

SOUTHSTONE ANNOUNCES MUTUAL TERMINATION OF PADSTONE TRANSACTION

VICTORIA, BRITISH COLUMBIA — 4 SEPTEMBER 2024 — Southstone Minerals Limited (“Southstone” or the “Company”) (TSX.V – SML) announces that the Company and Padstone Pte. Ltd. (“Padstone”) have mutually agreed to terminate the previously announced share purchase agreement (the “**Agreement**”) of the remaining 90% interest of the issued and outstanding shares of Padstone.

The 1,152 fully paid ordinary shares of Padstone currently held by Southstone representing 10% of the issued share capital of Padstone, will be transferred back to the Padstone shareholders with an effective date of 31 August 2024 as per the terms of the Agreement.

The Company will provide an update on production and sales from the Oena Diamond Mine (“Oena”) after the close of the next diamond tender, which will be held from 23 to 27 September 2024. The Company continues to search out options to increase diamond production from Oena and to pursue other opportunities in southern Africa. The Company will make arrangements with the TSX.V to with respect to timing for the resumption of trading of the Company’s stock.

The Company further announces that further to its news releases dated November 6, 2023, January 10, 2024 and March 13, 2024, it has extended the closing of the non-brokered private placement of up to 10 million units at a price of C\$0.05 per unit for gross proceeds up to C\$500,000 (the “**Private Placement**”).

Each unit of the Private Placement shall consist of one common share in the capital of the Company and one-half share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of C\$0.10 per share at any time within two years from the date of issuance. The warrants shall also be subject to an accelerated exercise clause in the event the Company's share price exceeds C\$0.15 for 10 consecutive trading days.

Proceeds from the Private Placement are anticipated to be used on exploration of the Visirivier and Kabies Sections of the Oena Mining License which have had little exploration or mining activity to date as well as for general working capital purposes.

ON BEHALF OF THE BOARD OF DIRECTORS OF SOUTHSTONE MINERALS LIMITED

Terry L. Tucker, P.Geo.

Executive Chairman

For additional information, please contact

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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. Capitalized terms used herein that have not been defined have the same meanings ascribed in the policies of the TSX.V.

Forward-Looking Statement

This news release of Company contains statements that constitute “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Southstone’s actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements.