

Select Sands Reports Results for the First Quarter of 2019

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May 29, 2019 - Vancouver, BC, Canada - [Select Sands Corp.](#) ("Select Sands" or the "Company") (TSXV: SNS, OTC: SLSDF) announces operational and financial results for Q1 2019, the filing of its financial statements and associated management's discussion and analysis on www.sedar.com. The Company will host a conference call on Thursday, May 30, 2019 at 10:00 A.M. Central to discuss its Q1 2019 results (see "Conference Call Information" later in this release for access information).

First Quarter Highlights

- -Sold 39,982 tons of frac and industrial sand during Q1 2019 as compared to 24,897 tons in Q4 2018
 - -Generated revenue of \$1.6 million and a gross loss of \$0.1 million in Q1 2019, versus \$0.9 million of revenue and a gross loss of \$0.5 million in the preceding quarter;
 - Reported a Q1 2019 net loss of \$0.8 million, or \$0.01 per basic and diluted share, as compared to a net loss of \$2.5 million, or \$0.03 per basic and diluted share, in Q4 2018;
 - Posted an adjusted EBITDA⁽¹⁾ loss of \$0.6 million for Q1 2019, versus an adjusted EBITDA loss of \$1.4 million in Q4 2018; and
 - -As of March 31, 2019, cash and cash equivalents were \$3.2 million, inventory on hand was \$2.2 million, combined accounts and current income taxes receivable were \$1.1 million and working capital was \$4.6 million. This is compared to cash and cash equivalents of \$4.8 million, inventory on hand of \$2.1 million, combined accounts and current income taxes receivable of \$0.4 million and working capital of \$6.0 million as of December 31, 2018.
1. (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, "For the first quarter, we showed improved financial results as compared to the fourth quarter of 2018. Considering the severe flooding experienced in the region, we are pleased to report that the Company's plants were not affected. During the first quarter, we saw increased customer demand, although we expect sales volumes and pricing will remain under pressure at least for the near-term as the market continues to recover from an industrywide retraction that began in the third quarter of last year. Contributing to this backdrop was the move by E&Ps in the southern U.S. oil producing basins to use a much higher percentage of local brown sand being produced in the Texas basins instead of the high quality Northern White sand that we produce. We will remain laser-focused on controlling costs and preserving working capital as the frac sand market gradually improves over the remainder of 2019. Supporting our view is the returning demand for Northern White as E&Ps continue to more fully appreciate the superior performance characteristics provided by Northern White as it relates to optimizing the economic ultimate recovery of their well inventory."

Financial Summary

The following table includes summarized financial results for the three months ended March 31, 2019, December 31, 2018, and March 31, 2018:

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Sales Volumes

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For Q2 2019, the Company expects sales volumes of frac and industrial sand of 30,000 to 40,000 tons.

Outlook

Mr. Vitols concluded, "While clearly the last few quarters have been challenging for frac sand producers, we continue to have a positive long-term outlook given the strong underlying fundamentals of the North American oil and gas industry. There is a tremendous amount of drilling and completion activity that is expected to occur over the coming years that will require a substantial amount of frac sand, including in-basin brown and Northern White. Depending on the region and its unique geological considerations, we anticipate both will be utilized by E&Ps as they balance the near-term cost savings provided by locally-sourcing brown sand versus the increased longer-term hydrocarbon recovery benefit afforded by Northern White. In this environment, we believe we are uniquely positioned for success given our premium Northern White product offering that is located much closer to key oil and gas basins in the U.S. as compared to traditional sources in the Upper Midwest."

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 Thursday, May 30, 2019 at 10:00 a.m. Central (CDT) to discuss Q1 2019 results. To access the conference call, callers in North America may dial toll free 1-844-750-4869 and callers outside North America may dial 1-412-317-5277. Please call ten minutes ahead of the scheduled start time to ensure a proper connection and ask to be joined into the [Select Sands Corp.](#) call.

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

About Select Sands Corp.

Select Sands Corporation 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 (Northern White), silica sands property located near Sandtown, Arkansas, U.S.A. [Select Sands Corp.](#)' goal is to become a key supplier of premium industrial silica sand and frac sand to North American markets. [Select Sands Corp.](#)' 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 Corp.](#)' Sandtown project has NI 43-101 compliant Indicated [Mineral Resources Ltd.](#) of 42.0MM tons (TetraTech Report; February, 2016) and Bell Farm has Inferred [Mineral Resources Ltd.](#) 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 improved customer demand for frac sand, longer-term utility of in-basin and Northern White sands and strategic location as compared to traditional Northern White sand producers in the Upper Midwest. 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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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 Corp.](#)' 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.

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The Company defines Adjusted EBITDA as net (loss) income before depreciation and amortization, non-cash share-based compensation, finance costs, income taxes, gain on settlement of debt, share of loss of equity investee and provision for impairment in the Company's investment in associate. [Select Sands Corp.](#) 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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