



SELECT SANDS

CORPORATION

Management's Discussion and Analysis For the Six Months Ended June 30, 2017

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements for the six months ended June 30, 2017 and the audited consolidated financial statements of Select Sands Corp. ("Select Sands" or the "Company") for the year ended December 31, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has been prepared as of August 15, 2017. All amounts are expressed in Canadian dollars unless otherwise stated.

Select Sands' goal is to be a premium Industrial/Silica Sand supplier selling into the Specialty Industrial and Oil & Gas markets.

Nature of Operations

The Company's primary business is an advanced stage silica sand quarry and production facilities located in Arkansas, USA. The Company is focused on developing this business to enable profitable commercial silica sand sales to industrial and energy customers.

Select Sands is a Canadian listed public company with its shares traded on the TSX Venture Exchange ("TSX-V") under the symbol "SNS" as a Tier 2 company. The Company is the 100% owner of Select Sands America Corp. which holds the Company's active business operations in Arkansas, USA. The Company's shares trade in the USA on the OTCQX under the symbol "SLSDF". The address of the Company's corporate office and principal place of business is Suite 310, 850 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1E1.

Discussion of Ongoing Business Operations

Since the close on the Ozark Premium Sand asset acquisition, the Company has been re-commissioning some of the idle assets, acquiring additional operating assets, including the Newark Rail Loading Facility. The Ozark Operations now consist of six (6) operating components: 1) Sandtown Mine; 2) Bell Farm Holdings; 3) Freeze Farm Wet Plant; 4) Maple Springs Wet Plant; 5) Possum Grape Dry Plant; and 6) Newport Rail Loading Facility.

Efforts continue to assemble rail car sets to meet the strong demand for product. The accumulation of rail cars started in February with nine cars. By the end of June the number increased to well over 300 cars. The first truck shipment of frac sand for the oil and gas sector commenced in January 2017, with rail shipments initiating in February. Improved rail logistics are expected to continue through to the end of 2017.

A long-term supply agreement was signed in Q1 that included shipments in 2017 and one million ton commitments in 2018 and 2019, with the provision for quarterly price adjustments during the term of the agreement.

Arkansas, USA Silica Sand Business

In October 2014, Select Sands entered into a binding letter of agreement for an option to acquire a 100% undivided right, title and interest in an approximately 520-acre prospective silica sand property called Sandtown, located in northeast Arkansas, USA ("Sandtown" or the "Project" or the "Property"). The Project is an advanced stage commercial silica sand exploration prospect underlain by the Ordovician St. Peter Sandstone Formation. Sandtown is located 3.1 miles from Highway 167, near a natural gas pipeline, has an active power line on the property, and is 14.7 miles away from the nearest rail system. Sandtown has a competitive location advantage of being closer to the Texas/Louisiana oil/gas plays, Houston Port and Industrial Hub over Wisconsin-based sand mines.

The St. Peter Sandstone formation is host to a number of producing silica sand mines/quarries, namely, Guion (Unimin), Crystal City, Pacific (US Silica), Augusta (Hi Crush), Festus, Pevely, Alton, Ottawa (US Silica), Kasota and Ottawa Township, all of which supply "Tier 1" quality commercial silica sand (also known as "Northern White" or "Ottawa White Sand") to oil and gas operations in the US. Tier 1 commercial silica sand specifications are detailed in ISO 13503-2:2006/API RP 19C Recommended Practice for Measurement of Properties of Proppants Used in Hydraulic Fracturing and Gravel-Packing Operations. These properties include sand sphericity and roundness, crush (K Value), acid solubility, turbidity and SiO₂ content.

Oil & Gas Sector Sand Sales

On January 12, 2017, the Company announced it had received its first Oil & Gas sector purchase order for 7,000 tons. On March 17, 2017, the Company announced that Select Sands America Corp. has entered into a multiyear frac sand supply agreement with Liberty Oilfield Services, LLC of Denver Colorado. Initial rail shipments began in February, 2017 and are anticipated to continue throughout 2017, with volumes expected to increase in 2018 and 2019 to surpass one million tons annually. The 40/70 and 100 mesh products to be supplied under the agreement will be sourced from the Company's facilities in Arkansas.

Bell Farm Acquisition

On January 25, 2017, the Company, through its wholly-owned subsidiary Select Sands America Corp., completed the purchase of an additional 457 acres of property approximately three miles northeast from its 520 acre Sandtown location referred to as the Bell Farm. The Bell Farm property has paved road access and available three-phase power. The total purchase price was approximately US\$950,560 which included agent's fees of US\$36,560.

Sandtown Option Exercised

On November 24, 2016, the Company exercised the option to acquire a 100% undivided right, title and interest in Sandtown. At the time of the option exercise, US\$32,000 of extension payments have been paid with US\$16,000 being credited against the US\$736,000 purchase price. The remaining balance was paid in full on closing, with the aggregate amount paid to the seller (inclusive of extension payments) of US\$952,000.

An aggregate finder's fee of US\$65,520 (equal to 7% of the original transaction value of US\$936,000) was paid in for this transaction as two (2) separate finder fees. One-half of this finder's fee was satisfied through the issuance of 46,191 common shares in the capital of the Company and the other half was paid in cash. The number of common shares was based on the 20-day volume weighted average price of the Company's common shares on the TSX Venture Exchange (for the 20 days preceding the closing date) with Canadian dollars converted to U.S. dollars at the noon rate of Exchange for CDN/U.S. dollars on the closing date as posted on the Bank of Canada's website.

Plant and Equipment Acquisitions

On August 23, 2016, the Company purchased a permitted and producing silica sand wet processing plant, equipment and related assets (the "Assets"), all nearby to its Sandtown silica sands deposit in Arkansas, USA from Tuttle Holding, LLC ("Tuttle").

In consideration of the sale and transfer of the Assets, Select Sands paid Tuttle \$612,845 (US\$475,000) in cash and issued Tuttle 258,290 common shares in the capital of Select Sands for \$96,765 (US\$75,000) for a total purchase price of \$709,610 (US\$550,000). The number of common shares was calculated by dividing US \$75,000 by the 20-day volume weighted average price of Select Sands' common shares on the TSX Venture Exchange with Canadian dollars converted to U.S. dollars at the noon rate of Exchange for Canadian to U.S. dollars on September 1, 2016 as posted on the Bank of Canada's website. The shares issued in connection with the transaction were subject to a hold period of four months and one day which expired on January 2, 2017. The company also incurred \$11,612 in costs associated with this acquisition bringing the total cost of the purchase to \$721,222.

On December 15, 2016, the Company, through its wholly-owned subsidiary, Select Sands America Corp. (formerly American Select Corp.), completed a transaction with Tuttle Holding, LLC, Steve Hackmann and Ozark Premium Sand, LLC ("OPS") in which Select Sands purchased OPS's wet/dry processing plants, operating equipment, saleable inventory, real estate, and customer lists amongst other miscellaneous assets owned by OPS, located in Northeast Arkansas, USA.

Pursuant to the terms of the agreement, Select Sands American Corp. paid a total of US\$3,317,000, after deducting a US\$250,000 previously paid option payment. US\$400,000 of this purchase price was satisfied through the issuance of (i) 547,381 common shares of the Company at a deemed issue price of \$0.97 and (ii) 270,270 common share purchase warrants with each warrant being exercisable into one common share of the Company at a price of \$0.97 for a period of two years from the date of issue. The remainder of the purchase price was satisfied with a cash payment. In connection with the completion of the transaction, a finder's fee of US\$93,965 was paid to DownHoleTrader, Inc. of which US\$46,983 was satisfied through the issuance of 62,365 common shares in the capital of the Company.

On April 1, 2017, the Company entered into an agreement to acquire a rail loading facility for US\$2,050,000 paid over 5 years. The first-year payment of US\$500,000 has been made. The balance will be paid in equal amounts of US\$387,500 per year until March 2021. The title to the rail loading facilities does not transfer to the Company until the final payment is made.

Test Mining and Production

In April, 2016, the Company commenced limited production at the Sandtown deposit, located in Arkansas, US, in order to fulfill purchase orders for its Tier 1 silica sands into the industrial markets.

The Company anticipates purchase orders from the current customer base will be ongoing and is in a position to ramp up production, if there is an increase in demand. Additionally, Select Sands will aggressively pursue new customers in the industrial markets, some of which have already requested large bulk samples or tested the variety of products available from the Sandtown deposit.

Updated Mineral Resource Estimate

On February 10, 2016, the Company announced the completion of an updated mineral resource estimate for Sandtown. Tetra Tech of Vancouver, Canada completed the update. The Indicated Resource of 22.0 Million Tons (20 Million Tonnes) reported in the Company's Preliminary Economic Assessment has nearly doubled to 41.98 Million Tons (38.08 Million Tonnes). The breakdown by pit is given in the table below:

Mineral Resources	Volume (m3)	Metric Specific Gravity (mt/m3)	Thousand Tonnes (kt)	Imperial Specific Gravity (st/yd3)	Thousand Short tons (kst)	Classification
South Pit	12,749,000	2.2	28,048	3.2	30,917	Indicated
North Pit	4,560,000	2.2	10,032	3.2	11,058	Indicated
Total Pit constrained resources	17,309,000	2.2	38,080	3.2	41,976	Indicated

Resources were estimated by modelling the extent of the targeted St. Peter Sandstone on the Sandtown property using a total of 41 vertical drill holes completed by Select Sands during 2014 and 2015. The model was constructed utilizing Aranz Geo's Leapfrog 3D modelling software and involved the construction of mesh solids for each of the predominant lithological units identified from drilling. The results of the modeling indicate that the St. Peter Sandstone Formation underlies much of the northern and central parts of the property, with the thickest portions occurring along the northern boundary and gradually thinning to a discontinuous veneer in the south. Previous testing on composite samples from the St. Peter Sandstone Formation collected by Select Sands during drilling, indicate a grain size distribution of approximately 13% 30/50 mesh, 22% 40/70 mesh, and 58% 100 mesh products. Please visit the Company's website at <http://www.selectsandscorp.com/projects/silica-sand-project/> for the maps and other details about the Project. Readers are cautioned that mineral resources for the Sandtown Property are not mineral reserves and do not have demonstrated economic viability and there is no certainty that this preliminary economic assessment will be realized.

Exclusions for a power line right of way and allowances for property boundaries and pit slopes have been factored into the estimates presented above. The total Indicated Mineral Resource of 42 Million short tons comprises the portion of the St. Peter Sandstone Formation that was determined to have reasonable prospects for economic extraction constrained by the open pits.

Drilling

In October 2015, the Company completed a drilling program covering approximately 95% of the Sandtown silica sands project. The drilling demonstrated uniformity and quality equivalence to the sandstone that was incorporated in the Company's inaugural PEA.

Drilling Highlights from 2015:

- Largest intersection returned 131 feet of silica sand.
- Average thickness of the sandstone in the drilling was 56.5 feet.
- Sandstone intersected in 15 holes showed consistent quality.

A total of 15 of the 20 holes drilled, intersected the targeted silica sand zone, while 4 holes to the southwest intersected a gravel/clay zone which will be used to build haul roads on the property.

Quarry Permit

On May 1, 2015, the Arkansas Department of Environmental Quality (ADEQ) issued the Company an unconditional Authorization to Quarry for Sandtown. The Authorization to Quarry was issued pursuant to the *Arkansas Quarry Operation, Reclamation and Safe Closure Act* for a five year period ending April 30, 2020 subject to further renewals.

Bell Property

On April 4, 2017, the Company completed a National Instrument 43-101 ("NI 43-101") mineral resource estimate for its Bell Farm property. The estimate and report was prepared by Elliott A Mallard, P.G. of Kleinfelder, Jacksonville, FL, USA. The Inferred Mineral Resource for Bell Farm totalled 49,622,003 tons of silica sand. A copy of the report was filed under the Company's profile on www.sedar.com on April 21, 2017. Readers are cautioned that mineral resources for the Bell Farm Property are not mineral reserves and do not have demonstrated economic viability.

The deposit consists of the middle Ordovician-aged St Peter Sandstone, generally a massive bedded, medium- to fine-grained, well-rounded, friable, white sandstone. Forty (40) NQ diameter core holes have been drilled on the property in three (3) separate drilling programs (October 2011, November 2012 and March/April 2014). Sieve analyses indicate a grain size distribution of 23.5% of 30/50 mesh, 48% of 40/70 mesh and 42.1% of 100 mesh (70/140 mesh) products. Average thickness of the sandstone on the property is 48.9 feet (ranging from 1 foot to a maximum thickness of 108 feet on the property). Samples submitted to Stim-Lab (a Core Laboratories Company) for quality analysis returned results that met or exceeded ISO 13503-2:2006/API RP19C:2008 standards.

Change in Accounting Policy with Respect to Sand Operations.

Effective January 1, 2017, the Company has stopped accounting for its sand operations as a development stage asset and has begun accounting as a commercial operation. Sales and cost of goods sold that were previously capitalized are now being recorded in the consolidated interim statements of operations and comprehensive loss. Sandtown, Bell Property, machinery, vehicles, and buildings are now recorded as Property, Plant and Equipment in the Company's accounts and are being depleted and depreciated each period. The Company notes that while it has not received a positive economic feasibility study for the operation, it has already received and filled substantial orders from both industrial and oil and gas customers.

Results of Operations for the Six Months Ended June 30, 2017

For the six months ended June 30, 2017, the Company incurred a net loss of \$4,241,590 (six months ended June 30, 2016 - \$749,611). The Company has begun accounting for its sand operations as a commercial production effective January 1, 2017. Differences of note between the two periods are:

- The Company recorded revenue of \$4,541,745 (2016 – not applicable) from silica sand sales.
- The Company recorded cost of goods sold of \$4,193,059 (2016 – not applicable) from silica sand sales. The Company is looking at ways to reduce production costs and transportation (trucking) costs in particular.
- Compensation and consulting increased to \$402,235 (2016 - \$262,928) due to the Company employing more consultants for its sand operations.
- Office and miscellaneous expenses increased to \$278,114 (2016 - \$18,632). The Company now has offices in Newark, Arkansas and Houston, Texas in the USA. The Company also paid significant amounts for conferences and business taxes in the current period that are included in this account.

- Share-based compensation increased to \$2,830,328 (2016 - \$238,847). Options valued at \$2,475,000 using the Black-Scholes model were granted to management, directors and consultants in the current period. The options granted have vesting terms and share based compensation is recognized in each quarter in proportion to the number of stock options that vest.
- Foreign exchange loss increased to \$460,709 (2016 - \$27,439) due to the Company having more transactions and balances in U.S. dollars.

The focus during the first six months of 2017 was to transition the sand mining operation from a brown sand excavation-based process to a drill & blast quarry mining quarry and operation. Improvements were also made in rail transportation logistics, increased capacity and efficiency. A partial list includes:

- i) Track mounted crushers installed at Sandtown.
- ii) Installed cyclone and pumps for capacity increase at Freeze Farm Wet Plant.
- iii) Added wet product storage to Freeze Farm Wet Plant.
- iv) Refurbished previously dormant dryer with a new burner and re-flighting at Possum Grape Dry Plant.
- v) Added transfer bunker capacity at Possum Grape Dry Plant.
- vi) Agreement to purchase of Newport Rail Facility.
- vii) Vertical Shaft Impact Crusher installed.

The first shipment to the oil and gas sector started in January 2017 with railed product shipped in February 2017.

For the six months ended June 30, 2017, property plant and equipment acquisitions totaled \$6,045,369, of which \$1,312,395 was for the purchase of an additional sand property.

Discussion of Second Quarter Results

The Company recorded second quarter revenues of \$3,083,192 with frac sand sales volume of 52,480 tons, industrial sales of 466 tons and miscellaneous sand & gravel sales of 4,146 tons for a total of 57,092 tons.

Specific to the sand operations, the gross margin from sand operations was \$777,548 for the three months ended June 30, 2017. Of the total 57,092 tons of product sold in the second quarter, 23,924 tons were sold in April 2017 or approximately 42% of the total period sales.

The Company ended the second quarter with inventory valued at \$2,336,696 and accounts receivable from customers of \$3,132,064.

La Ronge Gold Belt and Old Cabin Prospect, Ontario

On September 14, 2016, the Company sold the La Range Gold Belt (Preview SW) and early stage Jacobson, Old Cabin projects to Comstock Metals Ltd (TSX-V: CSL) ("Comstock") in exchange for 20,000,000 common shares of Comstock valued at \$5,200,000. The Company accounts for this investment using the equity method. Due to the recent downturn in market conditions, the Company determined that the value of its investment in affiliate was impaired and estimated the recoverable amount at \$3,000,000 as of December 31, 2016. Accordingly, the Company recorded a provision for impairment in 2016. For the six months ended June 30, 2017, the Company has recognized a \$214,613 loss for its share of equity in the investment.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for the three months ended June 30, 2017 and each of the prior eight quarters.

Quarter Ending	Revenue	Interest Income	Net (Loss) Income	Net (Loss) per share
June 30, 2017	\$3,083,192*	\$8,045	\$(1,152,812)	\$(0.01)
March 31, 2017	\$1,458,553*	\$10,424	\$(3,088,778) **	\$(0.04)
December 31, 2016	-	\$840	\$(2,600,549) ***	\$(0.03)
September 30, 2016	-	\$2,933	\$71,558 ****	\$0.00
June 30, 2016	-	\$3,382	\$(416,494)	\$(0.01)
March 31, 2016	-	\$3,804	\$(333,117)	\$(0.01)
December 31, 2015 (2 months)	-	\$1,624	\$(345,688)	\$(0.01)
October 31, 2015	-	\$529	\$(264,672)	\$(0.01)
July 31, 2015	-	\$3,312	\$(280,928)	\$(0.01)

* Effective January 1, 2017, the Company has begun recording revenue from its sand operations.

** Net loss includes non-cash share-based compensation of \$2,196,418.

*** Net loss of \$2,600,549 due to a one time provision for impairment of \$2,076,866 for the Company's investment in affiliate.

**** Net income of \$71,558 due to the Company recognizing a one-time \$538,605 gain on the sale of its La Ronge Gold Belt (Preview SW) and Jacobson, Old Cabin mineral properties.

Liquidity

As of June 30, 2017, the Company had working capital of \$7,318,627 including cash on hand of \$3,397,380.

Capital Resources

During the six months ended June 30, 2017, the Company received \$1,051,806 from the exercise of 1,817,124 warrants and \$545,046 from the exercise of 908,500 stock options.

On November 4, 2016, the Company closed a non-brokered private placement financing issuing a total of 21,376,341 common shares at a price of \$0.77 per share for aggregate gross proceeds of \$16,459,782 (the "Offering"). The net proceeds of the Offering will be used to fund capital expenditures and for general corporate purposes.

Cash finders' fees in the aggregate amount of \$930,299 were paid to certain finders. In addition, 1,087,051 finder warrants were issued to certain finders. Each finder's warrant entitles the holder to purchase one common share of the Company for a period of two years from the date of issuance of the warrants at an exercise price of \$0.77 per share.

The securities issued in connection with the Offering and the common shares issuable on exercise of the finder warrants were issued pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. Such securities are subject to a four month hold period, which expired on March 5, 2017.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Related Parties Transactions

As of the date of this report, the Company's officers and directors are as follows:

Name	Position
Zigurds Vitols	President, Chief Executive Officer and Director
Rasool Mohammad	Chief Operations Officer and Director
Douglas Turnbull	Director
John Kime	Director and Audit Committee Chairman
David Giannini	Director
Darren Urquhart	Chief Financial Officer

The following amounts were incurred with respect to officers and directors of the Company or corporations controlled by them:

	Six months ended June 30, 2017	Six months ended June 30, 2016
Zigurds Vitols – Consulting fees	\$ 172,365	\$ 30,000
Zigurds Vitols – Share based compensation	950,724	33,094
Rasool Mohammad – Salary	135,131	104,000
Rasool Mohammad – Share based compensation	451,344	17,094
Doug Turnbull – Consulting fees	16,875	3,000
Doug Turnbull – Share based compensation	199,828	15,531
John Kime – Consulting fees	21,550	-
John Kime – Share based compensation	199,589	15,375
David Giannini – Consulting fees	8,417	-
David Giannini – Share based compensation	237,385	-
Darren Urquhart – Consulting fees	54,000	24,000
Darren Urquhart – Share based compensation	200,068	15,687
Arnold Tenney – Consulting fees (Former Director)	-	30,000
Arnold Tenney – Share based compensation (Former Director)	-	33,875
Steven Goldman – Fees paid to Goldman Hine LLP (Former Director)	-	35,000
Steven Goldman – Share based compensation (Former Director)	-	34,563
Total compensation of officers and directors	\$ 2,647,276	\$ 391,219

The Company shares office space with Comstock Metals Ltd. which has common directors. During the six months ended June 30, 2017, the Company recovered \$14,141 in shared office costs (six months ended June 30, 2016 - \$6,785). The Company also sold mineral properties to Comstock Metals Ltd. during 2016 (see Notes 4 and 6 c of the condensed consolidated interim financial statements for the six months ended June 30, 2017).

As at June 30, 2017, the Company had accounts payable to directors and officers in the amount of \$41,749 (December 31, 2016 - \$54,285).

The above transactions were in the normal course of operations and have been recorded at amounts agreed to by the related parties. All amounts either due from or due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

Proposed Transactions

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential acquisition and joint venture transactions and opportunities that could enhance shareholder value. At present there are no transactions being contemplated by management or the board that would affect the financial condition, results of operations and cash flows, other than in the normal course of the Company's business.

Critical Accounting Estimates

Mineral properties consist of exploration and mining concessions, options and contracts. Exploration and evaluation assets costs are capitalized and deferred until such time as the property is put into production, or the property is disposed of either through sale or abandonment. When a property enters the production stage, the costs of exploration and evaluation assets will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition and deferred exploration costs will be written off to operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements. The Company is not aware of any disputed claims of title.

Recorded costs of mineral properties and deferred exploration expenditures are not intended to reflect present or future values of mineral properties. The costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

Management reviews capitalized costs on its mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or from sale of the property.

The Company measures the cost of the service received for all stock options made to consultants, employees and directors based on an estimate of fair value at the date of grant. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant. Stock options which vest immediately are recorded at the date of grant. Stock options that vest over time are recorded over the vesting period using the straight line method. Stock options issued to outside consultants that vest over time are valued at the grant date and subsequently re-valued on each vesting date and expensed as services are rendered. Stock based compensation is recognized as expense or, if applicable, capitalized to mineral property costs with a corresponding increase in contributed surplus. On exercise of the stock option, consideration received and the estimated fair value previously recorded in contributed surplus is recorded as share capital.

Future Accounting Pronouncements Not Yet Adopted

The following standards and interpretations have been issued but are not yet effective and have not been early adopted by the Company:

IFRS 9 Financial Instruments was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is applicable for periods beginning on or after January 1, 2018. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 15 Revenue from Contracts with Customers establishes a five-step model that will apply to revenue earned from a contract, regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted.

IFRS 16 Leases replaces IAS 17 – Leases and requires lessees to account for leases on the balance sheet by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted.

Financial Instruments and Other Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. As of the date hereof, the Company's investment in resource properties has full exposure to commodity risk, both upside and downside.

Outstanding Share Data as of the Report Date

The authorized share capital consists of an unlimited number of common shares. As of the date of this report, there are an aggregate of 87,003,316 common shares issued, 5,349,780 warrants and 4,989,833 stock options outstanding.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's exploration and development activities expose the Company to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below. The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

Financing

The Company's future financial success depends on the ability to raise additional capital from the issue of shares or the discovery of properties which could be economically justifiable to develop. Such development could take years to complete and resulting income, if any, is difficult to determine. The sales value of any mineralization potentially discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced.

General Resource Exploration Risks and Competitive Conditions

The resource exploration industry is an inherently risky business with significant capital expenditures and volatile metals markets. The marketability of any minerals discovered may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as market fluctuations, mineral markets and processing equipment, and changes to government regulations, including those relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. This industry is intensely competitive and there is no guarantee that, even if commercial quantities are discovered, a profitable market will exist for their sale. The Company competes with other junior exploration companies for the acquisition of mineral claims as well for the engagement of qualified contractors. Metal prices have fluctuated widely in recent years, and they are determined in international markets over which the Company has no influence.

Governmental Regulation

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Exploration and development on the Company's properties are affected by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price control, tax increases, maintenance of claims, and tenure. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, increased competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws.

Financial Instruments and Risk Management

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

As of the date of this report and June 30, 2017, the Company's financial instruments which are measured at fair value on a recurring basis are cash and cash equivalents and available for sale investments. The available-for-sale investments are based on quoted prices. The carrying values of the Company's loans and receivables and financial liabilities were a reasonable approximation of fair value due to the short term nature of their maturities.

The Company is exposed to potential loss from various risks including commodity price risk, interest rate risk, currency risk, credit risk and liquidity risk. Based on the Company's operations the liquidity risk and commodity price risk are considered the most significant. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including gold, silver, zinc, lead, diamonds and silica sand and the outlook for these minerals. The Company does not have any hedging or other derivative contracts respecting its operations.

Market prices for minerals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of Company's business is in exploration.

Liquidity Risk

The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes, the Company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet the short term obligations during the year.

During the past period the Company has been able to maintain its liquidity position through private placements. However, the variable market conditions make it uncertain whether the Company can continue to raise adequate funds to meet its financial obligations.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist of cash and cash equivalents. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed on demand.

Approval

The Board of Directors of Select Sands Corp. has approved the contents of this Management Discussion and Analysis as of the date of this report.

Additional Information

Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com and also on the Company's website at www.selectsandscorp.com

Cautionary Note Regarding Forward Looking Statements

This MD&A includes some statements that may be considered "forward-looking statements". All statements in this discussion that address the Company's expectations about future exploration and development are forward-looking statements. Although the Company believes the expectations presented in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, availability of capital and financing, future sales and cost projections and general economic, market, and business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.