

OENA AND FARM KAREEPAN DIAMOND SALES - Q1 2021 REPORT

VANCOUVER, BRITISH COLUMBIA — 14 December 2020 — Southstone Minerals Limited (“Southstone” or the “Company”) (TSX.V – SML) is pleased to provide a production and operational update for the period 1 September 2020 to 30 November 2020 (Q1 2021) on Oena Diamond Mine and Farm Kareepan Mine located in the Republic of South Africa.

Oena Diamond Mine, Republic of South Africa

Production at the Oena Diamond Mine during Q1 2021 operated normally. There is one mining contractor on site using four (4) pan plants to process run of mine (“ROM”) material and one Bourevestnik (“BVX”) unit used for diamond recovery. Mining and processing of ROM material totaled 117,630 tonnes from Oena area and 11,560 tonnes from Sandberg area. Diamond production results for Q1 2021:

	Carats Produced	Number of Diamonds	US \$ / carat average
Q12021 ROM	744.5	318	1,623

The Oena Diamond Mine continues to produce large and high-quality diamonds as summarized below.

Top 9 Diamonds by Value per Carat for Q1 2021			
Diamond	Diamond Size (carats)	Sold Price US \$	US \$ / carat
1	32.22	\$58'289	\$1'809
2	26.34	\$155'000	\$5'885
3	22.33	\$108'000	\$4'837
4	20.58	\$82'000	\$3'984
5	20.11	\$81'084	\$4'032
6	16.92	\$53'100	\$3'138
7	15.62	\$32'500	\$2'081
8	12.83	\$52'850	\$4'119
9	11.65	\$31'118	\$2'670

Work at Oena Diamond Mine will pause for the holidays on 15 December 2020 and recommence on 5 January 2021.

Farm Kareepan Contractors Agreement

The Gumrock Joint Venture commenced test pitting on Farm Kareepan Mine in three separate areas and a total of 349 test pits ranging from 1 to 5 meters in depth were completed and mapped. In an area called “Grass Camp” a gravel horizon ranging from 0.3m (meter) to 1.0m in thickness was outlined. Grass Camp is located in very close proximity to what is known as the Bamboes Spruit Run. In late October, bulk sampling commenced at Grass Camp with the installation of a 14-foot rotary pan plant and a total of 21 trenches were dug providing 6035 tonnes of gravel for processing. This area has now been mined out.

Diamond production results from Grass Camp:

	Carats Produced	Number of Diamonds	US \$ / carat average	Average stone size
Q12021 ROM	88.72	87	\$425	1.18

Three high value stones were recovered:

Diamond	Diamond Size (carats)	US \$ / carat
1	2.88	\$1'612
2	2.92	\$1'170
3	5.69	\$1'400

During the test pitting phase another 10 hectares of continuous gravel has been identified in an area called "Cultivation Area" and will be the focus of the ongoing bulk sampling program in Q2. Work on Farm Kareepan will pause for the holidays on 15 December 2020 and recommence on 5 January 2021.

The Board has approved the issuance a total of 200,000 common shares to two non-executive directors at a deemed price of \$0.05 per share, which issuance is subject to approval by the TSX.V.

The technical disclosure in this news release has been approved by Terry L. Tucker, P.Geo., Executive Chairman of the Company and a Qualified Person as defined by National Instrument 43-101 of the Canadian Securities Administrators.

THE BOARD OF DIRECTORS OF SOUTHSTONE MINERALS LIMITED

info@southstoneminerals.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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; COVID-19; 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.