

Select Sands Reports Record Results for the Second Quarter 2018

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- Strong Demand and Continued Logistics Enhancements Drive Sale of ~165K Tons of Frac Sand --
- Records 31% Margin on Adjusted EBITDA of \$2.9 Million – 255% Higher than \$0.8 Million in Q1 2018 --
- Significant Progress on Expansion Project to Boost Production Capacity by 67% to 1 Million Tons Per Year --

VANCOUVER, Aug. 13, 2018 - [Select Sands Corp.](#) (“Select Sands” or the “Company”) (TSXV: SNS, OTC: SLSDF) today announced record operational and financial results for Q2 of 2018 and the filing of its financial statements and associated management’s discussion and analysis on [www.sedar.com](#). The Company’s financial statements are presented in U.S. dollars to better reflect Select Sands’ operations and to improve investors’ ability to compare the Company’s financial results with other publicly traded silica sand businesses in the U.S. Prior to reporting its Q4 2017 and full year results, Select Sands’ financial statements were stated in Canadian dollars. The Company will host a conference call on Tuesday, August 14, 2018 at 10:00 A.M. Central to discuss its Q2 2018 results (see “Conference Call Information” section in this release for access information).

Q2 2018 Operational and Financial Highlights

- Sold a record 164,872 tons of frac and industrial sand during Q2 of 2018, which was significantly higher than Select Sands' original outlook for the sale of 120,000 to 140,000 tons;

	Q2 2018	Q2 2017	Q1 2018
Frac sand	164,848	52,480	92,191
Industrial sand	24	466	24
Frac and Industrial sand	164,872	52,946	92,215
Other sand & gravel	1,401	4,164	8,058
	166,273	57,110	100,273

- Increased sales volumes and pricing drove revenue to \$9.5 million – 68% higher than Q1 2018 revenue of \$5.7 million;
- Enhanced production-related and logistics efficiencies pushed gross profit up 130% to \$3.0 million from \$1.3 million in the Q1 2018, with the related margin increasing to 32.1% from 23.4% in the preceding quarter;
- Reported record net income of \$1.6 million in Q2 2018, or \$0.02 per basic and diluted common share, versus Q1 2018 net income of \$0.6 million, or \$0.01 per basic and diluted common share;
- Generated a 31.0% margin of on adjusted EBITDA⁽¹⁾ of \$2.9 million in Q2 2018, which was 255% higher than \$0.8 million reported for the first quarter of 2018;
- As previously announced, during Q2 2018, the Company exercised its option to purchase 223 acres of property in Independence County, Arkansas (the “Independence Property”) and secured a \$3.9 million capital expenditure line of credit to fund its near-term expansion project on the Independence Property designed to increase production capacity to 1 million tons per year; and

- As of June 30, 2018, cash and cash equivalents were \$4.2 million, inventory on hand was \$1.8 million, accounts receivable was \$4.0 million and working capital was \$7.0 million.

1. Adjusted EBITDA is a non-IFRS financial measure and is described and reconciled to net loss in the table under "Non-IFRS Financial Measures".

Zig Vitols, President and Chief Executive Officer, commented, "We are clearly pleased with our record results for the second quarter. Over the past months, we have put significant effort into further improving the efficiency of our production, shipping and inter-plant transportation capabilities. During the second quarter, this allowed our current scope of operations to fully benefit from the strong customer demand for our products. As in the past, I want to thank all of our employees and supporting contract personnel for their hard-work and dedication. Along with the rest of executive leadership, I look forward to continued close collaboration with our outstanding team as we further position Select Sands for long-term success."

Financial Summary

The following table includes summarized financial results for the three months ended June 20, 2018, June 30, 2017 and March 31, 2018:

Select Sands Corp.

Summarized Consolidated Interim Statements of Operations and Comprehensive Income (Loss)

(Expressed in United States Dollars)

(Unaudited)

	For the Three Months Ended		
	June 30, 2018	June 30, 2017	March 31, 2018
Revenue	\$ 9,504,445	\$ 2,302,048	\$ 5,655,410
Cost of goods sold (excluding depreciation and depletion)	6,457,938	1,632,054	4,331,344
Gross Profit (Loss)	\$ 3,046,507	\$ 669,994	\$ 1,324,066
General and administrative ("G&A") expenses (1)	625,164	863,666	396,694
Depreciation and depletion	235,293	141,260	225,233
Interest on long-term debt	40,741	-	32,169
Operating Income (Loss)	\$ 2,145,309	\$ (334,932)	) \$ 669,970
Interest income	872	5,968	2,783
Foreign exchange gain (loss)	97,073	(474,454)	) (100,866
Share of (loss) income in equity investee	(51,904)	) (42,200)	) 2,171
Income (Loss) Before Income Taxes	\$ 2,191,350	\$ (845,618)	) \$ 574,058
Provision for income taxes	(586,272)) -	-
Net Income (Loss)	\$ 1,605,078	\$ (845,618)	) \$ 574,058
Foreign currency translation adjustment	(159,991)	) 269,299	(4,446
Comprehensive Income (Loss)	\$ 1,445,087	\$ (576,319)	) \$ 569,612
Basic Earnings (Loss) Per Common Share	\$ 0.02	\$ (0.01)	) \$ 0.01
Diluted Earnings (Loss) Per Common Share	\$ 0.02	\$ (0.01)	) \$ 0.01
Basic weighted average number of shares outstanding	88,313,316	86,959,360	88,313,316
Diluted weighted average number of shares outstanding	98,102,429	86,959,360	98,102,429
Adjusted EBITDA (2)	\$ 2,945,343	\$ (200,127)	) \$ 830,478

(1) Includes non-cash share-based compensation of \$426,055, \$462,031 and 1,189 for the second quarter 2018, second quarter 2017 and first quarter 2018.

(2) Excludes depreciation and depletion, non-cash share-based compensation, interest on long-term debt, share of loss (income) in

equity investee and provision for income taxes. See table under "Non-IFRS Financial Measures" for reconciliation of net income (loss).

Expansion Project Update

- Site work for ground stabilization and construction of settling ponds has started, while fabrication of components continues at the Company's shop location to build items such as conveyors.
- Highlights and features of the Independence Property include:
 - Sufficient acreage to complete the current expansion, with additional acreage available for future expansion of a new-build facility;
 - Well suited for a future potential build of a 110-150 railcar loop track for efficient and economical loading of finished products;
 - Elevated above the floodplain allowing for uninterrupted operations;
 - Access to natural gas, three-phase electricity and water; and
- Located next to a large coal power plant and adjacent to a state highway.
- Select Sands' expectation is to complete construction of the stand-alone facility by the end of Q4 2018, thereby bringing the Company's Sandtown operations to its expected total capacity rate of 1 million tons per year.

Outlook

Mr. Vitols concluded, "Given our operations at Sandtown only began at the start of 2017, I am pleased with how far we have come. During this short period of time – and through relatively minimal initial and subsequent capital investment – we converted a brown sand excavation operation to a drill and blast quarry operation focused on processing premium-priced white sand, as well as materially expanded our production and logistics capabilities. Supported by this strong position, we have now embarked on our next phase of growth through our capacity expansion project on the recently acquired Independence property. This project will result in a material increase in our production capabilities and a lower cost profile for our overall operations, which will also allow us to better capitalize on the strong demand for our high-quality silica products given our strategic location near key oil and gas basins in the U.S."

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.

Conference Call Information

The Company will host a conference call on Tuesday, August 14, 2018 at 10:00 a.m. Central (CDT) to discuss its second quarter 2018 results. To access the conference call, callers in North America may dial toll free 1-855-669-9657 and callers outside North America may dial 1-412-542-4135. Please call ten minutes ahead of the scheduled start time to ensure a proper connection and ask to be joined into the Select Sands call.

A playback of the conference call will be available in MP3 format by contacting investor relations below.

About Select Sands Corp.

[Select Sands Corp.](#) is an industrial silica product company, which owns a number of properties in Arkansas and is currently in production at its 100% owned, Tier-1, silica sands property located near Sandtown, Arkansas, U.S.A. Select Sands' goal is to become a key supplier of premium industrial silica sand and frac sand to North American markets. Select Sands' Arkansas properties have a significant logistical advantage of being significantly closer to oil and gas markets located in Oklahoma, Texas and Louisiana than sources of similar sands from the Wisconsin area. 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.

Select Sands' Sandtown project has NI 43-101 compliant Indicated Mineral Resources of 42.0MM tons (TetraTech Report; February, 2016) and Bell Farm has Inferred Mineral Resources of 49.6MM tons

(Kleinfelder Report; April, 2017). Both deposits are considered Northern White finer-grade sand deposits of 40-70 Mesh and 100 Mesh.

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 comments that include, but are not limited to further capacity expansion, a lower cost profile and continued customer demand for frac sand. 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.

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Select Sands Corp.

Consolidated Interim Statements of Operations and Comprehensive Income (Loss)
 (Expressed in United States Dollars)
 (Unaudited)

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018
Revenue	\$ 9,504,445	\$ 2,302,048	\$ 15,159,855
Cost of Goods Sold (excluding depreciation and depletion)	6,457,938	1,632,054	10,789,282
Gross Profit (Loss)	3,046,507	669,994	4,370,573
Operating Expenses			

Compensation and consulting	204,685	100,902	451,471
Depreciation and depletion	235,293	141,260	460,526
Interest on long-term debt	40,741	-	72,910
Selling, general and administrative	(5,576)	) 300,733	143,143
Share-based compensation	426,055	462,031	427,244
Total Operating Expenses	901,198	1,004,926	1,555,294
Operating Income (Loss)	2,145,309	(334,932)	) 2,815,279
Other (Expense) Income			
Interest income	872	5,968	3,655
Foreign exchange (loss) gain	97,073	(474,454)	) (3,793)
Share of income (loss) in equity investee	(51,904)	) (42,200)	) (49,733)
Total Other (Expense) Income	46,041	(510,686)	) (49,871)
Net Income (Loss) before Income Taxes	2,191,350	(845,618)	) 2,765,408
Provision for Income Taxes	(586,272)	) -	(586,272)
Net Income (Loss)	1,605,078	(845,618)	) 2,179,136
Other Comprehensive (Loss) Income			
Foreign currency translation adjustment	(159,991)	) 269,299	(164,437)
Comprehensive Income (Loss)	\$ 1,445,087	\$ (576,319)	) \$ 2,014,699
Basic Earnings (Loss) Per Common Share	\$ 0.02	\$ (0.01)	) \$ 0.02
Diluted Earnings (Loss) Per Common Share	\$ 0.02	\$ (0.01)	) \$ 0.02
Basic Weighted Average Number of Shares Outstanding	88,313,316	86,959,360	88,313,316
Diluted Weighted Average Number of Shares Outstanding	98,102,429	86,959,360	98,102,429

Select Sands Corp.

Consolidated Interim Statements of Financial Position

(Expressed in United States Dollars)

(Unaudited)

	As at	
	June 30, 2018	December 31, 2017
ASSETS		
Current		
Cash and cash equivalents	\$ 4,150,356	\$ 2,047,515
Accounts receivable	3,970,871	3,385,597
Inventory	1,776,725	1,961,573
Prepaid expenses	89,257	83,223
Total Current Assets	9,987,209	7,477,908
Deposits	344,174	364,580
Deferred income taxes	1,987,308	2,356,000
Investment in Affiliate	1,266,863	1,275,409
Property, Plant and Equipment	15,516,633	13,415,238
Total Assets	\$ 29,102,187	\$ 24,889,135
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 2,065,149	\$ 1,418,182
Current portion of long-term debt	892,516	778,051
Total Current Liabilities	2,957,665	2,196,233
Long-term Debt	3,293,773	2,284,096

Total Liabilities	6,251,438	4,480,329
EQUITY		
Share Capital	34,717,344	34,717,344
Share-based Payment Reserve	5,301,475	4,874,231
Accumulated Other Comprehensive Income	(106,899)	57,538
Deficit	(17,061,171)	(19,240,307)
Total Equity	22,850,749	20,408,806
Total Liabilities and Equity	\$ 29,102,187	\$ 24,889,135

Select Sands Corp.

Consolidated Interim Statements of Cash Flows

(Expressed in United States Dollars)

(Unaudited)

	For the Six Months Ended	
	June 30, 2018	June 30, 2017
Operating Activities		
Net income (loss) for the period	\$ 2,179,136	\$ (3,178,886)
Adjustments for non-cash items:		
Depreciation and depletion	460,526	232,882
Share-based compensation	427,244	2,121,208
Foreign exchange	(7,663)	36,079
Gain on sale of equipment	-	(1,196)
Share of (income) loss in equity investee	49,733	160,843
Accretion on finance leases	29,388	-
Provision for income taxes	586,272	-
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(585,274)	(2,256,048)
Inventory	184,848	(1,751,252)
Prepaid expenses	(6,034)	(5,437)
Accounts payable and accrued liabilities	331,426	520,383
Total Cash Provided by (Used in) Operating Activities	3,649,602	(4,121,424)
Investing Activities		
Deposits	20,406	(208,678)
Investment in affiliate	(100,000)	-
Proceeds for disposal of equipment	-	5,835
Property, plant and equipment	(1,063,426)	(3,027,898)
Total Cash Used in Investing Activities	(1,143,020)	(3,230,741)
Financing Activities		
Warrants exercised	-	780,713
Options exercised	-	291,801
Proceeds from short-term loan	900,000	-
Repayments of short-term loan	(900,000)	-
Proceeds from long-term debt	266,558	-
Principal repayments of long-term debt	(609,542)	-
Total Cash (Used in) Provided by Financing Activities	(342,984)	1,072,514
Effect of Exchange Rate Changes on Cash	(60,757)	127,025
Increase (Decrease) in Cash and Cash Equivalents	2,102,841	(6,152,626)

Cash and Cash Equivalents, Beginning of Period	2,047,515	8,770,627
Cash and Cash Equivalents, End of Period	\$ 4,150,356	\$ 2,618,001

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. Adjusted 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 Sands' 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) Income to EBITDA to Adjusted EBITDA:

	For the Three Months Ended		
	June 30, 2018	June 30, 2017	March 31, 2018
Net Income (Loss)	\$ 1,605,078	\$ (845,618)	\$ 574,058
<i>Add Back</i>			
Depreciation and depletion	235,293	141,260	225,233
Share-based compensation	426,055	462,031	1,189
Interest on long-term debt	40,741	-	32,169
Provision for income taxes	586,272	-	-
EBITDA	\$ 2,893,439	\$ (242,327)	\$ 832,649
<i>Add Back</i>			
Share of loss (income) of equity investee	51,904	42,200	(2,171)
Adjusted EBITDA	\$ 2,945,343	\$ (200,127)	\$ 830,478

The Company defines Adjusted EBITDA as net income (loss) before finance costs, income taxes, depreciation and amortization, non-cash share-based compensation, loss from flooding at its plant, and gain on sale of fixed assets. Select Sands uses Adjusted EBITDA as a supplemental financial measure of its operational performance. Management believes Adjusted 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.

Indicated Resources Disclosure

The Company advises that the production decision on the Sandtown deposit (the Company's current "Sand Operations") 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.

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