094
Transportation	1,576	2,441	3,436	106	3,468	2,521	2,050	1,779
Operating costs	3,269	4,290	4,528	3,581	4,472	4,487	6,506	4,030
Finance costs	2,920	2,740	2,684	2,668	2,237	2,536	(28,063)	13,003
Net loss (profit)	11,048	22,217	(2,111)	15,758	(5,671)	11,650	490,907	(322,871)
Net loss (profit) attributable to owners of the company	10,974	22,144	(2,184)	15,686	(5,745)	11,573	490,832	(322,945)
Per share - basic and diluted	0.05	0.09	(0.01)	0.06	(0.02)	0.05	2.02	(1.33)
Capital expenditures[1]	672	171	378	1,864	593	(54)	514	(185)
Total assets	742,120	745,963	745,932	739,708	744,484	747,557	747,719	1,240,853
Working capital deficiency[2]	83,772	84,242	79,458	94,082	87,079	517,464	511,583	499,257
Shareholders' equity	57,782	68,830	91,047	88,272	104,030	98,359	110,009	601,569

1. *Included payments for exploration and evaluation, property, plant and equipment.*
2. *The working capital deficiency includes the foreign exchange loss from conversion of HKD/CNY denominated loans from related companies and shareholders into CAD and the USD denominated Notes converted to CAD at each period end exchange rate.*
3. *The Q3 2022 comparative period in the table above have been restated. Please refer to "Restatement of the 3Q22 Comparative Periods" section of the restated Q3 2022 MD&A for full details.*

Results of Operations

Bitumen Realization

	For the three months ended June 30,		For the six months ended June 30,	
($ thousands, except $/bbl)	2024	2023	2024	2023
Dilbit revenue	$ 10,674	$ 11,064	$ 22,111	$ 18,256
Diluent blended	(4,668)	(3,528)	(9,610)	(7,391)
Realized bitumen revenue[1]	$ 6,006	$ 7,536	$ 12,501	$ 10,865
($ / bbl)	50.67	54.30	46.28	43.49

1. *Realized bitumen revenue is used to calculate operating netbacks.*

Bitumen realization represents the Company's realized petroleum revenue ("Dilbit revenue"), net of diluent expenses. Dilbit revenue represents the Company's revenue from its bitumen produced at West Ells project blended with purchased diluent. The cost of blending is impacted by the amount of diluent required and the Company's cost of purchasing and transporting the diluent. A portion of the diluent expense is effectively recovered in the sales price of the blended product.

For the three months ended June 30, 2024, the Company's realized bitumen revenue decreased by $1.5 million to $6.0 million from $7.5 million for the same period in 2023. The decrease in realized bitumen revenue in Q2 2024 was primarily due to the decreased production volume as a result of equipment maintenance at West Ells and increased diluent cost. The bitumen realized price per barrel decreased by $3.63/bbl from $54.30/bbl to $50.67/bbl for the three months ended June 30, 2024 primarily due to higher diluent cost.

For the six months ended June 30, 2024, the Company's realized bitumen revenue increased by $1.6 million to $12.5 million from $10.9 million for the same period in 2023. The increase in realized bitumen revenue in 2024 was primarily due to higher dilbit revenue at West Ells partially offset by higher blending expenses. Bitumen realized price per barrel increased by $2.79/bbl from $43.49/bbl to $46.28/bbl for the six months ended June 30, 2024 primarily due to higher realized dilbit sales price.

Operating Netback

	For the three months ended June 30,		For the six months ended June 30,	
($ thousands, except $/bbl)	2024	2023	2024	2023
Realized bitumen revenue	$ 6,006	$ 7,536	$ 12,501	$ 10,865
Transportation	(1,576)	(3,468)	(4,017)	(5,989)
Royalties	(408)	(298)	(653)	(311)
Net bitumen revenues	$ 4,022	$ 3,770	$ 7,831	$ 4,565
Operating costs	(3,269)	(4,472)	(7,559)	(8,959)
Operating cash flow[1]	$ 753	$ (702)	$ 272	$ (4,394)
Operating netback ($ / bbl)	6.37	(5.07)	1.00	(17.58)

1. *Operating cash flow is a non-GAAP measure which is defined in the Advisory section of this MD&A.*

The Operating cash flow for the three months ended June 30, 2024 was a net gain of $0.8 million compared to a net loss of $0.7 million for the three months ended June 30, 2023. Operating netback on a per barrel basis increased by $11.44 /bbl to a gain of $6.37/bbl from a loss of $5.07/bbl. The increase in the operating cash flow was primarily due to increase in dilbit sales price and decrease in transportation and operating costs, partially offset by the increased diluent and royalty costs.

The Operating cash flow for the six months ended June 30, 2024 was a net gain of $0.3 million compared to a net loss of $4.4 million for the six ended June 30, 2023. Operating netback per barrel increased by $18.58/bbl to a gain of $1.0/bbl from a loss of $17.58/bbl. The increase in the operating cash flow for the six months ended June 30, 2024 was primarily due to the increase in dilbit sales price and decrease in transportation and operating costs, partially offset by increased diluent and royalty costs.

Bitumen Production

	For the three months ended June 30,		For the six months ended June 30,	
(Barrels/day)	2024	2023	2024	2023
Bitumen production	905	1,267	1,046	1,091

Bitumen production at West Ells for the three and six months ended June 30, 2024 averaged 905 Bbls/day and 1,046 Bbls/day compared to 1,267 Bbls/day and 1,091 Bbls/day for the same period in 2023, respectively. Bitumen production decreased by 362 bbls/day for 2Q and 45 bbls/day for the six months ended June 30, 2024, which was primarily due to equipment maintenance at West Ells in 2Q 2024.

Bitumen Sales

	For the three months ended June 30,		For the six months ended June 30,	
(Barrels/day)	2024	2023	2024	2023
Bitumen Sales	884	1,294	1,055	1,160

Bitumen sales at West Ells for the three and six months ended June 30, 2024 averaged 884 bbls/day and 1,055 bbls/day compared to 1,294 bbls/day and 1,160 bbls/day for the three and six months ended June 30, 2023, respectively. Bitumen sales decreased by 410 bbls/day and 105 bbls/day for the three and six months ended June 30, 2024 compared to the same period in 2023 primarily attributable to lower bitumen production and thus sales at West Ells in 2024.

Petroleum Sales, net of royalties

	For the three months ended June 30,		For the six months ended June 30,	
($ thousands, except $/bbl)	2024	2023	2024	2023
Petroleum sales	$ 10,674	$ 11,064	$ 22,111	$ 18,256
Royalties	(408)	(298)	(653)	(311)
Petroleum sales, net of royalties	$ 10,266	$ 10,766	$ 21,458	$ 17,945
$ / bbl	86.60	77.58	79.44	71.84

Petroleum sales are from the sales of dilbit. Petroleum sales, net of royalties for the three and six months ended June 30, 2024 were $10.3 million and $21.5 million compared to $10.8 million and $17.9 million for the three and six months ended June 30, 2023 respectively. The decrease of petroleum sales (net of royalties) for the three months ended June 30, 2024 is mainly due to lower bitumen production and thus lower sales volume, along with higher royalty expenses. The increase of petroleum sales (net of royalties) for the six months ended June 30, 2024 is mainly due to higher dilbit sales price partially offset by higher royalty expenses. Petroleum sales per barrel (net of royalties) were $86.60/bbl and $79.44/bbl compared to $77.58/bbl and $71.84/bbl for the same period in 2023. The increase of $9.02/bbl and $7.60/bbl for the three and six months ended June 30, 2024 was primarily due to the increase in dilbit sales price, partially offset by higher royalty costs per barrel as a result of the rising WTI price and therefore increasing applicable royalty rate.

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 at pre-payout. For the three and six months ended June 30, 2024, royalties increased by $0.1 million and $0.3 million compared to the same period of 2023 primarily due to higher Crown royalty rates resulting from the rising WTI benchmark oil prices in 2024.

Diluent Costs

	For the three months ended June 30,		For the six months ended June 30,	
($ thousands, except $/bbl and blend ratio)	2024	2023	2024	2023
Diluent at CPF	4,668	2,320	9,016	4,372
Diluent at terminals	-	1,208	594	3,019
Total Diluent	$ 4,668	$ 3,528	$ 9,610	$ 7,391
$/bbl	39.37	25.43	35.58	29.59
Blend ratio (CPF)	32.2%	15.1%	28.9%	15.9%
Blend ratio (terminals)	-	23.3%	10.9%	23.5%

At West Ells, diluent is blended with the bitumen as part of the production process to create a marketable dilbit blend product at West Ells. Diluent expense is mainly impacted by the required amount, cost of purchasing and transporting diluent, Canadian and U.S. benchmark pricing, the timing of diluent inventory purchases and changes in value of the Canadian dollar relative to the U.S. dollar.

Total diluent cost also include the diluent blended at terminals to adjust dilbit density for pipeline shipping purpose. Total diluent costs for the three and six months ended June 30, 2024 were $4.7 million and $9.6 million compared to $3.5 million and $7.4 million for the same period in 2023. Total diluent costs increased by $1.2 million and $2.2 million primarily due to increased diluent volume blended at CPF partially offset by decreased diluent price in 2024. For the three and six months ended June 30, 2024, diluent cost per barrel was $39.37/bbl and $35.58/bbl, compared to $25.43/bbl and $29.59/bbl for the same period in 2023. For the three and six months ended June 30, 2024, blending ratio at CPF was 32.2% and 28.9% and blend ratio at terminals was 0% and 10.9% respectively. The average blending ratio at CPF and the terminal shifted in 2024 as the Company blended more diluent on-site to meet the specific pipeline requirements of the new terminal.

Transportation

($ thousands, except $/bbl)	For the three months ended June 30, 2024	2023	For the six months ended June 30, 2024	2023
Transportation	$ 1,576	$ 3,468	$ 4,017	$ 5,989
$ / bbl	13.29	24.99	14.87	23.97

Transportation costs consist of trucking costs for dilbit and pipeline terminals fees. The transportation expense for the three and six months ended June 30, 2024 were $1.6 million and $4.0 million respectively compared to $3.5 million and $6.0 million for the same periods in 2023. Transportation costs lowered in 2024 primarily due to reduced dilbit trucking expenses, dilbit trucking expense decreased because the Company began delivering dilbit to a new terminal in February 2024, which is much closer to the production site. The transportation expense per barrel for the three and six months ended June 30, 2024 were $13.29/bbl and $14.87/bbl respectively compared to $24.99/bbl and $23.97 for the same periods in 2023. The significant decrease in the transportation cost per barrel was mainly due to the shorter transportation distance, which resulted in lower rate charged by the trucking company.

Operating Costs

($ thousands, except $/bbl)	For the three months ended June 30, 2024	2023	For the six months ended June 30, 2024	2023
Energy operating costs	$ 766	$ 1,293	$ 2,282	$ 3,131
Non-energy operating costs	2,503	3,179	5,277	5,828
Operating costs	$ 3,269	$ 4,472	$ 7,559	$ 8,959

Operating costs are comprised of the sum of non-energy operating costs and energy costs. Non-energy operating costs represent production-related operating activities, excluding energy operating costs. Energy operating costs represent the cost of natural gas for the production of steam and power at the West Ells facilities.

For the three months ended June 30, 2024, the operating costs decreased by $1.2 million to $3.3 million from $4.5 million for the same period in 2023. The decrease in operating costs from last year was primarily due to lower energy costs as a result of reduced gas price, along with lower non-energy costs (chemical, treating, trucking, etc) at West Ells.

For the six months ended June 30, 2024, the operating costs decreased by $1.4 million to $7.6 million from $9.0 million for the same period in 2023. The decrease in operating costs from last year was primarily due to lower energy costs as a result of reduced gas price, along with lower non-energy costs (chemical, treating, trucking, etc) at West Ells. Since the majority of the operating costs at West Ells are fixed in nature, the operating costs per barrel of production is expected to reduce as production continues to increase at West Ells.

General and Administrative Costs

	Three months ended June 30, 2024	2023	Six months ended June 30, 2024	2023
Salaries, consultants and benefits	$ 1,373	$ 1,539	$ 2,819	$ 3,307
Rent	10	5	16	16
Legal and audit	26	95	88	289
Other	448	459	3,538	3,024
Balance, end of period	$ 1,857	$ 2,098	$ 6,461	$ 6,636

The Company's general and administrative costs were $1.9 million and $6.5 million for the three and six months ended June 30, 2024 compared to $2.1 million and $6.6 million for the same periods in 2023. General and administrative costs decreased by $0.2 million for the three months ended June 30, 2024 compared to the same periods in 2023 primarily due to lower salaries expenses and legal fees in

Q2 2024. For the six months ended June 30, 2024, General and administrative costs decreased by $0.1 million compared to the same period in 2023 primarily due to lower salaries expense and legal fees, partially offset by higher municipal charges.

Finance Costs

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Interest expense on senior notes, including yield maintenance premium	$ 294	$ 289	$ 588	$ 583
Interest expense on other loans	71	177	133	304
Interest expense on loan from related companies and a shareholder	2,030	1,346	3,908	3,042
Other Interest expenses-leases and others	84	64	159	125
Unwinding of discounts on provisions	441	361	872	719
Balance, end of period	$ 2,920	$ 2,237	$ 5,660	$ 4,773

For the three and six months ended June 30, 2024, the Company's finance costs increased by $0.7 million and $0.9 million to $2.9 million and $5.7 million from $2.2 million and $4.8 million for the same period in 2023, respectively. The increase in finance costs was primarily attributed to interest expenses on loans from related companies and shareholders, partially offset by lower Interest expense on other loans.

Share-based Compensation

	Three months ended June 30, 2024			Three months ended June 30, 2023		
	Expensed	Capitalized	Total	Expensed	Capitalized	Total
Stock options	$ -	$ -	$ -	$ -	$ -	$ -

	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Expensed	Capitalized	Total	Expensed	Capitalized	Total
Stock options	$ -	$ -	$ -	$ -	$ -	$ -

Share-based compensation expense for the three and six months ended June 30, 2024 and 2023 were $0 million. The fair value of share-based compensation associated with the granting of stock options is recognized by the Company in its condensed consolidated interim financial statements. Fair value is determined using the Black-Scholes option pricing model.

Depletion and Depreciation

	For the three months ended June 30,		For the six months ended June 30,	
($ thousands, except $/bbl)	2024	2023	2024	2023
Depletion	$ 1,788	$ 2,582	$ 4,201	$ 4,422
Depreciation	196	227	402	438
Depletion and depreciation	$ 1,984	$ 2,809	$ 4,603	$ 4,860
Depletion ($/bbl)	15.08	18.61	15.55	17.70

The Company commenced commercial production at West Ells Phase 1 Project on March 1, 2017. As at that time, the Company started recording depletion of West Ells Project I assets in the statement of comprehensive income (loss) for the three months ended March 31, 2017. The depletion rate is based on unit-of-production.

Depletion expense was $1.8 million and $4.2 million for the three and six months ended June 30, 2024 compared to $2.6 million and $4.4 million for the same period in 2023. The decrease in depletion expenses in 2024 mainly due to lower production volume. Depreciation expense was $0.2 million and $0.4 million for the three and six months ended June 30, 2024 compared to $0.2 million and $0.4 million for the same period in 2023. The depletion per barrel for the three and six months ended June 30, 2024 were $15.08/bbl and $18.61/bbl respectively compared to $15.55/bbl and $17.70 for the same periods in 2023. The decrease in the depletion per barrel was mainly due to lower depletion base and lower depletion rate.

Impairment / (Reversal)

	For the three months ended June 30,		For the six months ended June 30,	
($ thousands, except $/bbl)	2024	2023	2024	2023
Impairment / (Reversal)	$ -	$ -	$ -	$ -

The Company assesses at each reporting date whether there is an indication that it's E&E (exploration and evaluation assets) and PP&E assets may be impaired or that historical impairment may be reversed. The Company's assets are aggregated into cash-generating units for the purpose of calculating impairment/impairment reversal. Cash generating units ("CGU"s) are based on an assessment of the units' ability to generate independent cash inflows. The company recognized impairment loss or reversal based on CGU which is identified with respect to geographical proximity, shared infrastructure and similarity of market risk exposure and materiality. The recoverable amount of the E&E and PP&E assets were determined using judgement and internal estimates.

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.

As of June 30, 2024 and 2023, the Group did not identify any indicators of further impairment loss (reversal) of the above E&E or West Ells CGU. As a result, nil impairment (reversal) was recognized in profit and loss.

Income Taxes

The Company did not recognize any deferred income tax assets, which relate primarily to unrecognized tax losses for the three and six months ended June 30, 2024 and 2023. Recognition of tax losses is based on the Company's consideration of its internal development plan for its asset base and the assumption as to whether or not these tax losses will be utilized before their expiry dates. At June 30, 2024, the Company had total available tax deductions of approximately $1.43 billion, with unrecognized tax losses that expire between 2029 and 2044.

Liquidity and Capital Resources

		June 30, 2024		December 31, 2023
Working capital deficiency	$	83,772	$	79,458
Shareholders' equity		57,782		91,047
	$	141,554	$	170,505

On February 16, 2023, the Company and the Forbearing Holder entered into an interest waiver agreement (the "2023 Interest Waiver Agreement") pursuant to which the Forbearing Holder agrees 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 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, the Company and Mr. Sun 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 3");
- Same as the 2023 FRAA 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 3, there will not be any forbearance fee and yield maintenance premium based on the initial 2016 Forbearing 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 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.

The Group 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, 2024.

The Notes are translated into Canadian dollars at the period end exchange rate of $1USD = $1.3687 CAD.

As of June 30, 2024, the Company had incurred unsecured Permitted Debt for a total of US$56.0 million (CAD76.6 million equivalent).

The Company received a demand notice from the Regional Municipality of Wood Buffalo ("RMWB") in relation to the 2016-2024 municipal property taxes of CAD15.8 million. The Group was also charged with overdue penalties of CAD17.6 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 Company 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 Company'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 Company determines that the loss is probable and the amount can be reasonably estimated. The Company believes it has made adequate provision for such claims. While fully supportable in the Company's view, some of these positions, if challenged may not be fully sustained on review. From time to time, the Company receives liens or claims on accounts payable balances, and the Company continues to work toward resolution of any liens or claims. At June 30, 2024, the Company had incurred $0.82 million (US$0.60 million equivalent using the period end exchange rate) in Builders' liens (not related mineral leases) against them during the ordinary course of business.

The Company received a judgment from the Court of the State of New York, New York County (the "Judgment") that the Company shall pay the Non-forbearing holder all the amounts due and owing on the Senior 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 judgment was vacated on May 25, 2023. On December 13, 2023, the Company received a judgment 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 Group lodged an appeal against the Judgment 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.

The Company's strategy is to access sufficient capital, through equity issuances, monetization, joint ventures and the utilization of debt, in order to maintain a capital base that properly supports the objectives of maintaining financial flexibility and of sustaining future development of the business. The Company manages its capital structure in order to continue as a going concern and makes adjustments relative to changes in economic conditions and the Company's risk profile. In order to manage risk, the Company may from time to time issue shares and adjust its capital spending to manage current working capital deficiency levels. The Company's liquidity may be adversely affected if the Company's access to the capital markets is hindered because of financial market conditions generally, or as a result of conditions specific to the Company.

For the six months ended June 30, 2024, the Company reported a net loss and comprehensive loss attributable to owners of the Company of CAD33.1 million. At June 30, 2024, the Company had a working capital deficiency of CAD83.8 million.

The Company's debt-to-asset ratio, measured based on total liabilities divided by total assets was 92% as at June 30, 2024, compared to 88% as at December 31, 2023.

The Company 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. The Group is exposed to currency risks primarily through senior notes, loans from related companies and a shareholder, other loans, accounts payables and bank balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The foreign currencies giving rise to this risk are primarily Hong Kong dollar ("HK$"), United States dollar ("US$") and Renminbi ("RMB").

The Company 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 Company had no forward exchange rate contracts in place as at or during the six months ended June 30, 2024.

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, 2024 would have been impacted by $Nil (June

30, 2023: $Nil) and the carrying value of the debt at June 30, 2024 would have been impacted by $2.7 million (June 30, 2023: $2.6 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, 2024 would have been impacted by Nil (June 30, 2023: $Nil) and the carrying value of the debt at June 30, 2024 would have been impacted by $0.7 million (June 30, 2023: $0.6 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, 2024 would have been impacted by $Nil (2023: $Nil) and the carrying value of the debt at June 30, 2024 would have been impacted by $0.1 million (June 30, 2023: $0.1 million).

Royalty Agreement

On August 31, 2021 (Calgary time), the Company entered into a Royalty Agreement (together with its ancillary documents, the "Royalty Agreement") with Burgess Energy Holdings, L.L.C. ("BEH"), pursuant to which, the Company has granted to BEH a royalty interest in the bitumen within, upon, under or produced from the royalty lands owned by the Company and/or its affiliates, free and clear of any and all encumbrances for an aggregate consideration of CAD20,000,000 (the "Aggregate Consideration"), subject to the terms and conditions stipulated therein. The arrangement under the Royalty Agreement is perpetual.

On June 8, 2023, the Company entered into an amended Royalty Agreement (together with its ancillary documents, the "Amended Royalty Agreement") with BEH, pursuant to which, the Company would receive an accelerated payment of CAD5 million from the aggregate consideration of CAD20 million, subject to the terms and conditions stipulated therein. In accordance with the Amended Royalty Agreement, the royalty rate calculation for WCS prices above US$80/bbl is amended as follows: When average daily WCS price of the month is US$80/bbl, the royalty rate is 8.75% and proportionally increases up to a maximum of 25.00% when the WCS price rises to US$113/bbl (based on the original Royalty Agreement, the royalty rate increases from 8.75% up to a maximum of 15.00% when the WCS price rises to US$100/bbl).

Commitments and Contingencies

Management estimated the contractual maturities of the Company's obligations. These estimated maturities may differ significantly from the actual maturities of these obligations. For a detailed discussion regarding to the Company's commitments and contingencies, please refer to the Company's Unaudited Condensed Consolidated Interim Financial Statements and notes thereto for the three and six months period ended June 30, 2024 and with the Audited Consolidated Financial Statements and notes thereto for the year ended December 31, 2023.

Transactions with Related Parties

For the six months ended June 30, 2024, a consulting Company, to which a director of Sunshine is related, charged the Company $0.25 million (December 31, 2023 – $0.5 million) for management and advisory services.

As at 30 June 2024, Mr. Kwok Ping Sun, the Company's Executive Chairman, has beneficial ownership of, or control or direction of 150,232,591 common shares of the Company, which represents approximately 61.70% of the Company's outstanding common shares.

As at June 30, 2024, the Company had loans from related companies and shareholders, which are unsecured, interest bearing at 10% per annum. Loans from related companies totaling approximately CAD53,375,000 can be rolled over for a period of 2 to 3 years (December 31, 2023: CAD51,933,000). Total loans from shareholders are approximately CAD21,190,000 are due from 1 to 3 years (December 31, 2023: CAD19,021,000).

Off-balance Sheet Arrangements

As at June 30, 2024, the Company did not have any other off-balance sheet arrangements.

Changes in Accounting Policies

Our significant accounting policies have remained unchanged since December 31, 2023. A summary of our significant accounting policies is included in our 2023 Annual Report.

Critical Accounting Policies and Estimates

The Group's critical accounting estimates are those estimates having a significant impact on the Group's financial position and operations and that require management to make judgments, assumptions and estimates in the application of IFRS. Judgements, assumptions and estimates are based on historical experience and other factors that management believes to be reasonable under current conditions. As events occur and additional information is obtained, these judgements, assumptions and estimates may be subject to change.

For a detailed discussion regarding to the Company's critical accounting policies and estimates, please refer to Note 4 to the consolidated annual financial statements for the year ended December 31, 2023.

Risk Factors

The business of resource exploration, development and extraction involves a high degree of risk. Material risks and uncertainties affecting the Group, their potential impact and the Group's principal risk management strategies are substantially unchanged from those disclosed in the Group's MD&A for the year ended December 31, 2023, which is available at www.hkexnews.hk. The 2023 annual report of the Group is available at the Group's website at www.sunshineoilsands.com, and the website of the SEHK, www.hkexnews.hk.

Disclosure Controls and Procedures

Ms. Gloria Ho, Executive Director of the Board and Chief Financial Officer and Mr. Jianping Sun, Chief Executive Officer, have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") to provide reasonable assurance that: (i) material information relating to the Group is made known to the Group's CFO by others, particularly during the period in which the annual and quarterly filings are being prepared; and (ii) information required to be disclosed by the Group in its annual filings, interim filings or other announcements filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. As at June 30, 2024, the Chief Financial Officer and the Chief Executive Officer evaluated the design and operation of the Group's DC&P. Based on that evaluation, the Executive Director of the Board and the Chief Financial Officer and the Chief Executive Officer concluded that the Group's DC&P were effective as at June 30, 2024.

Internal Controls over Financial Reporting

Ms. Gloria Ho, Executive Director of the Board and Chief Financial Officer and Mr. Jianping Sun, Chief Executive Officer, have designed, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of the Group's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Furthermore, the Group used the criteria established in "Internal Control – Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework); they have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Group's ICFR at June 30, 2024, and concluded that the Group's ICFR are effective at June 30, 2024 for the foregoing purpose.

No material changes in the Group's ICFR were identified during the three months period ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Group's ICFR. It should be noted that a control system, including the Group's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud. In reaching a reasonable level of assurance, management necessarily is required to apply its judgment in evaluating the cost/benefit relationship of possible controls and procedures.

ADVISORY SECTION

Non-GAAP Measures

This MD&A includes references to certain measures which do not have a standardized meaning as prescribed by IFRS, such as "operating netbacks" and "funds from operations", and therefore are considered non-GAAP measures. These non-GAAP measures are commonly used in the oil and gas industry and the Company believes including such measures is useful to investors. Investors are cautioned that these non-GAAP measures should not be construed as an alternative to measures calculated in accordance with IFRS as, given the non-standardized meanings, these measures may not be comparable to similar measures presented by other issuers.

Cash Flow Used in Operations

Cash flow used in operations is non-GAAP measure utilized by the Company to analyze operating performance and liquidity. Cash flow used in operations excludes the net change in non-cash operating working capital and decommissioning expenditures while the IFRS measurement "Net cash used in operating activities" includes these items. Cash flow used in operations is reconciled to Net cash used in operating activities in the table below:

	For the three months ended June 30,		For the six months ended June 30,	
($ thousands)	2024	2023	2024	2023
Net cash used in operating activities	$ (211)	$ 1,072	$ (1,127)	$ (1,990)
Deduct (add): Net change in non-cash operating working capital	514	1,515	4,149	6,359
Cash flow used in operations	$ (725)	$ (443)	$ (5,276)	$ (8,349)

Forward-Looking Information

Certain statements in this MD&A are forward-looking statements that are, by their nature, subject to significant risks and uncertainties and the Company hereby cautions investors about important factors that could cause the Company's actual results to differ materially from those projected in a forward-looking statement. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will", "expect", "anticipate", "estimate", "believe", "going forward", "ought to", "may", "seek", "should", "intend", "plan", "projection", "could", "vision", "goals", "objective", "target", "schedules" and "outlook") are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this MD&A), uncertainties and other factors some of which are beyond the Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, the Company strongly cautions investors against placing undue reliance on any such forward-looking statements. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on estimates and assumptions that the resources and reserves described can be profitably produced in the future. Further, any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

All forward-looking statements in this MD&A are expressly qualified by reference to this cautionary statement.

Additional Information

Additional information required by the SEHK and not shown elsewhere in this report is as follows:

Compliance of Corporate Governance Code (the "Code")

The Group is committed to maintaining high standards of corporate governance. The Group recognizes that corporate governance practices are fundamental to the effective and transparent operation of a Group and its ability to protect the rights of its shareholders and enhance shareholder value.

The Company confirms that during the period from January 1, 2024 to June 30, 2024, the code provisions as set out in Appendix C1 to the Hong Kong Listing Rules has been complied with save that the Company is in course of identifying suitable insurers for appropriate insurance coverage for legal actions against the Company's Directors.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code")

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Mode Code. Having made specific enquiry of all Directors, the Directors confirmed that they had compiled with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions during the period under review.

Movements in Stock Options

The table below presents the movements in stock options for Directors, the chief executive and other executive management of the Group during the period ended June 30, 2024.

Name	December 31, 2023	Granted	Exercised	Forfeited	Expired	June 30, 2024
Yi He	100,000	-	-	-	-	100,000
Guangzhong Xing	100,000	-	-	-	-	100,000
Sub-total for Directors	200,000	-	-	-	-	200,000
Sub-total for other share option holders	-	-	-	-	-	-
Total	200,000	-	-	-	-	200,000

Please refer to our consolidated financial statements included in the 2023 Annual Report for additional details on our stock option plans and movements for the year ended December 31, 2023.

Fair Value of Share Options Granted

The weighted average fair value of the share options granted in previous years was CAD0.60 (2023 - CAD0.60). Options were valued using the Black-Scholes model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations.

The table below details the input variables used in the Black-Scholes model to determine the fair value of options granted in previous years.

Input Variables	Six month period ended June 30, 2024	Year ended December 31, 2023
Grant date share price ($)	0.60	0.60
Exercise Price ($)	0.60	0.60
Expected volatility (%)	63.91	63.91
Option life (years)	0.19	0.69
Risk-free interest rate (%)	1.48	1.48
Expected forfeitures (%)	0-15.39	0-15.39

Purchase, Sale or Redemption of Sunshine's Listed Securities

Class "A" Common Shares

General mandate

2024 activity

On May 10, 2024 (Hong Kong time), the Company entered into a settlement agreement for a total of 48,695,736 Class "A" common shares at a price of HKD $0.38 per share (post-consolidation) for gross proceeds of HKD $ 18,504,380. This settlement agreement was entered into for settlement of trade payables with an independent third party. On June 7, 2024, the Company and the Creditor agreed to extend the closing date from June 7, 2024 to July 31, 2024 (or such later date as may be agreed between the Company and the Creditor). On July 31, 2024, the Company and the Creditor entered into a second supplemental agreement to extend the closing date from July 31, 2024 to August 31, 2024 (or such later date as may be agreed between the Company and the Creditor).

Saved as disclosed, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2024.

Shares Outstanding

As at June 30, 2024, the Company had 243,478,681 Class "A" common shares issued and outstanding.

Employees

As at June 30, 2024, the Group has 31 full-time employees. For the six months ended June 30, 2024, total staff costs amounted to $2.8 million.

Change in Directors' Information

Saved as Mr. Michael J Hibberd ceased to be a director of CanAsia Energy Corp., all other Directors' information remains unchanged pursuant to Rule 13.51B during the six months ended June 30, 2024.

Disclosure of interests

(a) Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures

As at June 30, 2024, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company or its associated corporations (within the meaning of Part XV of the SFO, which were required (a) to be notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them had taken or was deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the HKEX pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules were as follows:

Director's long position in the Company

i) Common Shares

Name	Company	Nature of Interest	Number of Common Shares held	Approximate % interest in the Common Shares
Mr. Kwok Ping Sun	Sunshine Oilsands Ltd.	Direct/Indirect	150,232,591	61.70%
Mr. Michael J Hibberd	Sunshine Oilsands Ltd.	Direct/Indirect	2,165,981	0.89%
Ms. Gloria Ho	Sunshine Oilsands Ltd.	N/A	-	-
Mr. Yi He	Sunshine Oilsands Ltd.	Direct	139,682	0.06%
Ms. Xijuan Jiang	Sunshine Oilsands Ltd.	Direct	104,814	0.04%
Ms. Linna Liu	Sunshine Oilsands Ltd.	N/A	-	-
Mr. Guangzhong Xing	Sunshine Oilsands Ltd.	N/A	-	-
Ms. Jue Pang	Sunshine Oilsands Ltd.	N/A	-	-

ii) Stock Options

Name	Company	Nature of Interest	Number of Options held	Approximate % interest in the Options
Mr. Yi He	Sunshine Oilsands Ltd.	Direct	100,000	50%
Mr. Guangzhong Xing	Sunshine Oilsands Ltd.	Direct	100,000	50%

Note: As at June 30, 2024, the Company's issued share capital is 243,478,681 Shares.

Save as disclosed above, as at June 30, 2024, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the HKEX pursuant to the Model Code.

(b) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

So far as is known to the Directors, as at 30 June 2024, other than the interests of Directors or chief executive of the Company as disclosed above, the Company had not been notified by any persons who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Dividends

The Company has not declared or paid any dividends in respect of the six months period ended June 30, 2024 (six months period ended June 30, 2023 - $Nil).

Review of Interim Results

The condensed consolidated interim financial statements for the Company for the three and six months ended June 30, 2024, were reviewed by the Audit Committee of the Company and approved by the Board.

Publication of Information

This interim results report is published on the websites of SEDAR (www.sedar.com), the SEHK (www.hkexnews.hk) and the Group's website at www.sunshineoilsands.com.

This report is prepared in both English and Chinese and in the event of inconsistency, the English text of this report shall prevail over the Chinese text.

2024 Outlook

Sunshine will continue to focus on cost controls and carefully monitor developments in crude oil markets. As at the date hereof, the Company's West Ells project has fully resumed production. The Company will continue to work with its joint venture partner for re-activation of the Muskwa and Godin Area activities.

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

	Notes	June 30, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		$ 914	$ 527
Trade and other receivables	4	6,948	5,424
		7,862	5,951
Non-current assets			
Loan receivables	4	10,665	12,049
Other receivables	4	2,827	2,594
Exploration and evaluation	5	238,346	237,971
Property, plant and equipment	6	476,717	481,384
Right-of-use assets	7	5,703	5,983
		734,258	739,981
Total assets		$ 742,120	$ 745,932
Liabilities and Shareholders' Equity			
Current liabilities			
Trade payables, interest payables and accrued liabilities	8	$ 76,298	$ 72,450
Other loans	9.1	3,813	1,839
Senior notes	9.2	10,950	10,581
Lease liabilities	7	573	539
		91,634	85,409
Non-current liabilities			
Interest payables	8	192,773	181,556
Loans from related companies	21.3	53,375	51,933
Loans from shareholders	21.4	21,190	19,021
Other loans	9.1	12,342	13,615
Senior notes	9.2	260,930	252,142
Lease liabilities	7	1,103	1,380
Provisions	10	50,991	49,829
		592,704	569,476
Total liabilities		684,338	654,885
Shareholders' Equity			
Share capital	12	1,315,265	1,315,265
Reserve for share-based compensation	13.3	76,416	76,416
Capital reserve		(4,453)	(4,453)
Exchange fluctuation reserve		(455)	(455)
Accumulated deficit		(1,327,626)	(1,294,508)
Equity attributable to owners of the Company		59,147	92,265
Non-controlling interests		(1,365)	(1,218)
Total shareholders' equity		57,782	91,047
Total liabilities and shareholders' equity		$ 742,120	$ 745,932

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.

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, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Revenues					
Petroleum sales, net of royalties	14	$ 10,266	$ 10,766	$ 21,458	$ 17,945
Other income	16	380	2,359	916	2,684
Foreign exchange gains/(losses)	20.4	(5,420)	11,158	(17,729)	12,000
		5,226	24,283	4,645	32,629
Expenses					
Diluent		4,668	3,528	9,610	7,391
Transportation		1,576	3,468	4,017	5,989
Operating		3,269	4,472	7,559	8,959
Depletion and depreciation	6,7	1,984	2,809	4,603	4,860
General and administrative	17	1,857	2,098	6,461	6,636
Finance costs	18	2,920	2,237	5,660	4,773
Impairment loss (reversal) on exploration and evaluation assets and PP&E assets		-	-	-	-
		$ 16,274	$ 18,612	$ 37,910	$ 38,608
Profit/(Loss) before income taxes		(11,048)	5,671	(33,265)	(5,979)
Income taxes	11	-	-	-	-
Net profit/(loss)		(11,048)	5,671	(33,265)	(5,979)
Net profit/(Loss) attributable to Non-controlling interests		(74)	(74)	(147)	(151)
Net profit/(loss) and comprehensive profit/(loss) for the year attributable to owners of the Company		(10,974)	5,745	(33,118)	(5,828)
Basic and diluted profit/(loss) per share	19	$ (0.05)	$ 0.02	$ (0.14)	$ (0.02)

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, 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	-	-	-	-	-	-	-	-
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
Balance at December 31, 2022	$ 1,315,265	$ 76,416	$ (4,453)	$ (1,042)	$ (1,275,178)	$ 111,008	$ (999)	$ 110,009
Net gain (loss) and comprehensive gain (loss)	-	-	-	-	(5,828)	(5,828)	(151)	(5,979)
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, 2023	$ 1,315,265	$ 76,416	$ (4,453)	$ (1,042)	$ (1,281,006)	$ 105,180	$ (1,150)	$ 104,030

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, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash flows from operating activities					
Net profit/(loss)		$ (11,048)	$ 5,671	$ (33,265)	$ (5,979)
Finance costs	18	2,920	2,237	5,660	4,773
Unrealized foreign exchange (gains)/losses	20.4	5,422	(11,158)	17,730	(12,000)
Other income	16	(3)	(2)	(4)	(3)
Depletion, depreciation and impairment	6,7	1,984	2,809	4,603	4,860
Share-based compensation	13.3	-	-	-	-
Movement in non-cash working capital	24	514	1,515	4,149	6,359
Net cash (used in) operating activities		(211)	1,072	(1,127)	(1,990)
Cash flows from investing activities					
Other income received	16	3	2	4	3
Proceeds from sale of Assets	6	750	-	1,179	-
Payments for exploration and evaluation asset	5	(357)	(366)	(643)	(479)
Payments for property, plant and equipment	6	(315)	(227)	(200)	(60)
Movement in non-cash working capital	24	-	-	-	-
Net cash (used in) investing activities		81	(591)	340	(536)
Cash flows from financing activities					
Proceeds from issue of common shares	12	-	-	-	-
Payment for share issue costs	12	-	-	-	-
Payment for finance and interests costs	18	(65)	(209)	(125)	(383)
Proceeds from other loan	9.1	264	572	949	579
Payments for other loan	9.1	(192)	(1,387)	(793)	(1,387)
Proceeds from related companies' loans	21.3	19	13	34	36
Repayment of related companies' loans	21.3	-	-	-	-
Proceeds from shareholders' loans	21.4	819	922	1,486	3,810
Repayment of shareholders' loans	21.4	-	-	-	-
Payment of lease liabilities		(181)	(174)	(359)	(343)
Movement in non-cash working capital	24	-	-	-	-
Net cash provided by financing activities		664	(263)	1,192	2,312
Net increase / (decrease) in cash		534	218	405	(213)
Cash, beginning of period		388	63	527	542
Effect of exchange rate changes on cash held in foreign currency	20.4	(8)	(47)	(18)	(95)
Cash, end of period		$ 914	$ 234	$ 914	$ 234

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

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 CAD33.1 million for the six months ended June 30, 2024, and as at June 30, 2024, the Group had net current liabilities of CAD83.8 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, 2024, 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 2024 budget and on management's estimate of expenditures expected to be incurred beyond 2024. 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, 2024.

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, 2023.

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 IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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 IAS 21	Lack of Exchangeability[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture[2]

[1] Effective for annual periods beginning on or after January 1, 2025
[2] *Effective for annual periods beginning on or after a date to be determined*

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, 2024		December 31, 2023
Trade receivables	$	3,494	$	3,501
Other receivables-current		3,454		1,923
Other receivables-non-current		2,827		2,594
Other loan receivables-non-current		10,665		12,049
	$	20,440	$	20,067

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, 2024, the directors of the Company considered the ECL on trade receivables was insignificant.

5. Exploration and evaluation

		CAD'000
Balance, December 31, 2022	$	235,044
Capital expenditures		2,234
Non-cash expenditures[1]		693
Impairment loss		-
Balance, December 31, 2023	$	237,971
Disposal of Asset		(750)
Capital expenditures		643
Non-cash expenditures[1]		482
Balance, June 30, 2024	$	238,346

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, 2024, 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, 2022	$ 886,185	$ 5,850	$ 892,035
Disposal of Asset	-	-	-
Capital expenditures	542	5	547
Non-cash expenditures[1]	3,532	-	3,532
Exchange alignment	-	(18)	(18)
Balance, December 31, 2023	$ 890,259	$ 5,837	$ 896,096
Disposal of Asset	(240)	(327)	(567)
Capital expenditures	200	-	200
Non-cash expenditures[1]	(193)	-	(193)
Exchange alignment	-	31	31
Balance, June 30, 2024	$ 890,026	$ 5,541	$ 895,567

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, 2022	$ 401,654	$ 5,159	$ 406,813
Depletion and depreciation expense	7,737	179	7,916
Impairment loss (reversal)	-	-	-
Exchange alignment	-	(17)	(17)
Balance, December 31, 2023	$ 409,391	$ 5,321	$ 414,712
Depletion and depreciation expense	4,201	52	4,253
Disposal of Asset	-	(138)	(138)
Impairment loss (reversal)	-	-	-
Exchange alignment	-	23	23
Balance, June 30, 2024	$ 413,592	$ 5,258	$ 418,850
Carrying value, December 31, 2023	$ 480,868	$ 516	$ 481,384
Carrying value, June 30, 2024	**$ 476,434**	**$ 283**	**$ 476,717**

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, 2024, 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, 2023	**4,548**	**777**	**282**	**113**	**5,720**
Additions	-	1,221	-	-	1,221
Depreciation	(116)	(484)	(57)	(37)	(694)
Exchange alignment	(229)	(35)	-	-	(264)
December 31, 2023	**4,203**	**1,479**	**225**	**76**	**5,983**
Additions	-	-		-	-
Depreciation	(57)	(246)	(29)	(18)	(350)
Exchange alignment	46	24	-	-	70
June 30, 2024	**4,192**	**1,257**	**196**	**58**	**5,703**

(b) Leases Liabilities

	June 30, 2024
Lease liabilities	$ 1,676

(c) Cash Flow Summary

	Six Months Ended June 30, 2024
Total cash flow used for leases	$ 359

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, 2024		December 31, 2023
Trade payables	$	19,815	$	18,973
Interest payables		201,558		190,886
Other payables		23,325		21,830
Accrued liabilities		24,373		22,317
	$	269,071	$	254,006

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

		June 30, 2024		December 31, 2023
Trade				
0 - 30 days	$	910	$	972
31 - 60 days		80		480
61 - 90 days		172		86
> 90 days		18,653		17,435
	$	19,815	$	18,973

9. Debt

9.1 Other loans

		June 30, 2024		December 31, 2023
Current	$	3,813	$	1,839
Non-current		12,342		13,615
	$	16,155	$	15,454

As at June 30, 2024, the balances are unsecured and bearing interest of 0%-36% (December 31, 2023: 0 - 36%) per annum. Approximately CAD3,813,000 (December 31, 2023: CAD1,839,000) have a maturity date within one year.

Included in the above balance is approximately CAD14,095,000 (December 31, 2023: CAD13,615,000) 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 April 24, 2020, the Company and the Forbearing Holders confirmed the signing of the Forbearance Reinstatement and Amending Agreement ("**2020 FRAA**"). The principal terms of the 2020 FRAA include:

- The FRAA covers the period from December 31, 2019 to August 31, 2021 ("Period of Forbearance);
- Same as the Forbearance Reinstatement and Amending Agreement executed on November 1, 2018, all outstanding amounts (principal and interests) will continue to be accrued at an interest of 10% per annum until August 31, 2021, and 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.

During the year ended December 31, 2021, the independent note holders ("Transferee Holders") entered into note assignment and transfer agreements with the ultimate controlling party, Mr. Sun (the "Note transferee"), and agreed to assign the initial nominal principal amount of notes from the transferee Holders of approximately US$188,658,000 (equivalent to approximately CAD240,200,000) to the Note transferee.

On August 8, 2021, the Company and the Forbearing Holder confirmed the signing of the Forbearance Reinstatement and Amending Agreement ("**2021 FRAA**"). The principal terms of the 2021 FRAA include:

- The FRAA covers the period from September 1, 2021 to August 31, 2023 ("Period of Forbearance);
- Same as the Forbearance Reinstatement and Amending Agreement executed on April 24, 2020, all outstanding amounts (principal and interests) will continue to be accrued at an interest of 10% per annum until August 31, 2023, and 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.

On September 28, 2021 (Calgary time), the Company and the Forbearing Holder entered into the interest waiver agreement (the "2021 Interest Waiver Agreement") pursuant to which the Forbearing Holder agreed to unconditionally and irrevocably waive the interest accrued between January 1, 2021 to December 31, 2021 at 10.0% per annum on the outstanding amounts (principal and interests) under the 2020 FRAA dated April 24, 2020 (the "Waiver of Interest") which amounted to 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 May 12, 2022, the Company and the Forbearing Holder entered into the interest waiver agreement (the "2022 Interest Waiver Agreement") pursuant to which the Forbearing Holder agreed to unconditionally and irrevocably waive the interest accrued between January 1, 2022 to December 31, 2022 at 10.0% per annum on the outstanding amounts (principal and interests) under the 2021 FRAA dated August 8, 2021 (the "Waiver of Interest") which amounted to 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 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.

10. Provisions

Decommissioning obligations, non-current		**June 30, 2024**		**December 31, 2023**
Balance, beginning of year	$	49,829	$	44,144
Effect of changes in estimates		290		4,225
Unwinding of discount rate		872		1,460
Balance, end of period	$	50,991	$	49,829

As at June 30, 2024, the Group's share of the estimated total undiscounted cash flows required to settle asset decommissioning obligations was CAD81.4 million (December 31, 2023 - CAD82.2 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, 2024**		**December 31, 2023**
Exploration and evaluation assets and property, plant and equipment	$	(75,651)	$	(69,567)
Decommissioning liabilities		11,728		11,461
Share issue costs		114		5
Non-capital losses		241,090		243,242
Capital lease assets (liabilities)		38		32
Deferred tax benefits not recognized		(177,319)		(185,173)
	$	-	$	-

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, 2024**		**December 31, 2023**	
	Number of shares	$	Number of shares	$
Balance, beginning of year	243,478,681	1,315,265	243,478,681	1,315,265
Issue of Shares – general mandate	-	-	-	-
Director Share Arrangement	-	-	-	-
Share issue costs, net of deferred tax ($Nil)	-	-	-	-
Balance, end of period	243,478,681	1,315,265	243,478,681	1,315,265

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

2024 activity

On May 10, 2024 (Hong Kong time), the Company entered into a settlement agreement for a total of 48,695,736 Class "A" common shares at a price of HKD $0.38 per share (post-consolidation) for gross proceeds of HKD $ 18,504,380. This settlement agreement was entered into for settlement of trade payables with an independent third party. On June 7, 2024, the Company and the Creditor agreed to extend the closing date from June 7, 2024 to July 31, 2024 (or such later date as may be agreed between the Company and the Creditor). On July 31, 2024, the Company and the Creditor entered into a second supplemental agreement to extend the closing date from July 31, 2024 to August 31, 2024 (or such later date as may be agreed between the Company and the Creditor).

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, 2024		**December 31, 2023**	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance, beginning of period	200,000	0.60	6,500,000	1.96
Granted	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	(6,300,000)	2.00
Balance, end of period	200,000	0.60	200,000	0.60
Exercisable, end of period	200,000	0.60	200,000	0.60

As at June 30, 2024, stock options outstanding have a weighted average remaining contractual life of 0.19 years (December 31, 2023: 0.69 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, 2024			**Three months ended June 30, 2023**	
	Expensed	Capitalized	Total	Expensed	Capitalized	Total
Stock options	$ -	$ -	$ -	$ -	$ -	$ -

		Six months ended June 30, 2024			**Six months ended June 30, 2023**	
	Expensed	Capitalized	Total	Expensed	Capitalized	Total
Stock options	$ -	$ -	$ -	$ -	$ -	$ -

14. Revenue

	Three months ended June 30,		**Six months ended June 30,**	
	2024	**2023**	**2024**	**2023**
Petroleum sales	$ 10,674	$ 11,064	$ 22,111	$ 18,256
Royalties	(408)	(298)	(653)	(311)
Revenue from contracts with customers	$ 10,266	$ 10,766	$ 21,458	$ 17,945

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:

		June 30, 2024		June 30, 2023
Customer A	$	7,225	$	13,385
Customer B		14,886		-

Customer A contributed 32.7% of the group's revenue (June 30 2023: 73.3%)

16. Other income

	Three months ended June 30,				Six months ended June 30,			
		2024		2023		2024		2023
Interest income	$	3	$	2	$	4	$	3
Other Income		377		2,357		746	$	2,681
Gain (Loss) on sale of asset		-		-		166	$	-
Balance, end of period	$	380	$	2,359	$	916	$	2,684

17. General and administrative costs

	Three months ended June 30,				Six months ended June 30,			
		2024		2023		2024		2023
Salaries, consultants and benefits	$	1,373	$	1,539	$	2,819	$	3,307
Rent		10		5		16		16
Legal and audit		26		95		88		289
Other		448		459		3,538		3,024
Balance, end of period	$	1,857	$	2,098	$	6,461	$	6,636

18. Finance costs

	Three months ended June 30,				Six months ended June 30,			
		2024		2023		2024		2023
Interest expense on senior notes, including yield maintenance premium	$	294	$	289	$	588	$	583
Interest expense on other loans		71		177		133		304
Interest expense on loan from related companies and shareholders		2,030		1,346		3,908		3,042
Other Interest expenses-leases and others		84		64		159		125
Unwinding of discounts on provisions		441		361		872		719
Balance, end of period	$	2,920	$	2,237	$	5,660	$	4,773

19. Profit (Loss) per share

The calculation of basic profit (loss) per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately CAD33,118,000 (2023: CAD5,828,000 loss) and the weighted average number of Class "A" common shares in issue during the years as presented in the following table.

	Six months ended June 30, 2024	2023
Basic and diluted – Class "A" common shares	243,478,681	243,478,681
Profit (loss) per share	$ (0.14)	$ (0.02)

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:

	June 30, 2024	December 31, 2023
Working capital deficiency	$ 83,772	$ 79,458
Shareholders' equity	57,782	91,047
	$ 141,554	$ 170,505

There is no change in the Group's objectives and strategies of capital management for the six months ended June 30, 2024.

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:

	June 30, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost	$ 20,007	$ 20,007	$ 19,245	$ 19,245
Financial liabilities				
Financial liabilities at amortised cost	$ 631,671	$ 631,671	$ 603,137	$ 603,137

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, 2024.

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, 2024 would have been impacted by $Nil (June 30, 2023: $Nil) and the carrying value of the debt at June 30, 2024 would have been impacted by CAD2.7 million (June 30, 2023: CAD2.6 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, 2024 would have been impacted by Nil (June 30, 2023: $Nil) and the carrying value of the debt at June 30, 2024 would have been impacted by CAD0.7 million (June 30, 2023: CAD0.6 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, 2024 would have been impacted by $Nil (2023: $Nil) and the carrying value of the debt at June 30, 2024 would have been impacted by CAD0.1 million (June 30, 2023: CAD0.1 million).

The following table summarizes the components of the Group’s foreign exchange (gains)/ losses:

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Unrealized foreign exchange loss/(gain) on translation of:				
U.S. denominated senior secured notes	$ 4,526	$ (9,659)	$ 15,225	$ (10,021)
H.K. denominated loan	735	(1,702)	2,053	(2,018)
Foreign currency denominated cash balances	8	47	18	95
Foreign currency denominated accounts payable balances	153	156	434	(57)
	5,422	(11,158)	17,730	(12,001)
Realized foreign exchange loss/(gain)	(2)	-	(1)	1
Total foreign exchange loss/(gain)	$ 5,420	$ (11,158)	$ 17,729	$ (12,000)

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, 2024, are as follows:

	Total	Less than 1 year	1-3 years
Trade and accrued liabilities	$ 269,071	$ 76,298	$ 192,773
Debt[1]	362,600	14,763	347,837
	$ 631,671	$ 91,061	$ 540,610

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, 2024, a consulting Group, to which a director of Sunshine is related, charged the Group CAD0.25 million (December 31, 2023 – CAD0.5 million) for management and advisory services**.**

As at June 30, 2024, Mr. Kwok Ping Sun, the Company's Executive Chairman, has beneficial ownership of, or control or direction of 150,232,591 common shares of the Company, which represents approximately 61.70% 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,			
		2024		**2023**		**2024**		**2023**
Directors' fees	$	90	$	73	$	182	$	180
Salaries and allowances		490		492		980		983
Share-based compensation		-		-		-		-
	$	580	$	565	$	1,162	$	1,163

21.3 Related companies' loans

		June 30, 2024		**December 31, 2023**
Current	$	-		-
Non-current		53,375		51,933
	$	53,375	$	51,933

As at June 30, 2024, the Group had loans from related companies which are unsecured, interest bearing at 10% per annum, and of which approximately CAD53,375,000 can be rollover for a period of 2 to 3 years (December 31, 2023: CAD51,933,000).

21.4 Loan from shareholders

As at June 30, 2024, the Group had loans from shareholders which are unsecured, interest bearing at 10% per annum, and of which approximately CAD21,190,000 are due from 1 to 3 years (December 31, 2023: CAD19,021,000).

22. Commitments and contingencies

22.1 Commitments

As at June 30, 2024, the Group's commitments are as follows:

At June 30, 2024		**Total**	**2024**	**2025**
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 2016-2024 municipal property taxes and have accrued up to June 30, 2024 which amounted to a total of CAD15.8 million. The Group was also charged with overdue penalties of CAD17.6 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, 2024, the Group had incurred $0.82 million (US $0.60 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,		Six months ended June 30,	
	2024	2023	2024	2023
Cash provided by (used in):				
Trade and other receivables	$ 577	$ (903)	$ (224)	$ (2,419)
Prepaid expenses and deposits	(86)	(237)	(1)	1,058
Trade and other payables	29	2,626	4,393	7,605
Foreign Exchange changes	(6)	29	(19)	115
	$ 514	$ 1,515	$ 4,149	$ 6,359
Changes in non-cash working capital relating to:				
Operating activities				
Trade and other receivables	$ 577	$ (903)	$ (224)	$ (2,419)
Prepaid expenses and deposits	(86)	(237)	(1)	1,058
Trade and other payables	23	2,655	4,374	7,720
	$ 514	$ 1,515	$ 4,149	$ 6,359
Investing activities				
Property, plant and equipment	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -
Financing activities				
Foreign Exchange Changes-Loans	$ -	$ -	$ -	$ -
Debt settlement	-	-	-	-
	$ -	$ -	$ -	$ -
	$ 514	$ 1,515	$ 4,149	$ 6,359

25. 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 8, 2024 (Calgary Time) /August 9, 2024 (Hong Kong Time).

Appendix to the consolidated financial statements (Unaudited)

Additional Hong Kong Stock Exchange Required Information

Additional information required by the HKEX 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	**2024**	**2023**
		CAD'000	CAD'000
Assets			
Current assets			
Trade and other receivables		6,706	5,190
Loan receivables		-	-
Cash and cash equivalents		209	25
		6,915	5,215
Non-current assets			
Exploration and evaluation assets		238,346	237,971
Property, plant and equipment		476,619	481,278
Right-of-use assets		1,510	1,780
Other receivables		2,827	2,594
Loan receivables		10,665	12,049
Amounts due from subsidiaries		1,364	-
Investment in subsidiaries		-*	-*
		731,331	735,672
Total assets		738,246	740,887
Liabilities and shareholders' equity			
Current liabilities			
Trade payables, interest payable and accrued liabilities		75,478	72,201
Lease liabilities		573	539
Loans from related companies		-	-
Other loans		3,813	1,839
Senior notes		10,950	10,581
Amount due to subsidiaries		2,778	2,684
		93,592	87,844
Non-current liabilities			
Interest payables		189,288	178,317
Lease liabilities		1,103	1,380
Loans from related companies		44,187	42,881
Loans from shareholders		21,190	19,021
Other loans		12,342	13,615
Senior notes		260,930	252,142
Provisions		50,991	49,829
		580,031	557,185
Total liabilities		673,623	645,029

	Notes	2024	2023
		CAD'000	CAD'000
Shareholders' equity			
Share capital		1,315,265	1,315,265
Reserve for share-based compensation		76,416	76,416
Convertible bonds equity reserve		-	-
Capital reserve		(4,453)	(4,453)
Accumulated deficit		(1,322,605)	(1,291,370)
Total shareholders' equity		64,623	95,858
Total liabilities and shareholders' equity		738,246	740,887

** 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,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Directors' emoluments				
Directors' fees	$ 90	$ 73	$ 182	$ 180
Salaries and allowances	490	492	980	983
Share-based compensation	-	-	-	-
	580	565	1,162	1,163
Other staff costs				
Salaries and other benefits	793	974	1,657	2,144
Share-based compensation	-	-	-	-
	793	974	1,657	2,144
Total staff costs, including directors' emoluments	1,373	1,539	2,819	3,307
Less: staff costs capitalized to qualifying assets				
	$ 1,373	$ 1,539	$ 2,819	$ 3,307

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Executive Directors:
Mr. Kwok Ping Sun *(Chairman)*
Ms. Gloria Pui Yun Ho

Non-Executive Directors:
Mr. Michael J Hibberd *(Vice Chairman)*
Ms. Linna Liu
Ms. Xijuan Jiang

Independent Non-Executive Directors:
Mr. Yi He
Mr. Guangzhong Xing
Ms. Jue Pang

AUTHORIZED REPRESENTATIVES:
Mr. Kwok Ping Sun
Ms. Man Ngan Chow

AUDITORS:
Prism Hong Kong and Shanghai Limited

LEGAL ADVISERS:
Robertson Solicitors

COMPETENT PERSONS:
GLJ Ltd.
Boury Global Energy Consultants Ltd.

PRINCIPAL BANKERS:
Bank of China (Hong Kong) Limited
Bank of China (Canada)

PLACE OF SHARE LISTING AND STOCK CODE:
The Stock Exchange of Hong Kong Limited: 2012

WEBSITE:
www.sunshineoilsands.com

AUDIT COMMITTEE:
Mr. Yi He *(Chairman)*
Mr. Guangzhong Xing
Ms. Jue Pang

COMPENSATION COMMITTEE:
Mr. Yi He *(Chairman)*
Mr. Kwok Ping Sun
Ms. Xijuan Jiang
Mr. Guangzhong Xing
Ms. Jue Pang

RESERVES COMMITTEE:
Mr. Yi He *(Chairman)*
Mr. Guangzhong Xing
Mr. Kwok Ping Sun

CORPORATE GOVERNANCE COMMITTEE:
Mr. Kwok Ping Sun *(Chairman)*
Mr. Michael J Hibberd
Mr. Yi He
Mr. Guangzhong Xing
Ms. Jue Pang

CORPORATE HEADQUARTERS:
Suite 1910, 715-5th Ave SW,
Calgary AB, T2P 2X6

REGISTERED OFFICE IN ALBERTA:
Suite 4000, 421 Seventh Avenue SW Calgary, Alberta
T2P 4K9 Canada

PRINCIPAL PLACE OF BUSINESS IN HONG KONG:
20/F, Two Chinachem Central,
No. 26 Des Voeux Road Central,
Central, Hong Kong

SHARE REGISTRAR IN ALBERTA:
Odyssey Trust Company

SHARE REGISTRAR IN HONG KONG:
Computershare Hong Kong Investor Services Limited