

Select Sands Reports Results for the Second Quarter of 2019

26.08.2019 | [The Newswire](#)

Vancouver, BC, Canada - TheNewswire - August 26, 2019 - [Select Sands Corp.](#) ("Select Sands" or the "Company") (TSXV: SNS, OTC: SLSDF) announces operational and financial results for Q2 2019, and 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 Tuesday, August 27 at 10:00 A.M. Central to discuss its Q2 2019 results (see "Conference Call Information" later in this release for access information).

Second Quarter Highlights (all dollar references are in U.S. dollars)

- Sold 30,068 tons of frac and industrial sand during Q2 2019 as compared to 39,982 tons in Q1 2019;
- Generated revenue of \$1.4 million and a gross loss of \$0.1 million in Q2 2019, versus \$1.6 million of revenue and a gross loss of \$0.1 million in the preceding quarter;
- Reported a Q2 2019 net loss of \$3.1 million, or \$0.03 per diluted share, which included deferred income tax expense of \$2.1 million. The Company reported a net loss of \$0.8 million, or \$0.01 per diluted share, in Q1 2019;
- Posted an adjusted EBITDA(1) loss of \$0.6 million for Q2 2019, which was consistent with Q1 2019; and
- As of June 30, 2019, cash and cash equivalents were \$1.9 million, inventory on hand was \$2.7 million, accounts receivable was \$0.9 million and working capital was \$3.3 million. This is compared to cash and cash equivalents of \$3.2 million, inventory on hand of \$2.2 million, accounts receivable of \$0.7 million and working capital of \$4.6 million as of March 31, 2019.

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, "As expected, our second quarter results remained under pressure. While there is certainly a possibility of some additional spot contracts over the next few months, we generally anticipate similar weak results through the end of 2019 given the focus by our customers on free cash flow and disciplined capital spending, and considering that many have now used up a substantial portion of their 2019 capital budgets available for drilling and fracking of wells. Also substantially contributing to the current environment for frac sand providers has been the increased use of in-basin local sands that have come online in the southern U.S. oil producing basins. However, given the superior characteristics of Northern White Sand we are seeing that Northern White Sand will retain a niche share of the market in the basins being served. We also see that as oil and gas wells are being drilled to even lower depths such as in Permian's Lower Delaware, O&G operators appreciate the benefit of 40/70 mesh Northern White Sand. We remain diligent in controlling costs and preserving working capital."

Financial Summary

The following table includes summarized financial results for the three months ended June 30, 2019, March 31, 2019, and June 30, 2018:

[Click Image To View Full Size](#)

Sales Volumes

[Click Image To View Full Size](#)

For Q3 2019, the Company expects sales volumes of frac and industrial sand to remain at Q1 and Q2 levels.

Outlook

Mr. Vitols commented further that, "While the oilfield services sector has operated in a volatile environment during 2019 for U.S. onshore drilling and completions activity, we continue to have a positive medium and long-term outlook for the North American oil and gas industry. There is a significant amount of future O&G development anticipated that will require increasing amounts of frac sand. Select Sands is advantageously positioned geographically given that our premium Northern White product offering is located in Arkansas, and much closer to key oil and gas basins in the U.S. compared to traditional sources in the Upper Midwest. Depending on the basin's unique geological considerations, we expect locally sourced in-basin brown sand will continue to be used given its lower delivered cost despite its lower quality. However, we are seeing a niche market and returning demand by some operators for Northern White sand which will continue to be re-adopted as E&Ps recognize its superior performance in driving optimal hydrocarbon recovery over the life of the well. Oil production has grown so quickly in the Permian that despite significant pipeline capacity increases, construction is still falling short of the needed takeaway (pipeline) needs. For example, Nilanjan Choudhury of Zacks discusses in his July 12, 2019 article titled Look Beyond the Permian - Drilling Productivity Report puts Permian oil production at around 4.2 million barrels per day, ahead of the current pipeline capacity of about 3.5 million [mb/d] barrels per day. According to S&P Global Platts an estimated 2.6 million mb/d of additional pipeline capacity will come online by 2020, with a further 1 mb/d on the drawing board but lacking a timeline. We expect this increased pipeline capacity will further accelerate oil and gas production and will benefit all Select Sands' stakeholders, including - and most importantly - our shareholders. In the future"

The Company is also focused on pursuing long term supply agreements with both frac sand suppliers as well as directly with oil and gas companies. Generally, the timing to bid for these long-term supply agreements are in October and November, for contracts effective in January 2020. Based upon the feedback received to date we remain cautiously optimistic.

Finally, the Company is continuing to work on various M & A opportunities, some of which are in advanced stages of discussions. There is no assurance that any of these opportunities will be finalized.

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 27, 2019 at 10:00 a.m. Central (CDT) to discuss Q2 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 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 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' 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 Q3 sales volumes, improved customer demand for frac sand, the potential for new supply agreements, 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, the Company's M&A activity. 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.

Company Contact

Please visit www.selectsandscorp.com or call:

Zigurds Vitols

President & CEO

Phone: (844) 806-7313

Investor Relations Contact

Arlen Hansen

SNS@kincommunications.com

Phone: (604) 684-6730

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.

Click Image To View Full Size

Click Image To View Full Size

Click Image To View Full Size

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.

Click Image To View Full Size

The Company defines Adjusted EBITDA as net (loss) income before depreciation and amortization, non-cash share-based compensation, finance costs, income taxes, share of loss of equity investee and gain on extinguishment of debt. 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.

Copyright (c) 2019 TheNewswire - All rights reserved.

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/333152--Select-Sands-Reports-Results-for-the-Second-Quarter-of-2019.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).