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SOUTHSTONE MINERALS ANNOUNCES ARRANGEMENT AGREEMENT FOR GOING-PRIVATE TRANSACTION WITH TERRY L. TUCKER

VICTORIA, BRITISH COLUMBIA — 22 September 2026 — Southstone Minerals Limited ("**Southstone**" or the "**Company**") (TSX-V: SML) announces that it has entered into an arrangement agreement dated September 21, 2026 (the "**Arrangement Agreement**") with Terry L. Tucker, the Company's Executive Chairman and Interim Chief Executive Officer (the "**Purchaser**"), pursuant to which the Purchaser will acquire, by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**Arrangement**"), all of the issued and outstanding common shares of the Company ("**Shares**") that he does not already own.

TRANSACTION HIGHLIGHTS

Under the terms of the Arrangement, shareholders of the Company other than the Purchaser ("**Shareholders**") will receive cash consideration of $0.0375 per Share (the "**Consideration**"), representing aggregate consideration of approximately $1,073,508 payable in respect of 28,626,888 Shares. The Purchaser currently beneficially owns 4,775,000 Shares, representing approximately 14.30% of the Company's issued and outstanding Shares, and will not receive any Consideration in respect of those Shares. The Consideration exceeds the indicated value range of $0.024 to $0.034 per Share calculated by the Fairness Advisor (as defined below) by approximately 11.6% to 54.6%. All dollar amounts are in Canadian dollars unless otherwise stated.

Upon completion of the Arrangement, the Company will be wholly-owned by the Purchaser, the Shares will be delisted from the TSX Venture Exchange ("**TSXV**"), and the Company will cease to be a reporting issuer.

SPECIAL COMMITTEE AND BOARD APPROVAL

Because the Purchaser is an officer of the Company and the holder of approximately 14.30% of the Shares, the Arrangement constitutes a "business combination" and a "related party transaction" in respect of which the Purchaser is an "interested party", within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The board of directors of the Company (the "**Board**") accordingly formed a special committee of independent directors, comprised of Kevin Ma (Chair) and Neil Budd (the "**Special Committee**"), to review, negotiate and supervise the Arrangement on behalf of the Company.

The Special Committee retained Evans & Evans, Inc. (the "**Fairness Advisor**") as its independent financial advisor and to provide a fairness opinion. The Fairness Advisor has provided its verbal opinion which will subsequently be reaffirmed with a written report to the Special Committee that, as of the date of such opinion and subject to the assumptions, limitations and qualifications set out therein, the Consideration to be received by Shareholders under the Arrangement is fair, from a financial point of view, to Shareholders other than the Purchaser (the "**Fairness Opinion**").

After receiving the unanimous recommendation of the Special Committee and the Fairness Opinion, and after consultation with its outside legal and financial advisors, the Board (with the Purchaser having declared his interest and recused himself from deliberations) unanimously determined that the Arrangement is fair to Shareholders and in the best interests of the Company.

As the Shares are listed only on the TSXV and are not listed or quoted on any other market, the Company intends to rely on the "specified market" exemption from the formal valuation requirement under MI 61-101, such that no formal valuation of the Shares will be obtained or included in the management information circular for the Meeting (as defined below). The Arrangement is a non-arm's length transaction.

THE COMPANY'S OBLIGATIONS AND CIRCUMSTANCES

The aggregate consideration and obligations addressed under the Arrangement are expected to be approximately $4.943 million, comprising (i) the cash Consideration payable to Shareholders, (ii) parent-level indebtedness, (iii) estimated costs of the Arrangement, and (iv) obligations of the Company’s subsidiaries, which will remain as obligations of those subsidiaries. No creditor of the Company is being asked to compromise on any part of its claim.

In considering the Arrangement, the Special Committee considered the Company's circumstances as disclosed in its continuous disclosure record. The mining right over the Oena Diamond Mine, held by African Star Minerals (Pty) Ltd (“**ASM**”), in which the Company holds a 43% interest and which it consolidates, expires on 14 March 2027, and the application to renew it has not yet been lodged with the Department of Mineral and Petroleum Resources. The assessed cost of rehabilitating the current disturbance materially exceeds the financial provision lodged with the Department. The Company's most recently filed financial statements disclose a working capital deficiency and a material uncertainty that may cast significant doubt on its ability to continue as a going concern. 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 and that the Company holds a 43% interest in ASM; consolidated revenue is therefore not indicative of the amounts attributable to Shareholders.

As the Company has previously disclosed, there is no current NI 43-101 technical report or independent mineral resource estimate for the Oena Diamond Mine. Nothing in this news release constitutes disclosure of a mineral resource or mineral reserve, and no such estimate should be inferred from it.

MEETING AND COURT APPROVAL

The Arrangement will be subject to, among other things, approval by: (i) not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy at a special meeting of Shareholders to be called to consider the Arrangement (the “**Meeting**”), and (ii) a simple majority of the votes cast by Shareholders, excluding the Purchaser and any other persons required to be excluded under MI 61-101, in each case voting in accordance with the interim order to be obtained from the Supreme Court of British Columbia (the “**Court**”).

Full details of the Arrangement Agreement will be included in a management information circular of Southstone in connection with the Meeting, which will be filed with applicable regulatory authorities and mailed to Shareholders in accordance with applicable securities laws. Pursuant to the terms of the Arrangement Agreement, the Arrangement is subject to customary conditions including the receipt of applicable regulatory and third-party approvals and consents as may be required to effect and complete the transaction, including final approval of the Court and approval of the TSXV.

Assuming that all requisite approvals are received, the Purchaser and Southstone expect to close the proposed Arrangement shortly after the date of the Meeting. Upon completion of the Arrangement, no securities of Southstone will be listed on any public market and Southstone will cease to be a reporting issuer under Canadian laws.

BOARD OF DIRECTORS RECOMMENDATION AND VOTING SUPPORT

The Arrangement has been unanimously approved by the Board (with the Purchaser having declared his interest and recused himself from deliberations), after receiving the unanimous recommendation of the Special Committee comprised entirely of independent directors, as well as considering the Fairness Opinion from the Fairness Advisor. Certain shareholders of the Company, holding 6,905,872 Shares representing approximately 20.68% of the issued and outstanding Shares on a non-diluted basis, have entered into support agreements with the Purchaser pursuant to which they have agreed, among other things, to support the transaction and vote their Shares in favour of the Arrangement.

ADVISORS

Evans & Evans, Inc. is acting as financial advisor to the Special Committee. McMillan LLP is acting as legal counsel to the Company. Koffman Kalef LLP is acting as legal counsel to the Purchaser. No finder's fees were paid in connection with the Arrangement.

Shareholders of the Company, and other interested parties, are advised to read the materials relating to the proposed Arrangement, including the Arrangement Agreement, that will be filed by Southstone with securities regulatory authorities when they become available.

ON BEHALF OF THE SPECIAL COMMITTEE OF SOUTHSTONE MINERALS LIMITED

Kevin Ma
Chair, Special Committee

For additional information, please contact Kevin Ma at 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 Statements Disclaimer

This news release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian and United States securities laws (collectively, "forward-looking statements"). Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "intends", "anticipates", "expects", "estimates", "believes", "projects", "scheduled", "forecast", "outlook", "potential", "proposed", "plan", "budget", "target", "seeks", "will", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "occur". Forward-looking statements are not, and cannot be, guarantees of future performance or outcomes. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance are forward-looking statements, including, but not limited to: the anticipated terms of the Arrangement, timing and completion of the Arrangement; the ability of the Purchaser to fund the Consideration; the holding of the Meeting and the mailing of the management information circular; the anticipated delisting of the Shares from the TSXV and the Company ceasing to be a reporting issuer; certain Shareholders entering into voting and support agreements with the Purchaser prior to the Meeting; the receipt of Court, Shareholder, TSXV and other required approvals and consents; the satisfaction or waiver of conditions precedent to the Arrangement; the Company's reliance on the "specified market" exemption from the formal valuation requirement under MI 61-101; and the anticipated benefits of the Arrangement. The forward-looking statements contained in this news release are based on certain material assumptions, including, among others: that all conditions precedent to the Arrangement will be satisfied or waived in a timely manner; that all required regulatory, Court, Shareholder, TSXV and third-party approvals and consents will be obtained on satisfactory terms and in a timely manner; that no material adverse change will occur in respect of the Company or its subsidiaries prior to the completion of the Arrangement; that the Purchaser will have sufficient funds available to satisfy the Consideration and all other obligations under the Arrangement Agreement; and that the assumptions underlying the Fairness Opinion will remain substantially accurate. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others: the failure to obtain Shareholder, regulatory, Court or TSXV approvals in connection with the Arrangement; the failure to satisfy or waive conditions precedent to the Arrangement; the failure of the Purchaser to obtain financing or otherwise fund the Consideration; the failure to complete the Arrangement on the terms or timeline currently contemplated, or at all; the possibility of competing proposals or superior offers; the failure to realize the anticipated benefits of the Arrangement; potential adverse tax consequences to Shareholders; changes in general economic, market or business conditions; risks generally associated with the mineral exploration industry; environmental risks; changes in laws, regulations or governmental policy; community relations; delays in obtaining governmental or other approvals; the accuracy of the assumptions underlying the Fairness Opinion; and the risk factors with respect to the Company as set out in the Company's most recent management discussion and analysis and other filings which have been filed with the Canadian securities regulators and available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in or implied by forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. 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, estimated or intended. The forward-looking statements contained in this news release are made as of the date hereof and the Company expressly disclaims any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities laws. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements or the information contained therein.