

**SOUTHSTONE ANNOUNCES PROFIT
FOR THE 2019 FINANCIAL YEAR**

VANCOUVER, BRITISH COLUMBIA — 23 December 2019 — Southstone Minerals Limited (“Southstone” or the “Company”) (TSX.V – SML) is pleased to announce results of the audited financial statements for the Financial Year ending 31 August 2019. Southstone’s strategic focus on its diamond operations, in particular the Company’s flagship asset, the Oena Diamond Mine, South Africa, resulted in a diamond production increase of 76% to 1,694.50 carats during the 2019 Financial Year (2018: 961.90 carats), which sold for an average of US\$1,664 (2018: US\$1,462). The Oena Diamond Mine continues to improve operationally, produce very high-quality diamonds and notably 26 diamonds produced exceeded 10 carats in size and sold for an average price of US\$4,109 per carat.

Turnover from the Kwena Group operations was up 10% from C\$13.1M in fiscal 2018 to C\$14.5M in fiscal 2019. Tonnage remained consistent with 7.6M tonnes processed in fiscal 2019 compared to 7.7M tonnes in fiscal 2018.

The increase in Oena Diamond Mine production, which resulted in financial recoveries from exploration increasing 108% year on year, along with the improved turnover of the Kwena Group, resulted in the Company reporting a profit of C\$254,269 in the 2019 Financial Year as compared to a loss of C\$1,126,172 for the 2018 Financial Year.

Management is very pleased with the 2019 Financial Year end results, which demonstrates the success of the Company’s corporate strategy and focus on its diamond operations.

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.