

Expects Q2 2017 Frac and Industrial Sand Sales Volumes to Increase 40% to 60% Over Q1 2017

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 31, 2017) - [Select Sands Corp.](#) ("Select Sands" or the "Company") (TSX VENTURE:SNS)(OTCQX:SLSDF) today announced financial and operational results for the first quarter of 2017 and that it has filed its 2017 first quarter financial statements and associated management's discussion and analysis on www.sedar.com. All results are stated in Canadian dollars (CAD) unless noted otherwise as US dollars (USD). The average currency conversion used for the first quarter is \$1 USD = \$1.3238 CAD.

First Quarter 2017 Financial Highlights

- The Company achieved the ability to produce commercial quantities of frac and industrial sand and as a result, commercial production commenced at the start of the quarter.
- Total revenue for the quarter was \$1.5 million; comprehensive loss was \$2.8 million, or \$0.04 basic and diluted loss per common share, including \$2.2 million in non-cash share-based compensation.
- EBITDA loss was \$0.8 million. *EBITDA is a non-IFRS financial measure and is described and reconciled to net loss in the table under "Non-IFRS Financial Measures".*
- Gross margin loss for the Company's Ozark Operations was \$428,862 for the quarter, and showed a positive gross margin of \$125,110 during March.
- Net investment in property, plant and equipment was \$3.3 million, including \$1.3 million for the purchase of the Bell Farm Property with 49.6 million tons of Inferred Mineral Resources (see press release dated April 13, 2017).
- As of March 31, 2017, cash and cash equivalents were \$6.8 million. Warrants and option exercises generated cash of \$1.1 million during the quarter.
- Inventory on hand at the end of the quarter was \$0.8 million.

First Quarter 2017 Operational Highlights

- Sales volumes and average prices, net of transportation (in tons and USD per ton, respectively):

	Q1 2017	March 2017
Frac sand	19,967 US\$ 35.10	13,237 US\$ 36.92
Industrial sand	2,459 US\$ 34.23	510 US\$ 36.73
Other sand & gravel	6,801 US\$ 5.88	4,832 US\$ 6.47
	29,227 US\$ 28.22	18,579 US\$ 28.99

- Delivered first truck shipment of frac sand for the oil and gas sector in January and rail shipments began in February.
- The first nine rail cars arrived in February increasing to a total of 67 cars by March. Continued escalation of rail car count is expected for the remainder of 2017.
- Signed first long-term supply agreement that included quarterly price adjustments during the term of the agreement. Shipments started in March with one million ton commitments in 2018 and 2019.

Second Quarter Production Outlook

The Company expects second quarter 2017 total frac and industrial sand sales volumes to increase between 40% to 60% over the first quarter. The impact on production and related shipments from flooding during an approximate two-week period earlier in the second quarter is factored in.

Zig Vitols, President and Chief Executive Officer, commented, "Overall, we were pleased with our 2017 first quarter results and are encouraged to have all our products favorably received by the oil and gas sector. As expected, start-up costs and low initial volumes had a significant impact on the first half of the quarter, but by March our gross margin had turned positive. I am very appreciative with the efforts of our management team and particularly our production personnel in reconfiguring plants and maintaining a quality standard, considering that shipments to the oil and gas sector started less than a month after closing the Ozark acquisition. Meanwhile we have had no less than ten training sessions to instill a strong safety culture as we further assemble our team."

Ozark Operations

Since closing on the Ozark Premium Sand asset acquisition in December, the Company has been re-commissioning previously idled assets such as dryers and wet plants and acquiring additional operating assets, including the Newport Rail Loading Facility where the Company can load 25 rail cars within 24 hours. The Ozark Operations now consist of six operating components: Sandtown Mine, Bell Farm Holdings, Freeze Farm Wet Plant, Maple Springs Wet Plant, Possum Grape Dry Plant, and Newport Rail Loading Facility.

During the first quarter of 2017, Select Sand focused on transitioning the Ozark Operations from a brown sand excavation

based process to a drill and blast quarry operation to mine premium Northern White frac sands. Improvements were also made in rail logistics, increased plant capacity and efficiencies. A partial list of the enhancements includes:

- Track mounted crushers installed at Sandtown;
- Installation of an additional cyclone and pump for capacity increases at Freeze Farm
- Refurbishment of previously dormant dryer with a new burner and re-lighting at Possum Grape Dry Plant;
- Additional transfer bunker capacity at Possum Grape and wet product storage at Freeze Farm;
- Lease to purchase of Newport Rail Facility;

Because of the substantial physical production capacity and the sustained production of commercial quantities of frac sand, management determined that commercial production had commenced. Accordingly, the capitalization of development costs ceased and the capital costs were transferred to property, plant and equipment. Revenue and expense from its operations are now recorded in operating results for the quarter.

The Company advises that the production decision on the Sandtown deposit was not based on a Feasibility Study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that production will occur as anticipated or that anticipated production costs will be achieved.

Elliott A. Mallard, PG of Kleinfelder is the qualified person as per the NI-43-101 and has reviewed and approved the technical contents of this news release.

About Select Sands Corp.

[Select Sands Corp.](#) is an industrial Silica Product company developing its 100% owned, 520-acre Northern White, Tier-1, silica sands project located in Arkansas, U.S.A. Select Sands' Arkansas property has a logistical advantage of being significantly closer to oil and gas markets located in Oklahoma, Texas, New Mexico, and Louisiana than Wisconsin sources. The Tier-1 reference above is a classification of frac sand developed by PropTester, Inc., an independent laboratory specializing in the research and testing of products utilized in hydraulic fracturing & cement operations, following ISO 13503-2:2006/API RP19C:2008 standards.

Forward-Looking Statements

This news release includes forward-looking information and statements, which may include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Company. Information and statements which are not purely historical fact are forward-looking statements. The forward-looking statements in this press release relate to the continued escalation of rail car count and second quarter 2017 frac and industrial sand sales volumes. Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward-looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

Select Sands Corp.

Consolidated Interim Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenue	\$ 1,458,553	\$ -
Cost of Goods Sold	1,887,415	-
Loss from Sand Operations	(428,862)	-
General and Administrative Expenses		
Administrative services and rent	8,537	5,502

Advertising and promotion	75,294	55,342
Compensation and consulting	265,496	132,581
Office and miscellaneous	59,483	6,732
Professional fees	62,861	39,631
Regulatory and stock transfer fees	16,191	10,553
Share-based compensation	2,196,418	56,684
	2,684,280	307,025
Loss Before Other Items	(3,113,142)	(307,025)
Other Items		
Foreign exchange gain (loss)	170,999	(29,896)
Interest income	10,424	3,804
Share of loss in equity investee	(157,059)	-
Total Other Items	24,364	(26,092)
Net Loss For The Period	\$ (3,088,778)	\$ (333,117)
Other Comprehensive Loss		
Foreign currency translation adjustment	(308,736)	-
Comprehensive Loss For The Period	(3,397,514)	(333,117)
Basic and Diluted Loss Per Common Share	\$ (0.04)	\$ (0.01)
Weighted average number of shares outstanding	85,484,729	54,596,067

Select Sands Corp.

Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	As at	
	March 31, 2017	December 31, 2016
Current		
Cash and cash equivalents	\$ 6,831,578	\$ 11,776,321
Amounts receivable	1,431,734	133,688
Inventory	801,874	-
Prepaid expenses	58,161	47,779
Total Current Assets	9,123,347	11,957,788
Deposits	392,286	153,021
Investments in Affiliate	2,842,941	3,000,000
Property, Plant and Equipment	12,096,096	6,763,193
Exploration and Evaluation Assets	-	2,142,986
Total Assets	\$ 24,454,670	\$ 24,016,988
Current		
Accounts payable and accrued liabilities	\$ 679,344	\$ 417,210
Deferred revenue	234,626	-
Total Current Liabilities	913,970	417,210
EQUITY		
Share Capital	40,696,277	39,388,462
Share-based Payment Reserve	5,380,138	3,349,517
Accumulated Other Comprehensive Loss	(317,215)	(8,479)
Deficit	(22,218,500)	(19,129,722)
Total Equity	23,540,700	23,599,778
Total Liabilities and Equity	\$ 24,454,670	\$ 24,016,988

Select Sands Corp.

Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months	Three Months
	Ended	Ended

March 31, 2017 March 31, 2016

Operating Activities		
Net loss for the period	\$ (3,088,778)	\$ (333,117)
Adjustments for non-cash items:		
Depreciation and depletion in cost of goods sold	121,289	-
Share-based compensation	2,196,418	56,684
Foreign exchange	(307,916)	6,786
Share of loss in equity investee	157,059	-
Changes in non-cash operating assets and liabilities:		
Amounts receivable	(1,298,046)	(6,657)
Inventory	(801,874)	-
Prepaid expenses	(10,382)	21,066
Accounts payable and accrued liabilities	262,134	(41,086)
Deferred revenue	234,626	-
Total Cash Used in Operating Activities	(2,535,470)	(296,324)
Investing Activities		
Property, plant and equipment	(3,311,206)	-
Exploration and evaluation assets	-	(43,874)
Deposits	(240,085)	-
Total Cash Used in Investing Activities	(3,551,291)	(43,874)
Financing Activities		
Warrants exercised	752,668	4,500
Options exercised	389,350	-
Total Cash Provided by Financing Activities	1,142,018	4,500
Decrease in Cash and Cash Equivalents	(4,944,743)	(335,698)
Cash and Cash Equivalents, Beginning of Period	11,776,321	3,172,051
Cash and Cash Equivalents, End of Period	\$ 6,831,578	\$ 2,836,353
Supplementary Cash Flow Information and Non-Cash		
Investing and Financing Transactions:		
Cash received for interest	\$ -	\$ -
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -
Debenture interest accrued	\$ -	\$ 9,589

Non-IFRS Financial Measures

The following information is included for convenience only. Generally, a non-IFRS financial measure is a numerical measure of a Company's performance, cash flows or financial position that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS. EBITDA is not a measure of financial performance (nor does it have a standardized meanings) under IFRS. In evaluating non-IFRS financial measures, investors should consider that the methodology applied in calculating such measures may differ among companies and analysts.

The Company uses both IFRS and certain non-IFRS measures to assess operational performance and as a component of employee remuneration. Management believes certain non-IFRS measures provide useful supplemental information to investors in order that they may evaluate Select Sand's financial performance using the same measures as management. Management believes that, as a result, the investor is afforded greater transparency in assessing the financial performance of the Company. These non-IFRS financial measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS.

Reconciliation of Net Loss to EBITDA for 2017 first quarter:

Net loss	\$ (3,088,778)
<i>Add Back</i>	
Depreciation and depletion	121,289
Share-based compensation	2,196,418
EBITDA	\$ (771,071)

The Company defines EBITDA as net income (loss) before finance costs, income taxes, depreciation and amortization and

share-based compensation. Select Sands uses EBITDA as a supplemental financial measure of its operational performance. Management believes EBITDA to be an important measure as they exclude the effects of items that primarily reflect the impact of long-term investment and financing decisions, rather than the performance of the company's day-to-day operations. As compared to net income according to IFRS, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in the company's business, the charges associated with impairments, termination costs or Proposed Transaction costs. Management evaluates such items through other financial measures such as capital expenditures and cash flow provided by operating activities. The company believes that these measurements are useful to measure a company's ability to service debt and to meet other payment obligations or as a valuation measurement.

Contact

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