

Interim Management's Discussion & Analysis

*** Quarterly Highlights ***

This Management's Discussion & Analysis – Quarterly Highlights (“**Quarterly Highlights**”) of Southstone Minerals Limited (the “**Company**” or “**Southstone**”) is prepared as of January 28, 2026 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the three months ended November 30, 2025, as well as the audited financial statements for the year ended August 31, 2025.

The interim unaudited financial statements have been prepared by management in accordance with International Accounting Standards 34 'Interim Financial Reporting' using accounting policies consistent with the International Financial Reporting Standards issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee.

All figures are in Canadian dollars unless otherwise stated. Additional information, including the above-mentioned financial statements are available on SEDAR+ and may be accessed at www.sedarplus.ca.

Date

This MD&A is dated as of January 28, 2026.

Forward-Looking Information

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry, including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of resource and reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Southstone to obtain all permits, consents or authorizations required for its operations and activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Southstone to fund the capital and operating expenses necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by Southstone. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Southstone should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Analysis of the Company's Financial Performance and Condition

The Company is reporting net income for the three months ended November 30, 2025 of \$188,655, compared to a net loss of \$80,898 for the comparative period ending November 30, 2024.

The biggest impact on the results is the increase in production, with gross profit higher by \$371,721, and a foreign exchange gain of \$25,580, compared with a gain of \$11,972 in the period ending November 30, 2024. These gains were partially offset by higher professional fees of \$47,714 in the period ending November 30, 2025, compared with \$24,673 in the period ending November 30, 2024 and higher office and general expenses of \$77,105 in the period ending November 30, 2025, compared with \$33,497 in the period ending November 30, 2024.

Non-Exploration Expense Summary

A summary of the non-exploration activity from continued operations is as follows:

	Three months ended November 30,	
	2025	2024
Revenues	\$ 2,650,969	\$ 159,184
Cost of sales	(2,258,433)	(138,369)
Gross profit	392,536	20,815
Expenses		
Amortization	(55)	(55)
Foreign exchange gain (loss)	25,580	11,972
Management and consulting	(43,676)	(39,866)
Office and general	(77,105)	(33,497)
Professional fees	(47,714)	(24,673)
Selling expenses	(39,765)	(2,243)
Shareholder information	(1,071)	(1,071)
	(183,806)	(89,433)

- The foreign exchange gains and losses fluctuating relates to the volatility of the South African Rand against the Canadian dollar for the periods from September to November, 2024 and September to November, 2025.
- Professional fees increased in the first three months of fiscal 2025 compared to fiscal 2024 due to higher utilization of professional consultants. These services include, but are not limited to audit, legal, advisory and environmental.
- Selling expenses increased in the first three months of fiscal 2025 compared to fiscal 2024 due to higher tender house commissions from increased sales.

Liquidity

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company historically generates cash flow from both operations as well as financing activities. As at November 30, 2025, the Company had cash of \$496,190 to settle current liabilities of \$2,598,506. The Company expects to meet its financial commitments through loans, private placements, debt conversion, and profits generated from its operations. All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms.

As at November 30, 2025, the Company has an accumulated deficit of \$22,319,086. The Company will require additional financing in order to further develop its business, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. **The Company's ability to continue as a going concern is dependent on its ability to secure additional financing, for which there can be no assurance.** If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

Corporate Activities

On February 24, 2025, the Company received conditional approval from the TSX Venture Exchange in connection with its proposed acquisition of Afrium Energy Pte. Ltd., a private Singapore corporation that holds indirect interests in uranium prospecting licences in the Republic of Botswana. The Company would acquire a 100% interest in Afrium for 20,000,000 common shares of the Company. Afrium shareholders also receive a 2.5% net smelter return royalty on the licenses, with an option for the Company to repurchase each 0.5% of the NSR for \$1.5 million to a maximum total aggregate amount of \$7.5 million.

Final approval of the transaction remains subject to the satisfaction of customary TSX Venture Exchange requirements, including the completion of technical, financial, legal, and regulatory review items. The Company continues to work toward satisfying these conditions and will provide further updates in accordance with applicable disclosure requirements.

The Second Addendum, effective September 12, 2025, extends the end date of the acquisition agreement to March 12, 2026.

Transactions with Related Parties

The Company incurred the following expenditures charged by companies controlled by current and former directors and officers of the Company:

	November 30, 2025		November 30, 2024	
Directors fees	\$	4,189	\$	4,144
Consulting fees (included in management and consulting)		42,487		38,722
Commissions		26,111		-
Total	\$	72,787	\$	42,866

Management fees are paid as and when funds are available. Management fees are broken down as follows:

	Period ended November 30,	
	2025	2024
Terry Tucker (Director, Executive Chair, Interim CEO and Interim CFO)	\$ 20,859	\$ 20,722
Neil Budd (Director)	4,189	4,144
Wiklow Corporate Services - Donna Moroney (Corporate Secretary & Director)	18,000	18,000
Nadim Makki (CEO, ASM)	29,739	-
Total	\$ 72,787	\$ 42,866

As at November 30, 2025, \$532,289 (August 31, 2025 - \$439,638) is owed to directors and officers of the Company. Amounts owing are non-interest bearing, unsecured and due on demand.

Additional Information

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.