

SOUTHSTONE ANNOUNCES PROFIT FOR Q1 AND AVERAGE DIAMOND PRICES OF US\$1,844/CARAT

VANCOUVER, BRITISH COLUMBIA — 07 February 2020 – Southstone Minerals Limited (“Southstone” or the “Company”) (TSX.V – SML) is pleased to announce a record quarter, having made a profit for the Q1 2020 period (1 September 2019 to 30 November 2019) of C\$364,838, compared to a loss incurred in the comparative period in Q1 2019 of C\$88,636. These results are directly related to the increase in diamond sales from Oena Diamond Mine, South Africa (“Oena”).

Southstone continues to focus and prioritize its efforts on improving and increasing production at Oena resulting in operational improvements and the production of very high-quality and high-value diamonds. A total of 1,085.20 carats (418 diamonds) were produced, placed on tender and sold with an average price of US\$1,844 per carat in Q1 2020. This includes the following twelve special stones:

| Carats | US\$/carat | Carats | US\$/carat |
|--------|------------|--------|------------|
| 35.00 | 15,285 | 14.64 | 4,099 |
| 9.29 | 5,549 | 6.17 | 3,721 |
| 11.46 | 5,090 | 5.68 | 3,700 |
| 8.180 | 3,464 | 7.01 | 2,605 |
| 10.63 | 3,066 | 14.51 | 2,520 |
| 9.920 | 2,641 | 5.29 | 2,520 |

Production at Oena recommenced in early January 2020 and Southstone will continue to maintain a strategic focus on the Oena Diamond Mine. Management is very pleased with these results and will continue its efforts for the Company’s success while looking for additional opportunities for the Company’s growth strategy.

**ON BEHALF OF THE BOARD OF DIRECTORS OF
SOUTHSTONE MINERALS LIMITED**

Mr. Samer Khalaf

Chief Executive Officer

Southstone Minerals Limited

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Forward-Looking Statement

Certain information set forth in this news release contains “forward-looking statements” and “forward-looking information” under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements, which include management’s assessment of future plans and operations and are based on current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as “forecasts”, “estimates”, “expects”, “anticipates”, “believes”, “projects”, “plans”, “outlook”, “capacity”

and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them.

Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to statements with respect to the estimation of mineral resources; the realization of mineral resource estimates; anticipated future production, capital and operating costs; cash flows and mine life; potential size of a mineralized zone; potential expansion of mineralization; potential types of mining operations; permitting timelines; government regulation of exploration and mining operations; risks that the presence of diamond deposits mentioned nearby the Company's property are not indicative of the diamond mineralization on the Company's property, the supply and demand for, deliveries of and the level and volatility of prices of rough diamonds, risks that the actual revenues will be less than projected; risks that the target production for the existing mining contracts will be less than projected or expected; risks that production will not commence as projected due to delay or inability to receive governmental approval of the Company's acquisition or the timely completion of an NI43-101 report; technical problems; inability of management to secure sales or third party purchase contracts; currency and interest rate fluctuations; foreign exchange fluctuations and foreign operations; various events which could disrupt operations, including labor stoppages and severe weather conditions; and management's ability to anticipate and manage the foregoing factors and risks.

The forward-looking statements and information contained in this news release are based on certain assumptions regarding, among other things, future prices for coal and diamonds; future currency and exchange rates; the Company's ability to generate sufficient cash flow from operations and access capital markets to meet its future obligations; coal consumption levels; and the Company's ability to retain qualified staff and equipment in a cost-efficient manner to meet its demand. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on forward-looking statements. The Company does not undertake to update any of the forward-looking statements contained in this news release unless required by law. The statements as to the Company's capacity to achieve revenue are no assurance that it will achieve these levels of revenue.