Southstone Minerals Limited
2751 Graham Street
Victoria, British Columbia, V8T 3Z1
TSX Venture : SML
www.southstoneminerals.com

SOUTHSTONE PROVIDES FINANCIAL AND CORPORATE UPDATE

VICTORIA, BRITISH COLUMBIA — 29 July 2026 — Southstone Minerals Limited ("Southstone" or the "Company") (TSX-V: SML) provides a financial and corporate update, including the resumption of trading in its common shares on the TSX Venture Exchange and a correction to the earnings per share figures presented in its condensed consolidated interim financial statements for the nine months ended May 31, 2026.

Resumption of Trading

Trading in the Company's common shares resumed on the TSX Venture Exchange on 27 July 2026, following completion of the steps previously announced to address the TSX Venture Exchange Policy 3.1 deficiencies underlying the trading halt that had been in place since 10 January 2024, including the appointment of an additional independent director and Chair of the Audit Committee and the appointment of a Chief Financial Officer separate from the Chief Executive Officer (see the Company's news releases of 27 May 2026 and 7 July 2026).

Correction of Earnings Per Share

The Company advises that the earnings per share figures presented in its condensed consolidated interim financial statements for the nine months ended May 31, 2026, filed on SEDAR+ on July 22, 2026, were calculated using total consolidated net income, which includes the 57% interest in the Company's subsidiary, African Star Minerals (Pty) Ltd ("ASM"), that is held by parties other than Southstone. The Company holds a 43% ownership interest in ASM but consolidates 100% of ASM's results, having been determined to have control of ASM notwithstanding its minority ownership interest (see Note 3.3 to the Company's audited annual and interim financial statements). The Company's effective economic interest in net tender proceeds is accordingly 8.60% where the 80:20 split applies and 6.45% where the 85:15 split applies (see revenue split section below).

In accordance with IAS 33 (Earnings per Share), however, basic and diluted earnings per share should be calculated using net income attributable to owners of the Company only, not total consolidated net income.

On a corrected basis, net income attributable to Southstone shareholders was $195,498 for the nine months ended May 31, 2026 and $108,236 for the three months ended May 31, 2026. The originally reported and corrected basic and diluted earnings (loss) per share for each affected period are summarised below:

Period	As originally reported	As corrected	Status
Three months ended May 31, 2026	$0.009	$0.003	Amended and restated statements filed
Nine months ended May 31, 2026	$0.015	$0.006	Amended and restated statements filed
Three months ended May 31, 2025 (comparative)	$0.004	$0.000	Restated in the amended statements (IAS 8)
Nine months ended May 31, 2025 (comparative)	$nil	$(0.004)	Restated in the amended statements (IAS 8)
Three months ended November 30, 2025 (Q1 fiscal 2026)	$0.006	$0.002[(1)]	To be reflected in the FY2026 annual financial statements
Six months ended February 28, 2026 (Q2 fiscal 2026)	$0.007	$0.003[(1)]	To be reflected in the FY2026 annual financial statements
Year ended August 31, 2025	$nil	$(0.003)[(1)]	To be reflected in the FY2026 annual financial statements

[(1)] Corrected figures for periods not yet amended reflect management's recalculation of basic and diluted earnings (loss) per share on the basis of net income attributable to owners of the Company; the three months ended February 28, 2026 round to $nil on either basis.

This correction affects only the presentation of earnings per share. Net income, the allocation of net income between Southstone and the 57% outside interest in ASM, total assets, total liabilities, and total equity are unaffected.

The Company has filed amended and restated condensed consolidated interim financial statements for the nine months ended May 31, 2026 on SEDAR+, together with the required certifications. The amended and restated financial statements replace and supersede the statements originally filed on July 22, 2026. The Company's MD&A – Quarterly Highlights for the period does not present earnings per share figures and has not been refiled. The corrected earnings per share figures for the first and second quarters of fiscal 2026 and for the comparative annual periods will be reflected in the Company's annual financial statements for the year ending August 31, 2026.

Oena Diamond Mine

Revenue split: the Contract Mining and Diamond Recovery Agreement dated January 31, 2025 between the Company's subsidiary, African Star Minerals (Pty) Ltd ("ASM"), and its contract miner, Rietput Delwery BK ("Rietput"), as amended with effect from July 1, 2025, tender sale proceeds are shared 80% to Rietput and 20% to ASM (net of tender costs) where the Gross Selling Price of a Tender Sale is ZAR 10,000,000 or more. Where the Gross Selling Price of a Tender Sale is less than ZAR 10,000,000, the split changes to 85% to Rietput and 15% to ASM. There can be no assurance that future tenders will meet or exceed that threshold, and any tender priced below ZAR 10,000,000 will be subject to the 85:15 split.

Cautionary Note Regarding Financial Information

Revenue in the Company's consolidated financial statements is reported on a gross basis and includes 100% of ASM's diamond tender sales, notwithstanding that the contract miner is entitled to the majority share of tender proceeds under the Contract Mining and Diamond Recovery Agreement described above and that Southstone holds a 43% interest in ASM. Consolidated revenue is therefore not indicative of the amounts attributable to Southstone shareholders. In addition, revenue reported by the Company for earlier financial years is not directly comparable to current periods: prior periods included revenue from business segments that the Company no longer owns or operates, and reflect contract mining and revenue-sharing arrangements that differ from those currently in place. Shareholders and investors are cautioned to rely only on the Company's continuous disclosure record filed under its profile on SEDAR+ (www.sedarplus.ca) and on news releases issued by the Company, read in their full context.

ON BEHALF OF SOUTHSTONE MINERALS LIMITED

Terry L. Tucker, P.Geo.
Executive Chairman

For additional information, please contact Terry L. Tucker at info@southstoneminerals.com

---

Forward Looking Statements Disclaimer

Certain statements in this news release may constitute "forward-looking statements" within the meaning of applicable securities laws, including, without limitation, statements regarding the reflection of corrected earnings per share figures for prior periods in the Company's annual financial statements for the year ending August 31, 2026, and whether future tender sales at the Oena Diamond Mine will meet or exceed the ZAR 10,000,000 threshold under the Contract Mining and Diamond Recovery Agreement with Rietput Delwery BK. Forward-looking statements are based on the Company's current expectations and are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are made as of the date of this news release, and the Company undertakes no obligation to update or revise them except as required under applicable securities laws.