

Select Sands Reports Results for Third Quarter 2023

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~ Targeted Ongoing Internal Growth Initiatives Complemented by Aggressive Pursuit of Near and Long - HOUSTON, TX, USA - [Select Sands Corp.](#) ("Select Sands", "We", or the "Company") (TSXV:SNS), (OTC:SLSDF) today announced operational and financial results for the three months ended September 30, 2023 ("Q3 2023"), and a discussion concerning the opportunities to expand the sale of the Company's product offerings beyond the oil and gas industry. In addition, Select announced the filing of its financial statements and associated management's discussion and analysis on www.sedar.com. All dollar references in this release are in U.S. dollars.

KEY HIGHLIGHTS

- [Sold 43,081 tons of frac and industrial sand during Q3 2023 compared to 53,894 tons in the three months ended June 30, 2023 \("Q2 2023"\) and 83,222 tons in the three months ended September 30, 2022 \("Q3 2022"\).](#)
 - Recorded revenue of \$2.1 million and a gross loss of \$0.2 million in Q3 2023 versus \$3.2 million of revenue and a gross loss of \$0.1 million in Q2 2023, and revenue of \$5.4 million and gross margin of \$0.7 million for Q3 2022.
 - Reported a net loss of \$1.0 million, or \$0.01 per share, in Q3 2023 compared to a net loss of \$1.0 million, or \$0.01 per share, in Q2 2023 and a net loss of \$0.1 million, or \$0.00 per share, in Q3 2022.
 - Generated an Adjusted EBITDA(1) loss of \$0.4 million for Q3 2023 versus an Adjusted EBITDA loss of \$0.4 million in Q2 2023 and Adjusted EBITDA of \$0.5 million for Q3 2022.
 - As of September 30, 2023, cash and cash equivalents were \$0.3 million, accounts receivable was \$1.0 million, and inventory was \$3.6 million.
1. (1) Adjusted EBITDA is a non-IFRS financial measure and is described and reconciled to net (loss) income in the table later in this release under the section titled "Non-IFRS Financial Measures".

Zig Vitols, President and Chief Executive Officer, commented, "The reduction in sequential sales volumes reflects the continued evolution of one of our largest customer's schedule of field development activities and previous product purchase obligations. In addition, we faced a challenging spot sales market that, along with other considerations, affected brokerage and transload opportunities at our flagship George West facility located in the heart of the Eagle Ford. While we expect this trend to continue through the fourth quarter, we have been pleased to recently see an uptick in orders albeit primarily for delivery beginning in the first quarter of next year. Also impacting sales volumes is the further evolution by the balance of the Company's oil and gas customers to now primarily focus on our coarser mesh product offerings. This provides the opportunity to market our finer mesh sand products in alternative markets as we continue to serve the evolving needs of our highly-valued base of loyal oil and gas customers."

FINANCIAL SUMMARY

The following table includes summarized financial results for the three months ended September 30, 2023, June 30, 2023, and September 30, 2022, as well as for the nine months ended September 30, 2023 and September 30, 2022:

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SALES VOLUMES

Select Sands sold 43,081 tons of frac and industrial sand during Q3 2023 compared to 53,894 tons in Q2 2023. Sequential quarterly sales volumes were primarily impacted by lower sales activity from the Company's [historically] largest customer as their field development schedule continues to evolve, as well as a challenging spot sales market that, along with other considerations, affected brokerage and transload opportunities at the Company's George West facility. As a result, sales volume levels for Q3 2023 were below the full shipment capability of the Company's Arkansas' operations (approximately 150,000 tons per quarter). This presents the opportunity for continued improvement in sales volumes (and the ability to spread fixed costs over a wider base of tons produced) over time.

For Q4 2023, the Company expects frac and industrial sand sales volumes of 25,000 to 40,000 tons. In addition to the impacts discussed previously, contributing to the expected decrease in sales volumes for Q4 2023 is anticipated seasonal holiday slowdown in customers' development activities. On a positive note, Select Sands has recently received an uptick in customer interest for products, although it is substantially for deliveries that will occur beginning in the first quarter of 2024.

ADDITIONAL MARKET OPPORTUNITIES

The Company is continually reviewing potential acquisitions and joint venture transactions and opportunities that could enhance shareholder value. Recently, the Company initiated a strategic move to introduce glass sand supply as a supplementary offering to bolster its sales in the petroleum sector. Previously, the Company had maintained a singular focus on the petroleum sector, adapting to the fluctuations in demand for its diverse product range. The petroleum industry seems to have established preferences for specific products offered by the Company, leaving room for the sale of other products in alternative markets. The glass industry has welcomed these products positively, and there is a vision that both sectors may embrace Select Sands' entire product range.

OUTLOOK

Mr. Vitols further commented, "Over the past years, the petroleum sector has shown varying preferences, alternating between a propensity for predominantly fine or coarse sands supplied by the Company. However, it appears that the industry - or at least our current oil and gas customer base with development activities underway in the Eagle Ford - has now shifted towards to primarily procuring the coarse fractions of our product range. In our commitment to our loyal oilfield customers, we have consistently ensured a steady supply of both fine and coarse sand products in response to changing demands. The current trend, where the industry seems to clearly be settling on coarse fractions to support development in the Eagle Ford, presents an exciting opportunity for us to focus on two industries that consistently seek specific products offered by Select Sands. As a result, we are strategically adjusting our marketing efforts to now cater to both the petroleum and glass industries."

Mr. Vitols concluded, "We will remain squarely focused on continuing to serve the oil and gas industry, but given the continued involvement in our current customers' requirement of coarser products, we are squarely focused on capitalizing on the recent enthusiastic reception from the glass industry regarding our fine sand product offerings. Given our capability to meet the stringent specifications of the glass industry, we are optimistic about the potential opportunity for future sales and market expansion for our complete product line. It's important to note that while these actions are not guaranteed, they underline the proactive steps we have taken in the past and will continue to take to further position the Company in response to continued evolving market dynamics. We continue to have a positive outlook as we continue to capitalize on the potential opportunities afforded by our business. More important, we appreciate the continued support of our shareholders and look forward to keeping everyone apprised on our progress."

ABOUT SELECT SANDS CORP.

[Select Sands Corp.](#) is an industrial silica product company, which wholly owns a Northern White silica sands property and related production facilities located near Sandtown, Arkansas. 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, Louisiana, and New Mexico than the majority of sources of similar sands from the Northern mid-west area such as Wisconsin. Select Sands also operates a transload facility in George West, Texas in Live Oak County that serves customers operating in the Eagle Ford Shale Basin. The facility has a capacity for 180 rail cars and is equipped with two offload/loading stations with dedicated silos for a high throughput capacity. In addition to transloading Select Sands products, the Company sells other sand products from this facility and is able to offer transload services.

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, statements related to expected current and future state of operations, sales volumes for 2023, customer activity levels, the unique market position of the Company, and opportunities being explored for marketing the Company's products to sectors and industries in addition to oil and gas. 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 meaning) 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.

As reflected in the above tables for the periods presented, the Company defines EBITDA as net loss adjusted for items listed. The Company defines Adjusted EBITDA as net loss adjusted for select items used to estimate EBITDA with additional adjustments as listed in the above table to estimate Adjusted EBITDA. 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 loss 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, transaction costs or other items management views as unusual or one-time in nature. 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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