

Select Sands Reports Results for Third Quarter 2021

-- Improved Industry Backdrop Drives Higher Sales Volumes, Revenue and Adjusted EBITDA --

NOVEMBER 18, 2021 – HOUSTON, TX, USA – Select Sands Corp. (“Select Sands” or the “Company”) (TSXV: SNS, OTC: SLSDF) today announced operational and financial results for Q3 2021, and 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.

Q3 2021 HIGHLIGHTS

- Sold 89,096 tons of frac and industrial sand during Q3 2021, which was 5% higher than 85,242 tons sold in Q2 2021 and 81% higher than 49,105 tons sold for Q3 2020. Driving the increased sales volumes for Q3 2021 from Q2 2021 was higher demand for the Company’s premium quality product offerings as petroleum prices stay at higher levels.
- Recorded revenue of \$5.3 million and gross margin of \$0.4 million in Q3 2021 compared to \$4.8 million of revenue and gross margin of \$0.5 million in Q2 2021, and revenue of \$2.9 million and gross margin of \$0.1 million for Q3 2020.
- Reported a net loss of \$0.3 million, or \$0.00 per diluted share, in Q3 2021, compared to net income of \$0.3 million, or \$0.00 per diluted share, in Q2 2021. Included in Q2 2021 was an approximate \$575,000 pre-tax non-cash gain to reflect forgiveness of the Company’s second Payroll Protection Program relief loan. For Q3 2020, the Company reported a net loss of \$0.7 million, or \$0.01 per diluted share.
- Generated adjusted EBITDA⁽¹⁾ of \$0.2 million for Q3 2021, which was slightly higher than Q2 2021 and a material improvement from an adjusted EBITDA loss of \$0.2 million for Q3 2020.
- As of September 30, 2021, cash and cash equivalents were \$0.1 million, accounts receivable was \$2.6 million, and inventory was \$3.9 million. As of November 17, 2021, the Company had received payment on more than \$2.3 million included in its accounts receivable balance at the end of Q3 2021.
- As announced on August 9, 2021, Select Sands successfully negotiated and entered into a new five-year \$8.1 million loan agreement (the “Loan Agreement”) with its bank to refinance its existing loans. With the execution of the Loan agreement, the Company is benefiting from a reduction in nearer term working capital needs and a lower interest rate for payments on borrowings.

(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, “During this year’s third quarter, we saw a continued improvement in industry fundamentals as E&P companies increase their field development activities in response to the outlook for continued strong oil and natural gas prices. This drove higher demand for our premium quality Northern White Sand and other product offerings that resulted in higher sales volumes compared to the second quarter. Our topline for the third quarter also benefitted from higher product pricing, while gross margin was somewhat impacted by inflation in some of our product costs, including natural gas and transportation. I want to thank our entire employee team for their continued hard work and dedication during the third quarter, and look forward to collaborating closely with them as we capitalize on opportunities to further grow our business moving forward.”

FINANCIAL SUMMARY

The following table includes summarized financial results for the three months ended September 30, 2021, June 30, 2021, and September 30, 2020, and for the nine months ended September 30, 2021 and September 30, 2020:

Select Sands Corp.

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

(Expressed in United States Dollars)

(Unaudited)

	For the Three Months Ended			For the Twelve Months Ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Revenue	\$ 5,285,260	\$ 4,828,862	\$ 2,942,727	\$ 13,676,062	\$ 6,572,557
Cost of goods sold (excluding depreciation and depletion)	4,837,273	4,327,486	2,864,149	12,762,314	7,872,844
Gross Margin (Loss)	\$ 447,987	\$ 501,376	\$ 78,578	\$ 913,748	\$ (1,300,287)
General and administrative ("G&A") expenses	258,786	322,244	288,907	871,353	921,198
Depreciation and depletion	404,187	403,508	274,092	1,212,007	821,755
Interest on long-term debt	134,626	133,689	123,503	415,110	294,419
Operating Loss	\$ (349,612)	\$ (358,065)	\$ (607,924)	\$ (1,584,722)	\$ (3,337,659)
Interest income	46	46	431	313	4,260
Foreign exchange gain	12,926	8,617	9,645	20,203	50,981
Gain on settlement of debt	-	574,990	-	574,990	-
Gain on sale of investments	-	37,173	-	105,207	-
Unrealized gain on investments	-	-	-	26,817	-
Gain (loss) on sale of equipment	9,216	2,853	(56,616)	12,544	(56,616)
(Loss) Income Before Income Taxes	\$ (327,424)	\$ 265,614	\$ (654,464)	\$ (844,648)	\$ (3,339,034)
Income tax expense	-	-	-	-	-
Net (Loss) Income	\$ (327,424)	\$ 265,614	\$ (654,464)	\$ (844,648)	\$ (3,339,034)
Foreign currency translation adjustment	(14,040)	(8,813)	(8,733)	(24,729)	(44,348)
Comprehensive (Loss) Income	\$ (341,464)	\$ 256,801	\$ (663,197)	\$ (869,377)	\$ (3,383,382)
Diluted (Loss) Earnings Per Share	\$ (0.00)	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.04)
Diluted Weighted Average Shares Outstanding	88,563,316	92,658,316	88,563,316	88,563,316	88,563,316
Adjusted EBITDA (1)	\$ 202,173	\$ 187,795	\$ (200,253)	\$ 62,911	\$ (2,166,244)

(1) See "Reconciliation of Net (Loss) Income to EBITDA to Adjusted EBITDA" in "Non-IFRS Financial Measures" section later in this release for more details.

SALES VOLUMES

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Frac sand	89,096	85,242	49,105	234,308	107,875
Industrial sand	-	-	120	-	265
Frac and Industrial sand	89,096	85,242	49,225	234,308	108,140
Other sand & gravel	2,179	2,850	883	6,829	2,488
Total	91,275	88,092	50,108	241,137	110,629

As previously discussed, Select Sands sold 89,096 tons of frac and industrial sand during Q3 2021, which was 27% higher than the midpoint of the Company's sales volumes guidance of 60,000 to 80,000 tons. Q3 2021 sales volumes were below the Company's full shipment capability of its Arkansas' operations (approximately 150,000 tons per quarter), which 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 the nine months ended September 30,

2021, Select Sands sold 234,308 tons of frac and industrial sand, which was 117% higher than the similar period for 2020.

For Q4 2021, Select Sands currently expects sales volumes of frac and industrial sand of 80,000 to 95,000 tons. While the Company currently does not see an indication of a broad slowdown during the holiday season, Select Sands' Q4 2021 sales volumes guidance is tempered by some potential effect on its customer's activity levels. As it relates to product mix, the Company's 40/70 mesh product has generated greater demand as the quarter has developed. This increased demand is expected to continue, at least to the end of the year, thereby decreasing existing 40/70 inventory levels.

OPERATIONS UPDATE

During October 2021, Select Sands recorded the highest level of monthly sales volumes for the year and expects Q4 2021 spot pricing levels to increase from Q3 2021 and carry into Q1 2022. Supporting the Company's positive outlook is the increase in U.S. E&P well development activity levels, which have almost doubled from the same time last year. As reported by the U.S. Energy Information Administration on October 29, 2021, average rig count in the U.S. for October 2021 was 508 versus 257 for October 2020. Select Sands expects the U.S. rig count to continue to grow modestly for the remainder of this year and into 2022 and remains focused on positioning its operations to capitalize on this trend by further leveraging its high-quality product offerings.

This includes supporting the increasing needs of customers in the Eagle Ford shale basin in South Texas. The Company's George West transload facility continues to operate 24 hours per day and seven days per week and offering transload for other rail shippers. In Q3 2021, while Select Sands saw an overall efficient flow of rail traffic to the George West distribution facility, the Union Pacific Railroad continued to report "crew challenges" that impacted product movements and the Company's sales volumes during the period.

OUTLOOK

Mr. Vitols concluded, "I am pleased to report that to date for the fourth quarter we have seen a continued increase in sales volumes levels and look forward to capturing incremental margins in the spot sales market, which has seen price increases that we believe will carry into next year's first quarter. We will also continue to benefit from the permanent cost reductions afforded by our targeted plant reconfiguration project that was completed in January. As we have discussed in the past, we believe our customers recognize the superior quality characteristics of our Northern White Sand and other product offerings provide in terms of helping to drive higher returns on investment from their capital programs. With our location of operations much closer to key oil basins in the Southern U.S. compared to the majority of other Northern White Sand producers, we look forward to supporting the growing needs of our customers and expanding our business as we move into what we expect will be an even stronger operating environment in 2022. We appreciate the ongoing support of our shareholders, and look forward to keeping everyone apprised of our progress."

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 before the market opens Friday, November 19, 2021.

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 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 product, the Company sells other sand products from this facility and is able to offer transload services.

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, customer activity levels in the Eagle Ford and other shale basins, and the unique market position of the Company. 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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Select Sands Corp.

Consolidated Interim Statements of Financial Position

(Expressed in United States Dollars)

	Unaudited September 30, 2021	Audited December 31, 2020
ASSETS		
Current		
Cash and cash equivalents	\$ 56,099	\$ 265,961
Accounts receivable	2,645,925	1,553,921
Inventory	3,856,308	2,941,717
Prepaid expenses	69,024	90,440
Investments	-	268,672
Total Current Assets	6,627,356	5,120,711
Deposits	424,544	424,844
Right-of-use assets	630,796	896,830
Property, plant and equipment	13,392,238	14,242,603
Total Assets	\$ 21,074,934	\$ 20,684,988
LIABILITIES		
Current		
Line of credit (Note 8)	\$ 1,640,034	\$ 4,418,067
Accounts payable and accrued liabilities	1,767,775	917,172
Current portion of lease liability	517,941	444,939
Current portion of long-term debt	1,455,322	1,145,476
Total Current Liabilities	5,381,072	6,925,654
Decommissioning liability	78,100	78,100
Lease liability	69,735	473,945
Long-term debt	7,960,985	4,752,870
Total Liabilities	13,489,892	12,230,569
EQUITY		
Share capital	34,803,135	34,803,135
Share-based payment reserve	5,509,628	5,509,628
Accumulated other comprehensive income	(12,997)	11,732
Deficit	(32,714,724)	(31,870,076)
Total Equity	7,585,042	8,454,419
Total Liabilities and Equity	\$ 21,074,934	\$ 20,684,988

Select Sands Corp.

Consolidated Interim Statements of Operations and Comprehensive Loss

(Expressed in United States Dollars)

(Unaudited)

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue	\$ 5,285,260	\$ 2,942,727	\$ 13,676,062	\$ 6,572,557
Cost of Goods Sold (excluding depreciation and depletion)	4,837,273	2,864,149	12,762,314	7,872,844
Gross Margin (Loss)	447,987	78,578	913,748	(1,300,287)
Operating Expenses				
Compensation and consulting	164,814	183,209	499,057	580,073
Depreciation and depletion	404,187	274,092	1,212,007	821,755
Interest on long-term debt	134,626	123,503	415,110	294,419
Selling, general and administrative	93,972	105,698	372,296	341,125
Total Operating Expenses	(797,599)	(686,502)	(2,498,470)	(2,037,372)
Operating Loss	(349,612)	(607,924)	(1,584,722)	(3,337,659)
Other Income (Loss)				
Interest income	46	431	313	4,260
Foreign exchange gain	12,926	9,645	20,203	50,981
Gain (loss) on sale of equipment	9,216	(56,616)	12,544	(56,616)
Gain on settlement of debt	-	-	574,990	-
Unrealized gain on investments	-	-	26,817	-
Gain on sale of investments	-	-	105,207	-
Total Other Income (Loss)	22,188	(46,540)	740,074	(1,375)
Net Loss	\$ (327,424)	\$ (654,464)	\$ (844,648)	\$ (3,339,034)
Other Comprehensive Loss				
Foreign currency translation adjustment	(14,040)	(8,733)	(24,729)	(44,348)
Comprehensive Loss	\$ (341,464)	\$ (663,197)	\$ (869,377)	\$ (3,383,382)
Basic and Diluted Loss per Share	\$ -	\$ (0.01)	\$ (0.01)	\$ (0.04)
Basic and Diluted Weighted Average Number of Shares Outstanding	88,563,316	88,563,316	88,563,316	88,563,316

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

	For the Nine Months Ended	
	September 30, 2021	September 30, 2020
Operating Activities		
Net loss for the period	\$ (844,648)	\$ (3,339,034)
Adjustments for non-cash items:		
Depreciation and depletion	1,212,007	821,755
(Gain) loss on sale of equipment	(12,544)	56,616
Gain on sale of investments	(105,207)	-
Gain on settlement of debt	(574,990)	-
Unrealized gain on investments	(26,817)	-
Accretion on finance leases	66,581	-
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(1,092,004)	(972,831)
Inventory	(914,591)	(435,242)
Prepaid expenses	21,416	45,746
Accounts payable and accrued liabilities	850,604	(29,118)
Total Cash Used in Operating Activities	(1,420,193)	(3,852,108)
Investing Activities		
Deposits	300	(301,157)
Proceeds from sale of investments	400,696	-
Proceeds from sale of equipment	129,662	144,373
Property, plant and equipment	(212,726)	(2,739,469)
Total Cash Provided by (Used in) Investing Activities	317,932	(2,896,253)
Financing Activities		
Proceeds from line of credit	2,656,933	2,476,885
Payments on line of credit	(1,550,000)	-
Proceeds from long-term debt	1,120,448	5,034,403
Principal repayments of long-term debt	(912,464)	(1,184,002)
Repayment of lease liability	(397,789)	-
Total Cash Provided by Financing Activities	917,128	6,327,286
Effect of Exchange Rate Changes on Cash	(24,729)	(44,348)
Decrease in Cash and Cash Equivalents	(209,862)	(465,423)
Cash and Cash Equivalents, Beginning of Period	265,961	1,151,323
Cash and Cash Equivalents, End of Period	\$ 56,099	\$ 685,900

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					
	Three Months Ended			Nine Months Ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net Loss (income)	(\$327,424)	\$265,614	(\$654,464)	(\$844,648)	(\$3,339,034)
Add Back:					
Depreciation and depletion	404,187	403,508	274,092	1,212,007	821,755
Interest on long-term debt	134,626	133,689	123,503	415,110	294,419
EBITDA	\$211,389	\$802,811	(\$256,869)	\$782,469	(\$2,222,860)
Add Back:					
Unrealized gain on investments	-	-	-	(26,817)	-
Gain on sale of investments	-	(37,173)	-	(105,207)	-
Gain (loss) on sale of equipment	(9,216)	(2,853)	56,616	(12,544)	56,616
Gain on settlement of debt	-	(574,990)	-	(574,990)	-
Adjusted EBITDA	\$202,173	\$187,795	(\$200,253)	\$62,911	(\$2,166,244)

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, 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, income taxes, unrealized gain on investment, gain on sale of investments, gain (loss) on sale of equipment and gain on settlement 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 (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.