SELECT SANDS AMERICA Corp

TSXV:SNS www.selectsandscorp.com OTC:SLSDF

Select Sands Reports Results for Fourth Quarter and Full Year 2021

-- Q4 2021 Highlighted by Continued Growth in Sales Volumes, Revenue and Adjusted EBITDA Supported by Solid Industry Backdrop –

APRIL 29, 2021 – HOUSTON, TX, USA – Select Sands Corp. ("Select Sands" or the "Company") (TSXV: SNS, OTC: SLSDF) today announced operational and financial results for Q4 and full year 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.

Q4 & FULL YEAR 2021 AND RECENT HIGHLIGHTS

- Sold 94,670 tons of frac and industrial sand during Q4 2021, which was 6% higher than 89,096 tons sold in Q3 2021 and 79% higher than 53,009 tons sold for Q4 2020. For full year 2021, Select Sands sold 328,978 tons of frac and industrial sand, which was more than double than the 161,149 tons sold in 2020. Driving the consistent increase in quarterly sales volumes throughout 2021 was higher demand for the Company's premium quality product offerings as petroleum pricing remained strong.

- Recorded revenue of $6.1 million and gross margin of $0.7 million in Q4 2021 compared to $5.3 million of revenue and gross margin of $0.4 million in Q3 2021, and revenue of $3.1 million and gross margin of $1.0 million for Q4 2020. For full year 2021, Select Sands recorded revenue of $19.7 million and gross margin of $1.6 million, compared to revenue of $9.7 million and a gross loss of $0.3 million for 2020.

- Reported a net loss of $0.8 million, or $0.01 per share, in Q4 2021, compared to a net loss of $0.3 million, or $0.00 per share, in Q3 2021 and net income of $0.4 million, or $0.00 per share, in Q4 2020. For full year 2021, the Company reported a net loss of $1.7 million, or $0.02 per share, versus a net loss of $2.9 million, or $0.03 per share, in 2020. The increasing net loss from Q3 2021 to Q4 2021 was partially impacted by impairments/loss on sale of assets, and settlement of a disputed natural gas bill as a result of excessively high natural gas pricing driven by the severe winter storm in February of 2021.

- Generated adjusted EBITDA(1) of $0.5 million for Q4 2021 compared to $0.2 million in Q3 2021 and $0.8 million for Q4 2020. For full year 2021, Select Sands generated adjusted EBITDA of $0.5 million versus an adjusted EBITDA loss of $1.4 million for 2020.

- As of December 31, 2021, working capital was $1.3 million (including cash and cash equivalents of $0.6 million), accounts receivable was $1.1 million, and inventory was $3.9 million.

- For Q1 2022, the Company sold more than 107,000 tons of frac and industrial sand, which was more than 13% higher than Q4 2021. Sales revenue for Q1 2022 will not increase in a correlative manner as over 40% of sales were priced at the mine gate, which excludes any charges to the customer for rail transportation or other logistics. Mine gate sales were virtually non-existent in Q4 2021.

(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, “I am pleased to report that we ended 2021 with solid fourth quarter results, including continued growth in sales volumes, revenue and adjusted EBITDA. Significantly contributing to our outperformance was a steadily improving oil and natural gas price environment that allowed E&P companies to increase their field development activities throughout 2021. This drove higher demand for our premium quality Northern White Sand and other product offerings, and we are seeing further growth to date in 2022. We are also seeing some customers paying directly for rail, reducing the working capital burden on the Company. I want to thank all of our employees for their continued hard work and dedication, as well as the ongoing support of our shareholders.”

FINANCIAL SUMMARY

The following table includes summarized financial results for the three months ended December 31, 2021, September 30, 2021, and December 31, 2020, and for the twelve months ended December 31, 2021 and December 31, 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	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue	**$ 6,066,700**	**$ 5,285,260**	**$ 3,128,659**	**$ 19,742,762**	**$ 9,701,216**
Cost of goods sold (excluding depreciation and depletion)	5,383,435	4,837,273	2,162,139	18,145,749	10,034,983
Gross Margin (Loss)	**$ 683,265**	**$ 447,987**	**$ 966,520**	**$ 1,597,013**	**$ (333,767)**
General and administrative ("G&A") expenses	403,401	258,786	222,866	1,274,754	1,144,064
Depreciation and depletion	499,597	404,187	737,198	1,711,604	1,558,953
Interest on long-term debt	215,222	134,626	132,485	630,332	426,904
Operating Loss	**$ (434,955)**	**$ (349,612)**	**$ (126,029)**	**$ (2,019,677)**	**$ (3,463,688)**
Interest income	31	46	111	344	4,371
Foreign exchange gain	924	12,926	1,930	21,127	52,911
Gain on settlement of debt	-	-	416,153	574,990	416,153
Gain on sale of investments	-	-	-	105,207	-
Unrealized gain on investments	-	-	(25,307)	26,817	(25,307)
Gain on return of capital from equity investee	-	-	280,300	-	280,300
Provision for impairment of property, plant and equipment	(170,353)	-	(136,012)	(170,353)	(136,012)
Reversal of accrual for repairs and maintenance	70,000	-	-	70,000	-
Loss on settlement with gas utility	(128,544)	-	-	(128,544)	-
Gain (loss) on sale of equipment	(169,829)	9,216	23,239	(157,285)	(33,377)
(Loss) Income Before Income Taxes	**$ (832,726)**	**$ (327,424)**	**$ 434,385**	**$ (1,677,374)**	**$ (2,904,649)**
Income tax expense	-	-	-	-	-
Net (Loss) Income	**$ (832,726)**	**$ (327,424)**	**$ 434,385**	**$ (1,677,374)**	**$ (2,904,649)**
Foreign currency translation adjustment	(5,290)	(14,040)	8,403	(30,019)	(35,945)
Comprehensive (Loss) Income	**$ (838,016)**	**$ (341,464)**	**$ 442,788**	**$ (1,707,393)**	**$ (2,940,594)**
Diluted (Loss) Earnings Per Share	$ (0.01)	$ (0.00)	$ 0.00	$ (0.02)	$ (0.03)
Diluted Weighted Average Shares Outstanding	**88,563,316**	**92,658,316**	**88,563,316**	**88,563,316**	**88,563,316**
Adjusted EBITDA (1)	**$ 481,058**	**$ 202,173**	**$ 802,311**	**$ 543,969**	**$ (1,420,549)**

(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 Year Ended	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Frac sand	94,670	89,096	52,913	328,978	160,788
Industrial sand	-	-	96	-	361
Frac and Industrial sand	**94,670**	**89,096**	**53,009**	**328,978**	**161,149**
Other sand & gravel	25,103	2,179	260	31,932	2,748
Total	**119,773**	**91,275**	**53,269**	360,910	163,898

As previously discussed, Select Sands sold 94,670 tons of frac and industrial sand during Q4 2021, which was at the high end of the Company's sales volumes guidance of 80,000 to 95,000 tons that was provided in November 2021. Q4 2021 sales volumes remained below the full shipment capability of Select Sands' 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 Q1 2022, the Company sold just over 107,000 tons of frac and industrial sand – more than 13% higher than Q4 2021. Select Sands expects sales volumes to further increase in Q2 2022. Underpinning the Company's outlook is a continued increase in oil and gas field development activities in the U.S. onshore basin plays driven by outlook for a continued strong hydrocarbon environment for the remainder of 2022 and into 2023. This includes the Eagle Ford play in South, Texas, where Select Sands transports the majority of its sales volumes through its George West transload facility that is located in the heart of the Eagle Ford in Live Oak County.

OPERATIONS UPDATE

Spot pricing for frac sand for the oil and gas sector has increased steadily since the beginning of 2022. Some customers are now purchasing at mine gate prices and will subsequently pay directly for all transportation costs. Mine gate sales exceeded 40% of total sales in Q1 2022 as compared to minimal volumes in Q4 2021. As a result, Q1 2022 revenues will not directly correlate to increasing prices, but gross margin – from a dollars perspective – will be unaffected as any transportation costs incurred on behalf of a customer is included in the price per ton Select Sands bills its customers for value at point of delivery.

Supporting the Company's positive outlook is Baker Hughes' recently published weekly drilling rig count estimates that show a U.S. onshore count of 695 rigs as of April 22, 2022 – a 59% increase from the same time last year. Select Sands expects the U.S. rig count to continue to grow modestly for the remainder of 2022 and remains focused on positioning its operations to capitalize on this trend by further leveraging its high-quality product offerings.

This includes serving 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.

OUTLOOK

Mr. Vitols concluded, "We look forward to a successful year in 2022 highlighted by continued improvement in our operating and financial performance as a result of the industry's strong fundamentals. Customers continue to recognize the superior quality characteristics of our Northern White Sand and other product offerings that help to drive higher returns on investment on their capital spending programs. We are focused on enhancing our margins in 2022 through higher product pricing and the continued benefit from the permanent cost reductions afforded by our plant reconfiguration project that was completed at the beginning of 2021. Partially offsetting our expected improved results will be higher logistics and certain other expenses primarily due to inflationary cost pressures. 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. We also remain focused on evaluating and executing on targeted high rate-of-return opportunities to further expand our business and drive long-term value for 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 on Friday, April 29, 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 2022, customer activity levels, 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.

COMPANY CONTACTS

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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 Interim Statements of Financial Position

(Expressed in United States Dollars)

	December 31, 2021	December 31, 2020
ASSETS		
Current		
Cash and cash equivalents	$ 632,042	$ 265,961
Accounts receivable	1,114,192	1,553,921
Inventory	3,901,978	2,941,717
Prepaid expenses	104,680	90,440
Investments	-	268,672
Total Current Assets	**5,752,892**	**5,120,711**
Deposits	290,037	424,844
Right-of-use assets	451,570	896,830
Property, plant and equipment	12,661,684	14,242,603
Total Assets	**$ 19,156,183**	**$ 20,684,988**
LIABILITIES		
Current		
Line of credit	$ 1,375,034	$ 4,418,067
Accounts payable and accrued liabilities	1,532,910	917,172
Current portion of lease liability	474,398	444,939
Current portion of long-term debt	1,043,169	1,145,476
Total Current Liabilities	**4,425,511**	**6,925,654**
Decommissioning liability	78,100	78,100
Lease liability	-	473,945
Long-term debt	7,705,307	4,752,870
Total Liabilities	**12,208,918**	**12,230,569**
EQUITY		
Share capital	34,803,135	34,803,135
Share-based payment reserve	5,709,867	5,509,628
Accumulated other comprehensive (loss) income	(18,287)	11,732
Deficit	(33,547,450)	(31,870,076)
Total Equity	**6,947,265**	**8,454,419**
Total Liabilities and Equity	**$ 19,156,183**	**$ 20,684,988**

Select Sands Corp.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in United States Dollars)

	For the Years Ended December 31, 2021	For the Years Ended December 31, 2020
Revenue	**$ 19,742,762**	$ 9,701,216
Cost of Goods Sold (excluding depreciation and depletion)	18,145,749	10,034,983
Gross Margin (Loss)	**1,597,013**	**(333,767)**
Operating Expenses		
Compensation and consulting	655,010	725,750
Depreciation and depletion	1,711,604	1,558,953
Interest on long-term debt	630,332	426,904
Selling, general and administrative	419,505	418,314
Share-based compensation	200,239	-
Total Operating Expenses	**3,616,690**	**3,129,921**
Operating Loss	**(2,019,677)**	**(3,463,688)**
Other Income (Loss)		
Interest income	344	4,371
Foreign exchange gain	21,127	52,911
Gain on settlement of debt	574,990	416,153
Gain on return of capital from equity investee	-	280,300
Unrealized gain (loss) on investments	26,817	(25,307)
Gain on sale of investments	105,207	-
Provision for impairment of property, plant and equipment	(170,353)	(136,012)
Loss on sale of property, plant and equipment	(157,285)	(33,377)
Reversal of accrual for repairs and maintenance	70,000	-
Loss on settlement with gas utility	(128,544)	-
Total Other Income	**342,303**	**559,039**
Net Loss for the Year	**(1,677,374)**	**(2,904,649)**
Other Comprehensive Loss		
Foreign currency translation adjustment	(30,019)	(35,945)
Comprehensive Loss for the Year	**$ (1,707,393)**	**$ (2,940,594)**
Basic and Diluted Loss per Share	**$ (0.02)**	**$ (0.03)**
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, 2021	**December 31, 2020**
Operating Activities		
Net loss for the year	$ (1,677,374)	$ (2,904,649)
Adjustments for non-cash items:		
Depreciation and depletion	1,711,604	1,558,953
Share-based compensation	200,239	-
Foreign exchange	-	(13,679)
Gain on extinguishment of debt	(574,990)	(416,153)
Gain on return of capital from equity investee	-	(280,300)
Unrealized (gain) loss on investments	(26,817)	25,307
Gain on sale of investments	(105,207)	-
Provision for impairment of property, plant and equipment	170,353	136,012
Loss on sale of property, plant and equipment	157,285	33,377
Reversal of accrual for repairs and maintenance	(70,000)	-
Accretion on finance leases	82,335	129,806
Changes in non-cash operating assets and liabilities:		
Accounts receivable	439,729	(1,532,081)
Inventory	(960,261)	(987,652)
Prepaid expenses	(14,240)	57,766
Accounts payable and accrued liabilities	685,738	46,938
Total Cash Provided by (Used in) Operating Activities	**18,394**	**(4,146,355)**
Investing Activities		
Proceeds from sale of investments	400,696	-
Deposits	134,807	(131,949)
Proceeds from disposal of equipment	216,163	219,373
Property, plant and equipment	(229,226)	(4,230,613)
Total Cash Provided by (Used in) Investing Activities	**522,440**	**(4,143,189)**
Financing Activities		
Proceeds from line of credit	4,296,933	3,789,942
Repayment of line of credit	(3,455,000)	-
Proceeds from long-term debt	1,088,628	5,201,682
Principal repayments of long-term debt	(1,548,474)	(1,019,104)
Repayment of lease liability	(526,821)	(532,393)
Total Cash (Used in) Provided by Financing Activities	**(144,734)**	**7,440,127**
Effect of Exchange Rate Changes on Cash	**(30,019)**	**(35,945)**
Increase (Decrease) in Cash and Cash Equivalents	**366,081**	**(885,362)**
Cash and Cash Equivalents, Beginning of Year	**265,961**	**1,151,323**
Cash and Cash Equivalents, End of Year	**$ 632,042**	**$ 265,961**

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, 2021	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Net (Loss) Income	**$ (1,677,374)**	**$ (832,726)**	**$ (327,424)**	**$ 265,614**	**$ (782,838)**
Add Back					
Depreciation and depletion	1,711,604	499,597	404,187	403,508	404,312
Share-based compensation	200,239	200,239	-	-	-
Interest on long-term debt	630,332	215,222	134,626	133,689	146,795
EBITDA	**$ 864,801**	**$ 82,332**	**$ 211,389**	**$ 802,811**	**$ (231,731)**
Add Back					
Reversal of accrual for repairs and maintenance	(70,000)	(70,000)	-	-	-
Loss on settlement with gas utility	128,544	128,544	-	-	-
Gain on extinguishment of debt	(574,990)	-	-	(574,990)	-
Loss (gain) on sale of Investments	(63,990)	-	-	(37,173)	(26,817)
Unrealized (gain) loss on investments	(68,034)	-	-	-	(68,034)
Provision for impairment of property, plant and equipment	170,353	170,353	-	-	-
Loss (gain) on sale of property, plant and equipment	157,285	169,829	(9,216)	(2,853)	(475)
Adjusted EBITDA	**$ 543,969**	**$ 481,058**	**$ 202,173**	**$ 187,795**	**$ (327,057)**

Reconciliation of Net (Loss) Income to EBITDA to Adjusted EBITDA					
	Year ended	Three Months Ended			
	December 31, 2020	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net (Loss) Income	**$ (2,904,649)**	**$ 434,385**	**$ (654,464)**	**$ (1,207,351)**	**$ (1,477,219)**
Add Back					
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)**
Add Back					
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)**

As reflected in the above tables for the periods presented, the Company defines EBITDA as net (loss) income before depreciation and depletion, interest on long-term debt and non-cash share-based compensation, and income taxes. The Company defines Adjusted EBITDA as net loss (income) before depreciation and depletion, interest on long-term debt, non-cash share-based compensation, gain on extinguishment of debt, loss (gain) on sale of investments, unrealized (gain) loss on investments, provision for impairment of property, plant and equipment, loss (gain) on sale of property, plant and equipment, reversal of accrual for repairs and maintenance in a prior year period, and loss on settlement with gas utility. 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.