SOUTHSTONE MINERALS LIMITED

Southstone Minerals Limited
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TSX Venture: SML
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Management's Discussion & Analysis

The following Management's Discussion & Analysis ("**MD&A**") of the financial condition and results of the operations of Southstone Minerals Limited, formerly Tango Mining Limited (the "**Company**" or "**Southstone**"), constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended August 31, 2019 and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended August 31, 2019, (the "Financial Statements") which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as published by the International Accounting Standards Board. All figures are in Canadian Dollars unless otherwise stated. Additional information, including the Financial Statements, which contain disclosure of the history and properties of the Company are available on SEDAR and may be accessed at www.sedar.com.

Date

This MD&A is dated as of December 23, 2019.

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.

The year under review

Southstone was incorporated under the *British Columbia Business Corporations Act* on April 10, 2007.

The Company, via three Republic of South Africa subsidiaries, holds three metallurgical and mining contracts with Exxaro Coal Central Proprietary Limited ("**ECC**"), that currently process at a rate of approximately 6.5 million tonnes ("Mt") of coal per annum. The three subsidiaries are Kwena Mining Projects (Pty) Ltd. ("**KMP**"), Kwena Mining and Metallurgical Services (Pty) Ltd. ("**KMMS**") and Kwena Springlake Projects (Pty) Ltd. ("**Springlake**") (each a "**Kwena Group Company**" and collectively the "**Kwena Group**"). By news release dated July 30, 2019, the Company announced its intention to dispose of its 74% interest in the Kwena Group to Kevin Gallagher, a director of the Company and non-arm's length party, which disposition was subject to shareholder and regulatory approval. The Board of Directors made this decision to allow management to focus its attention on its diamond properties. By news release issued October 3, 2019, the Company announced that the proposed disposition was terminated.

The Company also holds an interest in the Oena Diamond Mine ("**Oena Mine**"), a producing alluvial diamond mine, located in the Northern Cape Province, South Africa, which consists of one New Order Mining Lease. The New Order Mining Lease is held by Southstone's subsidiary, African Star Minerals (Pty) Limited ("African Star"). During the year ended August 31, 2018, the South African Department of Minerals and Resources confirmed renewal of the New Order Mining Lease to March 15, 2027.

The second diamond exploration project is located in the Republic of Liberia, called the Mano River Project, which was acquired from West Mining Ltd in 2018.

The Company is listed on the TSX Venture Exchange ("TSX.V"), having the symbol SML. The address of the Company's corporate office and principal place of business is 5626 Larch Street, Suite 202, Vancouver, British Columbia, V6M 4E1, Canada.

Assets

South Africa – Coal – Metallurgical and Mining Contracts

The Company has three thermal coal, metallurgical and processing plant and engineering service contracts, which were acquired in fiscal 2015 and currently process at a rate of approximately 6.5 Mt per annum. The three projects are located within the Ogies and Highveld coalfields, Mpumalanga Province. The three contracts for services are with ECC, owner of the (i) Dorstfontein East colliery, (ii) Dorstfontein West colliery and (iii) Forzando colliery and are operated by the Company`s Kwena Group operational team, which consists of 247 full time employees. The Company also commenced with a learnership training project and currently has 812 learners. The three contracts were renewed in June 2017 and are valid until June 2020.

The Company is currently actively looking for a buyer and in accordance with IFRS 5, the coal operations have been disclosed as a discontinued operation.

South Africa – Diamonds – Oena Mine

The Oena Mine is a producing alluvial diamond property that covers 8,800 ha located in the Northern Cape Province, South Africa and consists of a 4.8 kilometre **(“km**”) wide strip along a 15 km length of the Orange River in a well-established alluvial diamond mining province that produces high quality and large sized diamonds. The Oena Mine is located 50 km upstream of Namdeb’s Auchas and Daberas alluvial diamond mines which are on the Namibian or north bank of the Orange River, while Trans Hex’s Reuning and Baken alluvial diamond mines are respectively 15 km and 60 km downstream of Oena on the South African or southern bank of the Orange River.

In October 2017, the Company entered into a five-year Contract Mining and Diamond Recovery Agreement (the “**Oena Agreement**”) with Bluedust 7 Proprietary Limited (“**Bluedust**”). Bluedust has developed the Oena Mine using Bourevestnik X-ray machines and/or pan plants and Bluedust, at its own cost and expense, provides and maintains all the plant and equipment as required. In November 2017, the Company amended the Oena Agreement to include the processing of pan and bantam tailings material.

During fiscal 2018 and the period to December 2018, the Company acquired additional plant and earth moving machinery to expand processing capacity going into the 2019 calendar year.

Total carats recovered for the year under review amounts to 1,694.50 (2018: 961.90), up by 76% from the previous year, which sold for an average of US$1,664 (2018: US$1,462). Of these, 26 stones exceeded 10 carats, and sold for an average price of US$4,109 per carat. The result from the increase in production was that recoveries from exploration increased by 108%. Refer to note 10 in the Financial Statements.

Angola – Diamonds – Moquita Project

During August 2019, the Company terminated the services agreement for mining and marketing of diamonds with Cooperativa Mineira Do Moquita SCRL for the 147 square km portion of a concession located 50 km north of Lucapa within the Lauchimo River basin, Province of Lunda Norte, Republic of Angola.

Under the agreement, Southstone would have been responsible for capital expenditures associated with alluvial diamond mine design and equipment acquisition as well as enhancing production. As remuneration, Southstone would have received 60% of the proceeds from the sale of produced diamonds.

The two loan facilities announced on 12 September 2018, to fund the capital and operating costs associated with the mining of diamonds in Angola, have also been terminated. The exploration expense for the project amounted to $690,773 (2018: nil), offset by $362,239 (2018: nil) of income which was the equity part of the loan that is not repayable. Refer to notes 10 and 15 in the Financial Statements.

Botswana – Diamonds – Middlepits Project

In February 2019, the parties to the Middlepits Project terminated the agreement. The Middlepits Project is located 470 km south west of Gaborone and 90 km south west of Tshabong in the Kgalagadi District, Botswana and consists of two Prospecting Licenses that were explored between 1974 and 1976 by De Beers, between 1978 and 1980 by Falconbridge and between 1993 and 1997 by Southern Africa Minerals Corporation.

Liberia – Diamonds – Mano River Project

During September 2018, Southstone signed an acquisition agreement to acquire an 80% unencumbered interest in the Mano River Project (the “**Mano River Project**”) from West Mining Ltd (“**WML**”), Republic of Liberia. The Mano River Project consists of one 104.3 square km diamond mineral exploration license located in the western part of Republic of Liberia. This portion of Liberia is well known for the wide-spread occurrence of alluvial diamonds and the known presence of kimberlites.

Mineral Exploration License MEL7003018 was granted on 7 September 2018 and expires 7 September 2021. The expectation is to develop an exploration program during fiscal 2020 and carry out the work on the Mano River Project. This exploration work is expected to consist of geological and structural mapping, sampling and ground geophysical surveys. As consideration for the acquisition of the 80% interest in the Mano River Project, the Company shall assume all holding costs and WML will provide full local support and assistance to Southstone within the Republic of Liberia.

Corporate

During fiscal 2019, the Company issued 400,000 units at $0.05 per unit for settlement of debt with a value of $200,000 and issued 206,988 common with a value of $103,494 to settle convertible notes

On October 26, 2018, 1,389,538 common shares issued to four parties in settlement of debt, including a director, were cancelled and returned to treasury, with all parties agreeing to forgive their respective debts totaling $694,769.

On October 29, 2019 the Company announced a change of name from Tango Mining Limited to Southstone Minerals Limited and a consolidation of its share capital on the basis of one post-consolidated share for each ten pre-consolidated shares. The Company also launched a new website at www.southstoneminerals.com concurrently with new email addresses.

As at the year ended August 31, 2019, the Company had approximately $45,519 (2018: $671,055) in cash from continued operations in its treasury.

Selected Annual Information

The following is a summary of the results of the financial operations of the Company for the years ended August 31, 2019, 2018 and 2017.

	Year ended August 31, 2019 *	**Year ended August 31, 2018**	**Year ended August 31, 2017**
Revenues	3,700,177	13,094,844	13,251,668
Net Loss from continuing operations	(66,537)	(1,266,557)	-
Net income (loss)	254,269	(1,126,172)	(1,780,611)
Basic and Diluted Loss per share	0.02	(0.00)	(0.01)
Working Capital (Deficiency)	(943,670)	(710,307)	(1,667,745)
Total Assets	4,188,085	3,770,399	3,717,305
Total Long-Term Financial Liabilities	352,542	370,927	146,827
Retained Earnings (Deficit)	(20,828,387)	(21,064,208)	(20,014,851)
Number of shares outstanding at period end **	23,260,212	24,420,180	20,387,858

* *Refer to the Financial Statements for the year ended August 31, 2019 which accounts for the coal business as a discontinued operation.*
*** Presented reflecting the share consolidation effected October 29, 2019, whereby the shares were consolidated on the basis of one new share for every ten pre-consolidated shares.*

Summary of Quarterly Results

The following table sets forth selected financial information for the Company for the eight most recently completed fiscal quarters and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for such periods.

	Aug 31, 2019 [(2)]	May 31, 2019	Feb 28, 2019	Nov 30, 2018	Aug 31, 2018	May 31, 2018	Feb 28, 2018	Nov 30, 2017
CAD$	*'000*	*'000*	*'000*	*'000*	*'000*	*'000*	*'000*	*'000*
Revenues	*3,700*	*4131*	*3252*	*3,055*	*3,361*	*3,508*	*3,245*	*2,981*
Profit / (Loss) for the quarter [(2)]	*4,480*	*(414)*	*(454)*	*(57)*	*(110)*	*(312)*	*(200)*	*(504)*
Loss per share before other items – basic and diluted [(1)]	-	-	-	-	-	-	-	-
Shares Outstanding (3)	*23,260*	*23,360*	*23,360*	*23,095*	*24,420*	*24,224*	*23,008*	*20,958*

(1) *Based on the weighted average number of shares outstanding during the period.*

(2) *From continued operations*

(3) *Presented taking into account the ten for one share consolidation*

Results of Operations – Year Ended August 31, 2019

The Company incurred a net loss of $66,537 from continued operations for the year ended August 31, 2019, compared to a net loss of $1,266,557 from continued operations for the year ended August 31, 2018.

The loss reduced for fiscal 2019 compared to 2018 due to higher recoveries from the diamond exploration at Oena, recognition of the non-payable equity loan related to the Moquita Project valued at $362,239 and the $694,769 benefit of the cancellation of 1,389,538 common shares.

The income disclosed as profit from discontinued operations, increased as a result of a slightly higher rate per ton coupled with management agreeing to reduced management compensation fees.

Non-Exploration Expense Summary

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

	Years ended August 31	
	2019	**2018**
Operating Expenses		
Amortization	(89,980)	(6,024)
Amortization of service contracts	-	(20,127)
Employee benefits expense	-	(957)
Exploration and evaluation expenses	(3,246,080)	-
Foreign exchange gain (loss)	331	(59,105)
Management and consulting	(349,038)	(517,842)
Office and general	(51,785)	(42,543)
Professional fees	(303,458)	(224,638)
Project investigation costs	(699,421)	(170,090)
Raw material and engineering cost	(1,757)	14,691
Share-based payments	-	(33,750)
Shareholder information	(27,808)	(66,381)
Travel and promotion	(20,136)	(72,293)
	(4,789,132)	(1,199,059)

General amortization relates to the amortization of the vehicle fleet in the diamond operations. The additions to plant and equipment in the diamond operations had been put to use during fiscal 2019 resulting in an increase compared year on year.

The Company has had three thermal coal, metallurgical and processing plant and engineering service contracts since fiscal 2015. The contracts are denominated in South African Rand ("**ZAR**") and amortized over 5 years. The reduction in the amortization charge for fiscal 2019 compared to fiscal 2018 relates to these contracts being fully amortized during the year. The amortization charge related to the amortization of the intangible asset (customer contracts) is not disclosed under discontinued operations as it forms part of corporate. The profits and losses related to the coal operations have been disclosed under discontinued operations.

The employee benefits charge related to continued operations are included under the exploration charge.

The change in exploration for fiscal 2019 includes an amount of $690,773 (2018: nil) spent on the Moquita Project before it was terminated.

In fiscal 2019, the Company reported a foreign exchange gain of $331 compared to a loss in fiscal 2018 of $59,105. The loss relates mainly to the volatility in the ZAR. Income is generated in ZAR and USD and debts are paid in either CAD, USD, Euro or GBP, which will result in a combination of realized and unrealized gains and losses.

Management and consulting fees from continuing operations decreased as a result of management agreeing to lower packages for fiscal 2019 compared to 2018.

General overheads, such as office and general, shareholder information and travel and promotion reduced due to the implementation of cost saving initiatives.

Professional fees are higher than the prior year and are linked to contracting in specialist skills as and when required such as valuation experts, legal etc.

Project investigation costs were down during fiscal 2019 compared to 2018 due to lower expenditure on investigating and seeking out new projects. The Company focused more resources on moving the projects investigated in the prior years into exploration engagements.

Raw materials and engineering costs from continuing operations includes incidental expenditures not specifically attributable to exploration.

The share-based payment expense relates to the granting of stock options. The expense is booked based on the vesting schedule of the options issued to officers and directors. The Company uses the Black-Scholes valuation model to determine the stock-based compensation. No options were issued in fiscal 2019. The expense for fiscal 2018 relates to the vesting schedule of options issued in the prior year.

Recent Financings

On September 4, 2018, the Company issued 65,100 common shares with a value of $32,550 as consideration for management fees to the CEO and a director of the company.

On October 26, 2018, 1,389,538 common shares issued to four parties, including a director, in settlement of debt were cancelled and returned to treasury, with all parties agreeing to forgive their respective debts totaling $694,769.

On June 27, 2019, 100,000 common shares held in escrow were cancelled. These shares were placed in escrow on as part of the separation agreement of a former CEO.

On December 7, 2018, 342,518 common shares that were held in escrow were cancelled. These shares were placed in escrow on April 11, 2017 as security for a buyer's interest in ASM (note 10), that was to be held while the mining license was under renewal. The agreement stipulated that upon renewal the escrowed shares will be cancelled and returned to treasury. In the event that the mining license was not renewed, the escrowed shares would have been released to the buyer.

On December 31, 2018, the Company issued 400,000 units at $0.05 per unit for settlement of debt with a value of $200,000. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share of the Company at an exercise price of $0.10 per share, exercisable for a period of 36 months from the date of issuance. The fair value of the warrants was valued at $57,316 using the Black-Scholes Option pricing model.

On February 15, 2019, 206,988 common with a value of $103,494 were issued to settle convertible notes.

Requirement of Additional Equity Financing

The Company has relied largely on equity financings and short-term interest-bearing loans for all funds raised to date for its operations. Until the Company starts generating profitable operations from the sale of minerals, the Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions pursuant to private placements, the exercise of warrants and stock options, and short term or long-term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on external sources of financing which may not be available on acceptable terms or at all.

Dividend Report and Policy

The Company has not paid any dividends to date. The Company intends to retain its future earnings, if any, for use in its business and does not expect to pay dividends on its shares in the foreseeable future.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

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

		August 31, 2019		August 31, 2018
Management fees (included in management and consulting and employee benefits expense)	$	1,024,283	$	1,101,428
Consulting fees (included in management and consulting)		36,000		36,000
Office and general		37,336		43,250
Raw materials and engineering costs		694,446		696,297
Share-based payments		-		33,750
Total	$	1,792,065	**$**	**1,910,725**

As at August 31, 2019, $1,099,041 (August 31, 2018 - $663,380) is owed to the CEO, CFO and certain directors and officers of the Company. Amounts owing are non-interest bearing, unsecured and due on demand. An amount of $499,583 related to management fees are included in the profit from discontinued operations.

On December 14, 2017, the Company issued 1,789,380 common shares with a fair value of $894,769 to settle an equivalent amount of debt.

Management fees are paid as and when funds are available. Short payments are included in the amount owing to and from related parties as. Management fees accrued are made up as follow:

		August 31, 2019		August 31, 2018
Samer Khalaf (Director and CEO)	$	159,166	$	174,300
Terry Tucker (Director and Executive Chair)		119,175		209,264
Kevin Gallagher (Director)		185,793		250,628
Wiklow Corporate Services - Donna Moroney		36,000		36,000
Simon van der Loo – CFO		111,120		118,444
Management		183,781		228,356
Total	**$**	**795,035**	**$**	**1,016,992**

Foreign Currency Transactions

The functional currency of the Company, the parent, is the Canadian Dollar. The functional currency of the subsidiaries incorporated in South Africa is the ZAR. The presentation currency of the consolidated financial statements is Canadian dollars.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income into the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss

Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

Financial Instruments and Risk Management

The Company is exposed to the following financial risks:

- Credit Risk
- Liquidity Risk
- Interest Rate Risk
- Foreign Currency Risk

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company’s risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company’s finance function. The Board of Directors receive periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company’s competitiveness and flexibility. Further details regarding these policies are set out below.

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, and trade receivables. The Company has no significant concentration of credit risk arising from operations. Cash are held with reputable Canadian and South African chartered banks which are closely monitored by management. Trade receivables are usually received within 30 days.

Liquidity Risk

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 generates cash flow primarily from its financing activities. As at August 31, 2019, the Company had current assets of $3,121,785 (August 31, 2018 - $2,771,041) to settle current liabilities of $4,065,455 (August 31, 2018 - $3,481,348) resulting in working capital deficit of $943,670 (August 31, 2018 - $710,307). The Company intends to fund these through loans, private placements and profits generated form its operations. All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms.

Interest Rate Risk

The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt, changes in interest rates could result in fair value risk on the Company's fixed rate debt.

Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from their respective functional currency. The coal operations' income and expenditure are incurred in South African Rands. Diamonds from the South African operations are tendered in United States Dollars and settled in South African Rands at the average rate on the day that the tender closes. The main debt instruments of the group are denominated in Canadian and United States Dollars. The group does not enter into forward cover. As a result, unrealized foreign exchange gains and losses will arise from financial instruments that are unsettled at reporting date and realized foreign exchange gains and losses will arise from the derecognition of financial instruments at the prevailing rate.

Disclosure of Outstanding Securities

The authorized capital of the Company consists of an unlimited number of common shares without par value, of which there were 23,260,212 common shares are issued and outstanding as of the date hereof.

The movement of securities during fiscal 2019 have been document in the section recent financings.

The following incentive stock options and share purchase warrants are outstanding as of the date hereof:

Exercise Price	Number of Options Outstanding and Exercisable	Weighted Average Remaining Life (Years)	Expiry date
$ 0.50	105,000	0.16	October 27, 2019
$ 0.50	90,000	1.87	July 15, 2021
$ 0.50	450,000	2.45	February 10, 2022
$ 0.50	45,000	2.59	April 3, 2022
$ 0.50	**690,000**		

The continuity of the Company's outstanding warrants is as follows:

	August 31, 2019			August 31, 2018		
		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price	Number of Warrants
Outstanding, beginning of year	$	0.90	1,822,180	$	0.90	970,944
Issued		1.00	400,000		1.00	1,021,000
Expired		1.00	(401,180)		0.60	(169,764)
Outstanding, end of the year	**$**	**1.00**	**1,821,000**	**$**	**0.90**	**1,822,180**

There are no assurances that the options, warrants or other rights described above will be exercised in whole or in part. Except as disclosed above, there are no other options, warrants or other rights to acquire common shares of the Company outstanding.

Exploration and evaluation expenditures

The following is a breakdown of the exploration and evaluation expenditures for the year ended August 31, 2019 and year ended August 31, 2018:

	August 31, 2019	August 31, 2018
Project staff salaries, benefits and consulting	$ 291,274	$ 112,306
Royalty payment	-	-
Habilitation expense	-	98,704
Travel expenses	22,257	43,596
Supplies expense	2,932,549	1,432,170
Recoveries	-	(1,773,971)
Exploration and evaluation expenditures (recoveries)	(3,246,080)	(87,195)
Net recovery recognised on the statement of comprehensive income (loss)	3,246,080	-
Net recovery credited to carrying value of Oena Property	-	87,195

Adoption of new and revised standards and interpretations

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt those standards when they become effective.

New standard IFRS 16 "Leases"

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. Overall, the Company does not expect the implementation of IFRS 16 to have any material impact on its consolidated statement of financial position.

Other accounting standards and amendments to existing accounting standards that have been issued and have future effective dates are not applicable or are not expected to have a significant impact on the Company's consolidation financial statements.

Subsequent Events

On October 30, 2019, the Company issued a notice to shareholders that Southstone had completed a consolidation of its share capital on the basis of one post-consolidated share for each ten pre-consolidated shares and a change of name of the Company from "Tango Mining Limited" to "Southstone Minerals Limited".

During December 2019, the Company entered into a share restructure arrangement with each of the Kwena Group companies. In order to submit a new tender for the three service contracts, which are subject to renewal in June 2020, the Kwena Group were required to comply with Broad Based Black Equity Empowerment ("**BBBEE**") legislation and the requirements set forth by the client, ECC, owner of the (i) Dorstfontein East colliery, (ii) Dorstfontein West colliery and (iii) Forzando colliery. The Kwena Group are required to be owned 51% BBBEE. In terms of the arrangement, the current ordinary shareholding will be valued and converted to preference shares pro rata to the existing shareholders. Each of the Kwena Group companies will then issue new ordinary shares which will have the effect of increasing the shares held by the current BBBEE partner to 51% from the current 26%. The newly issued shares will be governed by a shareholder's agreement setting out the requirements for disposition of the shares, voting rights and the appointment of directors to the board.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.