

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made this 28th day of April, 2025 (the "Execution Date").

BETWEEN:

**COSMETIC CABINET LTD, a corporation incorporated in Hong Kong with limited liability
(with Business Registration Number [REDACTED]) (the "Creditor")**

- and -

**SUNSHINE OILSANDS LTD., a corporation incorporated under the Business Corporations
Act of the Province of Alberta, Canada with limited liability (with Corporate Access Number
2013026493) whose Class "A" Common Voting Shares are listed on the Main Board of The
Hong Kong Stock Exchange Limited with stock code number 2012**

("Sunshine")

(individually a "**Party**" and collectively the "**Parties**")

WHEREAS as of the date of this agreement, Sunshine has an outstanding balance owing to Creditor in the amount of **HKD 15,000,000** (the "**Outstanding Amount**");

AND WHEREAS the Parties have negotiated with each other and, subject to the terms hereof, have reached a settlement of the Outstanding Amount;

AND WHEREAS this Settlement Agreement remains subject to the approval of The Stock Exchange of Hong Kong Limited ("**SEHK**").

NOW THEREFORE in consideration of the mutual covenants contained herein, the sufficiency of which is acknowledged, the Parties covenant and agree to settle the matters heretofore referenced in accordance with the following terms:

1. The recitals set forth above are accurate and form part of this Settlement Agreement.
2. The total Outstanding Amount owing by Sunshine to Creditor pursuant to the Agreements, up to and including the Execution Date, is agreed to be **HKD 15,000,000**.
3. On the Closing Date (as defined below), the Parties agree that Sunshine shall repay HKD 15,000,000 (the “**Share Amount**”) equal to the Subject Shares times the Issue Price (as defined below) by way of Sunshine issuing to Creditor, new Class “A” Common Voting Shares (“**Shares**”) in such number (the “**Subject Shares**”), *i.e.* 33,333,333 Shares to settle the Outstanding Amount (“**Outstanding Amount**”) (“**Settlement**”). For this purpose, “**Issue Price**” means the price equivalent to the higher of:
 - (a) the closing market price of the Shares on the Execution Date; or,
 - (b) the simple average closing market price of the Shares on the SEHK for the last five trading days immediately preceding the Execution Date.
4. [Not used]
5. [Not used]
6. Subject to the fulfillment (or waiver, if applicable) of the conditions set out in Clause 8 (other than those conditions which by their terms or nature are to be satisfied at the Closing (as defined below)), the closing of the share transaction contemplated by this Settlement Agreement (the “**Closing**”), including completion of the subscription and issue of the Share Amount, shall take place on or before the day that is three months from the Execution Date (the “**Closing Date**”).
7. If the Closing has not occurred or any of the conditions set forth in Clause 8 shall not have been fulfilled, Creditor shall, at its election, be entitled to terminate this Settlement Agreement, and, in doing so, be relieved of all further obligations under this Settlement Agreement and shall not be bound to proceed with the transactions contemplated by this Settlement Agreement. For clarity, the foregoing only applies to then-existing and outstanding Closings and any completed Closings shall continue to be of effect and this Agreement, and releases and settlements contained herein, shall continue to apply.
8. The consummation of the Closing pursuant to Clause 6, including completion of the subscription and issue of the Subject Shares, is subject to the representations and warranties of Sunshine set forth in Clause 17 being true and correct as if made on the applicable Closing Date and the fulfillment, to Creditor’s reasonable satisfaction, on or prior to or at Closing of the following conditions:

(a) Creditor shall have received evidence that the Listing Committee of the SEHK has approved and granted the listing of, and permission to deal in, the Subject Shares. Sunshine shall be solely responsible for submitting a separate application letter if this Settlement Agreement is not accepted by the SEHK, in a form acceptable to SEHK.

(b) Sunshine will have made and/or obtained any other necessary filings, approvals, consents and acceptances to or from, any applicable regulatory authority including the SEHK (subject to satisfaction of standard listing conditions) in connection with this Settlement Agreement and provided Creditor with evidence of the making or receipt of such other filings, approvals, consents or acceptances;

(c) Sunshine will have received all corporate approvals and, no later than the Closing Date; and,

(d) Creditor (or an affiliate thereof for and on behalf of Creditor) shall have received the Subject Shares together with evidence that the share registrar of Sunshine has updated, or has been instructed to promptly update, the register of shareholders of Sunshine to reflect Creditor's ownership of the Subject Shares; and,

9. Creditor makes the following representations and warranties to Sunshine:

(a) it has been advised independently as to, or is aware of, the restrictions with respect to trading in the Subject Shares imposed by applicable securities laws in the jurisdiction in which it resides, confirms that no representation (written or oral) has been made to it by or on behalf of Sunshine with respect thereto, acknowledges that it is aware of the characteristics of the Subject Shares, the risks relating to an investment therein and of the fact that it may not be able to resell the Subject Shares except in accordance with limited exemptions under applicable securities laws and regulatory policy until expiry of the applicable restricted period and compliance with the other requirements of applicable law; and it acknowledges that it has been advised to consult its own legal counsel in the jurisdiction of residence for full particulars of the resale restrictions applicable to it;

(b) it has not received or been provided with, nor requested, nor does it have any need to receive, any offering memorandum, any prospectus, sales or advertising literature, or any other document with respect to Sunshine or the Subject Shares;

(c) it has not become aware of any advertisement in printed media of general and regular paid

circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the distribution of the Subject Shares;

(d) it is receiving the Shares as principal for its own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Subject Shares;

(e) it acknowledges that:

(i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Subject Shares;

(ii) there is no government or other insurance covering the Subject Shares;

(iii) there are risks associated with acquiring the Subject Shares; and

(iv) there are restrictions on its ability to resell the Subject Shares and it is its responsibility to find out what those restrictions are and to comply with them before selling the Subject Shares;

(f) it is aware that the Subject Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and that these securities may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states and acknowledges that Sunshine has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Subject Shares;

(g) the Subject Shares have not been offered to it in the United States, and the individuals executing and delivering this Agreement on behalf of it were not in the United States when this Agreement was executed and delivered;

(h) it is not a U.S. Person (as defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not acquiring the Subject Shares on behalf of, or for the account or benefit of, a person in the United States or a U.S.

Person;

(i) it undertakes and agrees that it will not offer or sell the Subject Shares in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Subject Shares, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and order and stock exchange rules;

(j) if required by applicable securities laws, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver, file and otherwise assist Sunshine in filing, such reports, undertakings and other documents with respect to the issue of the Subject Shares; and

(k) it shall not resell the Subject Shares, except in accordance with the provisions of applicable securities legislation and stock exchange rules, if applicable, in the future.

10. [Not used].

11. Immediately upon Creditor's receipt of the Subject Shares, and subject to the Closing having occurred, the Subject Shares shall constitute payment of the Outstanding Amount to Creditor and Sunshine's duties with respect to Settlement shall be deemed satisfied at that time.

12. [Not used].

13. [Not used].

14. Following the Execution Date (and subject to performance of this Settlement Agreement having occurred), neither Party will take any further steps to enforce any Claims in relation to the Outstanding Amount or, if no action has been commenced, then Creditor will not take any further steps to commence a court or arbitration proceedings in relation to any subject matter of this Agreement, except where the Parties consent in writing to do so or with leave of the Court, pending consummation of the transactions contemplated by this Settlement Agreement, nor will either Party advance, or cause an affiliated or controlled party to advance, any action or claim relating to the matters set forth in the recitals to this Settlement Agreement, until either:

(a) one or both Parties are in breach of this Settlement Agreement and, upon having received 15 business days' notice to cure such breach having failed to do so, in which case the Parties may

continue steps in the Action as necessary to continue with the litigation; or

(b) Creditor has terminated this Settlement Agreement in accordance with the terms hereof.

15. For certainty, unless and until any of the events described in Clause 14 occurs, the Parties agree that all steps relating and required from the Execution Date onward and therein are in abeyance and neither Party will raise as a defence or claim against the failure to meet a procedural step required by the relevant rules and regulation in Hong Kong and Canada.

16. The Parties acknowledge that the terms of this Settlement Agreement are not to be disclosed and are to be maintained in confidence except as required by law or any regulatory authority (including the SEHK, the Hong Kong Securities and Futures Commission and the ASC), including but not limited to the publication of announcements. Notwithstanding the foregoing, Sunshine shall make reasonable efforts to advise Creditor of all announcements relating to this Settlement Agreement or any transactions contemplated hereunder prior to publication. In no event will Sunshine disclose the identity of Creditor in such announcements, subject only to meeting the minimum requirements of applicable law or of a regulatory body having jurisdiction.

17. Sunshine hereby represents, warrants, covenants and acknowledges that as of the Execution Date and as of the Closing Date (unless a date certain is expressly stated):

(a) Sunshine has been duly incorporated and organized under the laws of its jurisdiction of incorporation and is validly existing and is current and up-to-date with all material filings required to be made under the laws of its jurisdiction of incorporation and has all requisite corporate power to carry on its business as now conducted and as presently proposed to be conducted and to own or lease its property;

(b) each of the execution and delivery of the Settlement Agreement, the performance by Sunshine of its obligations hereunder (including the issue of the Subject Shares), and the consummation of the transactions contemplated by the Settlement Agreement, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both) (i) any statute, rule or regulation applicable to the Sunshine including, without limitation, applicable securities laws (including the rules governing the listing of securities on the SEHK ("**Listing Rules**")); (ii) the constituting documents, by-laws or resolutions of Sunshine as currently in effect; or (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other

document to which Sunshine is a party or by which Sunshine is bound; except, in the case of clauses (iii), where such conflict, breach or default is not material;

- (c) this Settlement Agreement has been duly authorized and executed and delivered by Sunshine and constitutes a valid and binding obligation of Sunshine enforceable against Sunshine in accordance with its terms;
- (d) Sunshine is conducting its business in material compliance with all applicable laws, rules and regulations in the jurisdictions in which its business is carried on;
- (e) Sunshine: (i) is a reporting issuer in the Provinces of Alberta and Ontario (the “**Reporting Jurisdictions**”), and (ii) is in compliance with its obligations under the applicable securities laws of the Reporting Jurisdictions in all material respects. The public disclosure record of Sunshine is true, correct and complete in all material respects and Sunshine is in material compliance with all of its obligations under National Instrument 51-102 - *Continuous Disclosure Obligations* and the applicable rules and policies of the SEHK;
- (f) the Shares are listed on the SEHK and to the best of Sunshine’s knowledge and belief no investigations or proceedings for such purposes are pending or threatened;
- (g) the authorized capital of Sunshine consists only of an unlimited number of the Shares and Class B voting common shares, an unlimited number of Class C, D, E and F non-voting common shares, and an unlimited number of Class G and H preferred shares, of which the following shares are currently issued or outstanding:
 - (i) 292,174,417 Class “A” voting common shares;
- (h) the Subject Shares to be issued on the Closing Date:
 - (i) will rank *pari passu* in all aspects with the other Shares then in issue free from and clear of all liens, encumbrances, security interests, charges or claims of third parties, and together with all rights attaching to them as at the Closing Date;
 - (ii) will be duly listed on the SEHK and will be fully and freely tradable on the SEHK and;

(iii) have been duly authorized for issuance by all necessary action on the part of Sunshine and when issued and delivered to Creditor will have been validly issued as fully paid and non-assessable Shares.

- (i) Sunshine has complied, or will comply, with all applicable Hong Kong securities laws in connection with the issuance of the Subject Shares;
- (j) neither of Sunshine nor its respective directors is in possession of any inside information (as defined under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (“SFO”), and there is not in existence any material or information relating to Sunshine which will be required to be disclosed by Sunshine under the Listing Rules and or Part XIVA of the SFO;
- (k) neither Sunshine nor its respective directors have passed, communicated or otherwise provided any inside information (as defined under the SFO) to Creditor;
- (l) as at the Execution Date, there has been no material adverse change in the results of operations, business or in the financial condition of Sunshine and its subsidiaries as a whole not previously disclosed;

18. The Parties acknowledge that they have entered into this Settlement Agreement voluntarily and have received and understood its terms and their effect and they have had the opportunity to obtain their own independent legal advice.

19. The Parties represent and declare that they have read this Settlement Agreement and confirm that it contains the entire agreement between the Parties.

20. The Parties shall do all things and execute such other documents as are necessary to put this Settlement Agreement into effect.

21. This Settlement Agreement shall be governed by and construed in accordance with the laws in force in Hong Kong and any dispute arising from this Settlement Agreement will be adjudicated by the Court of Hong Kong.

22. The terms of this Settlement Agreement shall enure to the benefit of and are binding upon the Parties hereto and their respective successors and assigns.

23. This Settlement Agreement may be executed by fax or email and in counterpart, each of which when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement, and the execution and delivery of counterparts of this Settlement Agreement by fax or email shall be sufficient and binding on the Parties.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF the Parties execute this Settlement Agreement effective as of the Execution Date.



SUNSHINE OILSANDS LTD.

Name: Gloria Ho

Title: CFO



COSMETIC CABINET LTD

Name: Wu Liping

Title: Director