

Select Sands Reports Results for Fourth Quarter and Full Year 2020

-- Continued Increase in Customer Activity and Improved Cost Structure Leads to Material Improvement in Sequential Quarterly Results --

APRIL 29, 2021 – VANCOUVER, BC, CANADA – Select Sands Corp. (“Select Sands” or the “Company”) (TSXV: SNS, OTC: SLSDF) announces operational and financial results for Q4 and full year 2020, and the filing of its audited financial statements and associated management’s discussion and analysis on www.sedar.com. All dollar references in this release are in U.S. dollars.

FOURTH QUARTER AND FULL YEAR 2020 HIGHLIGHTS

- Sold 53,009 tons of frac and industrial sand during Q4 2020, compared to 49,225 tons in Q3 2020. For the full year 2020, the Company sold 161,149 tons of frac and industrial sand versus 119,736 tons for the full year 2019.
- Recorded revenue of \$3.1 million and a gross margin of \$1.0 million in Q4 2020, versus \$2.9 million of revenue and a gross margin of \$0.1 million in Q3 2020. For the full year 2020, Select Sands recorded revenue of \$9.7 million and a gross loss of \$0.3 million, compared to revenue of \$4.4 million and a gross loss of \$2.2 million for the full year 2019.
- Reported net income of \$0.4 million, or \$0.00 per diluted share in Q4 2020, compared to a net loss of \$0.7 million, or \$0.01 loss per diluted share, in Q3 2020. For the full year 2020, the Company reported a net loss of \$2.9 million, or \$0.03 loss per diluted share, versus a net loss of \$9.3 million, or \$0.10 loss per diluted share, for the full year 2019.
- Generated adjusted EBITDA⁽¹⁾ of \$0.8 million for Q4 2020, versus an adjusted EBITDA loss of \$0.3 million in Q3 2020. For the full year 2020, Select Sands posted an adjusted EBITDA loss of \$1.4 million versus an adjusted EBITDA loss of \$4.1 million for the full year 2019.
- As of December 31, 2020, cash and cash equivalents were \$0.3 million, accounts receivable was \$1.6 million, and inventory was \$2.9 million.
- During 2020, the Company started a project to optimize and consolidate processing assets to improve its cost structure (the “Plant Reconfiguration Project”) that was substantially completed by year end. The wet plant and 100 mesh dry plant operated during Q4 2020. The 40/70 line started operation in early January 2021 in preparation for upcoming sales. Select Sands also completed the purchase of the Diaz Rail Loading Facility, located in Diaz, Arkansas (the “Diaz Rail Facility”). The Plant Reconfiguration Project included installation of dry-process equipment at the Diaz Rail Facility, which improved process efficiency by reducing inter-plant transportation costs.
- Select Sands began transload operations at an established facility in the Eagle Ford shale basin located in George West, Texas in December 2019 and started delivering in January 2020 under a long-term agreement to a large E&P operating in the region. In late March to early April 2020, the customer curtailed frac operations and halted receipt of sand shipments due to declining oil prices primarily as a result of supply and demand imbalances associated with the COVID-19 global pandemic. Supported by a higher oil pricing environment, the customer restarted frac operations and the Company resumed shipping product to the customer at the end of the second quarter, with the level of shipments trending higher through the remainder of the year and into 2021.

- (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 were pleased with our fourth quarter of 2020 financial performance, which was highlighted by a substantial improvement in earnings and adjusted EBITDA from the third quarter. Contributing to our sequential quarterly results were higher sales volumes and a lower cost of goods sold per ton as a direct result of our successful Plant Reconfiguration Project. We look forward to benefitting from higher margins in 2021 as sales volumes are expected to increase through the remainder of 2021. Our improved fourth quarter 2020 and full year 2020 results were also driven by the ongoing efforts of our employees and contractors. Their ability to perform at a consistent high-level throughout the year despite the many challenges faced as a result of the COVID-19 pandemic was extremely impressive, and I appreciate their continued hard work and dedication."

FINANCIAL SUMMARY

The following table includes summarized financial results for the three month periods ended December 31, 2020, September 30, 2020 and December 31, 2019, as well as the twelve month period ended December 31, 2020 and December 31, 2019:

Select Sands Corp.

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

(Expressed in United States Dollars)

(Unaudited)

	For the Three Months Ended			For the Twelve Months Ended	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Revenue	\$ 3,128,659	\$ 2,942,727	\$ 280,419	\$ 9,701,216	\$ 4,360,617
Cost of goods sold (excluding depreciation and depletion)	2,162,139	2,864,149	1,439,070	10,034,983	6,583,343
Gross Margin (Loss)	\$ 966,520	\$ 78,578	\$ (1,158,651)	\$ (333,767)	\$ (2,222,726)
General and administrative ("G&A") expenses (1)	222,866	288,907	361,250	1,144,064	1,999,212
Depreciation and depletion	737,198	274,092	306,312	1,558,953	1,135,546
Interest on long-term debt	132,485	123,503	34,024	426,904	172,060
Operating Loss	\$ (126,029)	\$ (607,924)	\$ (1,860,237)	\$ (3,463,688)	\$ (5,529,544)
Interest income	111	431	3,620	4,371	32,129
Foreign exchange gain	1,930	9,645	11,081	52,911	70,092
Gain on extinguishment of debt	416,153	-	-	416,153	21,195
Unrealized gain/loss on investments	(25,307)	-	-	(25,307)	-
Gain on return of capital from equity investee	280,300	-	-	280,300	-
Share of loss of equity investee	-	-	(299,566)	-	(586,849)
Provision for impairment of property, plant and equipment	(136,012)	-	(952,313)	(136,012)	(952,313)
Loss on sale of property, plant and equipment	23,239	(56,616)	(273,298)	(33,377)	(547,774)
Income (Loss) Before Income Taxes	\$ 434,385	\$ (654,464)	\$ (3,370,713)	\$ (2,904,649)	\$ (7,493,064)
Income tax expense	-	-	(3,015)	-	(1,757,376)
Net Income (Loss)	\$ 434,385	\$ (654,464)	\$ (3,373,728)	\$ (2,904,649)	\$ (9,250,440)
Foreign currency translation adjustment	8,403	(8,733)	24,241	(35,945)	(44,606)
Comprehensive Income (Loss)	\$ 442,788	\$ (663,197)	\$ (3,349,487)	\$ (2,940,594)	\$ (9,295,046)
Basic and Diluted Earnings (Loss) Per Share	\$ 0.00	\$ (0.01)	\$ (0.04)	\$ (0.03)	\$ (0.10)
Weighted Average Number of Shares Outstanding	88,563,316	88,563,316	88,563,316	88,563,316	88,563,316
Adjusted EBITDA (2)	\$ 802,311	\$ (256,869)	\$ (1,545,793)	\$ (1,420,549)	\$ (4,085,610)

(1) Includes non-cash share-based compensation of \$0 (Q4 2020), \$0 (Q3 2020), \$(40,593) (Q4 2019), \$0 (FY 2020) and \$34,107 (FY 2019).

(2) Excludes depreciation and depletion, interest on long-term debt, non-cash share-based compensation, deferred income tax expense (recovery), income taxes, gain on extinguishment of debt, gain on return of capital from equity investee, unrealized loss on investments, share of loss of equity investee, provision for impairment of property, plant and equipment, and loss on sale of property, plant and equipment. See table under "Non-IFRS Financial Measures" for reconciliation to net loss.

SALES VOLUMES

	For the Three Months Ended			For the Year Ended	
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Frac sand	52,913	49,105	9,944	160,788	119,512
Industrial sand	96	120	73	361	224
Frac and Industrial sand	53,009	49,225	10,017	161,149	119,736
Other sand & gravel	260	883	1,265	2,748	11,417
Total	53,269	50,108	11,282	163,898	131,153

For Q1 2021, the Company had sales volumes of frac and industrial sand of approximately 60,000 tons. Sales volumes for Q1 2021 were impacted by the widespread harsh winter storm in February, during which Select Sands was unable to receive natural gas supply as the regional physical gas and power infrastructure was severely impaired. The combined impact of well-head freeze-offs and the failure of gas processing plants and pipelines resulted in more than a week of downtime for the Company's Arkansas production facilities.

OPERATIONS UPDATE

Select Sands substantially completed its Plant Reconfiguration Project in Arkansas during the fourth quarter of 2020, with the new wet plant located at the Sandtown Quarry remaining fully operational for the entire period. The new dry plant at the Diaz Rail Facility is currently producing 100 mesh product and the 40/70 mesh product line was brought online in early January 2021 in preparation for future sales.

The Plant Reconfiguration Project has materially improved the efficiency of Select Sands' mining, processing and shipping operations by reducing the number of interplant sites from four to two and allowing for all truck transport between facilities in open top dump trailers while discontinuing the necessity of interplant transport in closed hopper trailers. In addition, Select Sands has increased the level of its own truck fleet capacity to help lower transportation costs.

Supporting the increasing needs of the Company's largest customer in the Eagle Ford shale basin in South Texas, the George West facility is continuing to operate 24 hours per day and seven days per week.

OUTLOOK

Mr. Vitols concluded, "We are seeing an increase in global oil demand the COVID pandemic in the U.S. has been easing and the level of COVID-19 vaccinations continues to grow in the U.S. We expect the economy to continue to recover and oil demand continue to improve in 2021. We have seen oilfield development activity increase steadily in the U.S. since the beginning of 2021. Based on conversations with our current and prospective customers, we expect this trend to continue. With Select Sands' premium Northern White Sand product that is strategically located much closer to key oil and gas basins in the Southern U.S. as compared to traditional sources in the Upper Midwest, we believe we are in a solid position for continued growth and success. Combined with our recently announced renewal of our line of credit, we continue to pursue additional opportunities for the benefit of our shareholders."

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.

ADDITIONAL MANAGEMENT COMMENTARY

An audio recording of management's additional comments related to its results and outlook will be posted to the Company's website (<https://www.selectsands.com/>) under the Investors section prior to market open on Friday, April 30, 2021. Investors interested in having a follow-up discussion with management are encouraged to arrange a specific time for a call by contacting Arlen Hansen at Kin Communications at (604) 684-6730.

ABOUT SELECT SANDS CORP.

Select Sands Corporation is an industrial silica product company, which wholly owns a Tier-1 (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 sources of similar sands from the Wisconsin area. 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.

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 and 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). The Sandtown deposit is 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, statements related to expected current and future state of operations, sales volumes for 2021, the impact of the February 2021 winter storm and the benefits afforded by the Company's recent renewal of its line of credit. 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.

Select Sands Corp.
Consolidated Statements of Financial Position
(Expressed in United States Dollars)

	December 31, 2020	December 31, 2019
ASSETS		
Current		
Cash and cash equivalents	\$ 265,961	\$ 1,151,323
Accounts receivable	1,553,921	21,840
Inventory	2,941,717	1,954,065
Prepaid expenses	90,440	148,206
Investments	268,672	-
Total Current Assets	5,120,711	3,275,434
Deposits	424,844	292,895
Right-of-use assets	896,830	1,321,021
Property, plant and equipment	14,242,603	11,592,514
Total Assets	\$ 20,684,988	\$ 16,481,864
LIABILITIES		
Current		
Line of credit (Note 8)	\$ 4,418,067	\$ 628,125
Accounts payable and accrued liabilities	917,172	870,234
Current portion of lease liability	444,939	424,191
Current portion of long-term debt	1,145,476	1,152,770
Total Current Liabilities	6,925,654	3,075,320
Decommissioning liability	78,100	78,100
Lease liability	473,945	897,280
Long-term debt	4,752,870	1,036,151
Total Liabilities	12,230,569	5,086,851
EQUITY		
Share capital	34,803,135	34,803,135
Share-based payment reserve	5,509,628	5,509,628
Accumulated other comprehensive income	11,732	47,677
Deficit	(31,870,076)	(28,965,427)
Total Equity	8,454,419	11,395,013
Total Liabilities and Equity	\$ 20,684,988	\$ 16,481,864

Select Sands Corp.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in United States Dollars)

	For the Years Ended	
	December 31, 2020	December 31, 2019
Revenue	\$ 9,701,216	\$ 4,360,617
Cost of Goods Sold (excluding depreciation and depletion)	10,034,983	6,583,343
Gross loss	(333,767)	(2,222,726)
Operating Expenses		
Compensation and consulting	725,750	1,166,195
Depreciation and depletion	1,558,953	1,135,546
Interest on long-term debt	426,904	172,060
Selling, general and administrative	418,314	798,910
Share-based compensation	-	34,107
Total Operating Expenses	3,129,921	3,306,818
Operating Loss	(3,463,688)	(5,529,544)
Other Income (Expense)		
Interest income	4,371	32,129
Foreign exchange gain	52,911	70,092
Gain on extinguishment of debt	416,153	21,195
Gain on return of capital from equity investee	280,300	-
Unrealized loss on investments	(25,307)	-
Share of loss in equity investee	-	(586,849)
Provision for impairment of property, plant and equipment	(136,012)	(952,313)
Loss on sale of property, plant and equipment	(33,377)	(547,774)
Total Other Income (Expense)	559,039	(1,963,520)
Loss Before Income Taxes	(2,904,649)	(7,493,064)
Income Tax Expense		
Deferred	-	(1,754,361)
Current	-	(3,015)
Total Income Tax Expense	-	(1,757,376)
Net Loss for the year	(2,904,649)	(9,250,440)
Other Comprehensive Loss		
Foreign currency translation adjustment	(35,945)	(44,606)
Comprehensive Loss for the year	\$ (2,940,594)	\$ (9,295,046)
Basic and Diluted Loss per Share	\$ (0.03)	\$ (0.10)
Weighted Average Number of Shares Outstanding	88,563,316	88,563,316

Select Sands Corp.
Consolidated Statements of Cash Flows
(Expressed in United States Dollars)

	For the Years Ended	
	December 31, 2020	December 31, 2019
Operating Activities		
Net loss for the year	\$ (2,904,649)	\$ (9,250,440)
<i>Adjustments for non-cash items:</i>		
Depreciation and depletion	1,558,953	1,135,546
Share-based compensation	-	34,107
Foreign exchange	(13,679)	(381,643)
Gain on return of capital from equity investee	(280,300)	-
Gain on extinguishment of debt	(416,153)	(21,195)
Loss on sale of equipment	33,377	547,774
Share of loss in equity investee	-	586,849
Unrealized loss on investments	25,307	-
Provision for impairment of property, plant and equipment	136,012	952,313
Accretion on finance leases	129,806	447
Deferred income tax expense	-	1,754,361
<i>Changes in non-cash operating assets and liabilities:</i>		
Accounts receivable	(1,532,081)	(906)
Income taxes receivable	-	376,855
Inventory	(987,652)	131,098
Prepaid expenses	57,766	(35,399)
Accounts payable and accrued liabilities	46,938	302,805
Total Cash Used in Operating Activities	(4,146,355)	(3,867,428)
Investing Activities		
Deposits	(131,949)	7,199
Proceeds from disposal of equipment	219,373	765,164
Property, plant and equipment	(4,230,613)	(495,670)
Total Cash (Used in) Provided by Investing Activities	(4,143,189)	276,693
Financing Activities		
Proceeds from short-term loan	3,789,942	628,125
Proceeds from long-term debt	5,201,682	-
Principal repayments of long-term debt	(1,019,104)	(978,157)
Repayment of lease liability	(532,393)	-
Total Cash Provided by (Used in) Financing Activities	7,440,127	(350,032)
Effect of Exchange Rate Changes on Cash	(35,945)	244,116
Decrease in Cash and Cash Equivalents	(885,362)	(3,696,651)
Cash and Cash Equivalents, Beginning of Year	1,151,323	4,847,974
Cash and Cash Equivalents, End of Year	\$ 265,961	\$ 1,151,323

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					
	Year Ended	Three Months Ended			
	December 31,	December 31,	September 30,	June 30,	March 31,
	2020	2020	2020	2020	2020
Net (Loss) Income	\$ (2,904,649)	\$ 434,385	\$ (654,464)	\$ (1,207,351)	\$ (1,477,219)
<i>Add Back</i>					
Depreciation and depletion	1,558,953	737,198	274,092	276,993	270,670
Interest on long-term debt	426,904	132,485	123,503	92,388	78,528
EBITDA	\$ (918,792)	\$ 1,304,068	\$ (256,869)	\$ (837,970)	\$ (1,128,021)
<i>Add Back</i>					
Gain on extinguishment of debt	(416,153)	(416,153)	-	-	-
Gain on return of capital from equity investee	(280,300)	(280,300)	-	-	-
Unrealized loss on investments	25,307	25,307	-	-	-
Provision for impairment of property, plant and equipment	136,012	136,012	-	-	-
Loss on sale of property, plant and equipment	33,377	33,377	-	-	-
Adjusted EBITDA	\$ (1,420,549)	\$ 802,311	\$ (256,869)	\$ (837,970)	\$ (1,128,021)

Reconciliation of Net Loss to EBITDA to Adjusted EBITDA					
	Year Ended	Three Months Ended			
	December 31,	December 31,	September 30,	June 30,	March 31,
	2019	2019	2019	2019	2019
Net Loss	\$ (9,250,440)	\$ (3,373,728)	\$ (1,992,381)	\$ (3,077,785)	\$ (806,546)
<i>Add Back</i>					
Depreciation and depletion	1,135,546	306,312	276,748	276,321	276,165
Share-based compensation	34,107	(40,593)	-	17,782	56,918
Interest on long-term debt	172,060	34,024	49,313	44,213	44,510
Deferred income tax expense (recovery)	1,754,361	-	-	2,075,595	(321,234)
Income tax expense	3,015	3,015	-	-	-
EBITDA	\$ (6,151,351)	\$ (3,070,970)	\$ (1,666,320)	\$ (663,874)	\$ (750,187)
<i>Add Back</i>					
Gain on extinguishment of debt	(21,195)	-	-	-	(21,195)
Share of loss of equity investee	586,849	299,566	111,291	34,826	141,166
Provision for impairment of property, plant and equipment	952,313	952,313	-	-	-
Loss on sale of property, plant and equipment	547,774	273,298	274,476	-	-
Adjusted EBITDA	\$ (4,085,610)	\$ (1,545,793)	\$ (1,280,553)	\$ (629,048)	\$ (630,216)

As reflected in the above table for the periods presented, the Company defines EBITDA as net loss before depreciation and depletion, interest on long-term debt, non-cash share-based compensation, deferred income tax expense (recovery) and income taxes. The Company defines Adjusted EBITDA as net loss before depreciation and depletion, interest on long-term debt, non-cash share-based compensation, deferred income tax expense (recovery), income taxes, gain on extinguishment of debt, gain on return of capital from equity investee, unrealized loss on investments, share of loss of equity investee, provision for impairment of property, plant and equipment, and loss on sale of property, plant and equipment. 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 (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.