



SELECT SANDS CORPORATION

Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2016
(Unaudited - Expressed in Canadian Dollars)

NOTICE

No auditor review of these condensed consolidated interim financial statements

The accompanying unaudited condensed consolidated interim financial statements of Select Sands Corp. ("the Company"), for the nine months ended September 30, 2016, have been prepared by management and have not been the subject of a review by the Company's external auditors.

Select Sands Corp.

Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	September 30, 2016	December 31, 2015
ASSETS		
Current		
Cash and cash equivalents	\$ 1,365,889	\$ 3,172,051
Amounts receivable	104,650	13,655
Prepaid expenses	13,583	32,950
Total Current Assets	1,484,122	3,218,656
Deposits (Note 3)	129,812	108,090
Investment in Affiliate (Note 4)	4,999,072	-
Property, Plant and Equipment (Note 5)	721,222	-
Exploration and Evaluation Assets (Note 6)	937,440	5,066,468
Total Assets	\$ 8,271,668	\$ 8,393,214
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 86,325	\$ 111,733
Total Liabilities	86,325	111,733
EQUITY		
Share Capital (Note 8)	22,040,404	21,354,003
Share Subscriptions and Option Proceeds Received (Note 8)	-	30,000
Commitment to Issue Shares (Note 8)	-	256,945
Share-based Payment Reserve	2,679,737	2,497,278
Accumulated Other Comprehensive Loss	(5,625)	(5,625)
Deficit	(16,529,173)	(15,851,120)
Total Equity	8,185,343	8,281,481
Total Liabilities and Equity	\$ 8,271,668	\$ 8,393,214

Subsequent Events (Note 13)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 28, 2016. They are signed on the Company's behalf by:

"Rasool Mohammad"

Director

"Arnold Tenney"

Director

-- The accompanying notes are an integral part of these consolidated financial statements --

Select Sands Corp.

Consolidated Interim Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended September 30, 2016	Three months ended October 31, 2015	Nine months ended September 30, 2016	Nine months ended October 31, 2015
General And Administrative Expenses				
Administrative services and rent (Note 7)	\$ 7,335	\$ 5,357	\$ 13,385	\$ 17,801
Advertising and promotion	126,017	70,144	229,784	116,491
Compensation and consulting (Note 7)	138,394	70,241	401,322	136,073
Office expense and miscellaneous	22,653	24,618	41,285	39,339
Professional fees	90,720	71,192	175,040	109,546
Regulatory and stock transfer fees	5,135	5,524	19,949	12,151
Share-based compensation (Note 7)	63,660	18,870	302,507	127,988
Loss From Operations Before Other Items	(453,914)	(265,946)	(1,183,272)	(559,389)
Other Items				
Gain on sale of mineral properties	538,605	-	538,605	-
Loss on equity in investment in affiliate	(14,440)	-	(14,440)	-
Disposal of marketable securities	-	-	-	(28,054)
Interest income	2,933	529	10,119	5,738
Foreign exchange gain (loss)	(1,625)	745	(29,064)	(964)
Write off property costs	(1)	-	(1)	(107,514)
Total Other Items	525,472	1,274	505,219	(130,794)
Net Income (Loss) and Comprehensive Income (Loss) For The Period	\$ 71,558	\$ (264,672)	\$ (678,053)	\$ (690,183)
Basic And Diluted Income (Loss) Per Share	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted Average Number Of Shares Outstanding (Note 11)	56,834,567	50,702,282	55,648,369	45,803,846

-- The accompanying notes are an integral part of these consolidated financial statements --

Select Sands Corp.
Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	SHARE CAPITAL		SHARE SUBSCRIPTIONS AND OPTION PROCEEDS RECEIVED	COMMITMENT TO ISSUE SHARES	SHARE-BASED PAYMENT RESERVE	ACCUMULATED OTHER COMPREHENSIVE LOSS	DEFICIT	TOTAL EQUITY
	NUMBER	AMOUNT						
Balance, December 31, 2015	54,399,254	\$ 21,354,003	\$ 30,000	\$ 256,945	\$ 2,497,278	\$ (5,625)	\$ (15,851,120)	\$ 8,281,481
Shares issued for settlement of debt	258,290	98,303	-	-	-	-	-	98,303
Warrants exercised	589,966	112,139	-	-	(19,034)	-	-	93,105
Options exercised	820,000	224,014	(30,000)	-	(101,014)	-	-	93,000
Debenture conversions	1,453,333	218,000	-	(218,000)	-	-	-	-
Debenture interest conversions	199,571	53,885	-	(53,885)	-	-	-	-
Debenture interest	-	(14,940)	-	14,940	-	-	-	-
Share issue costs - cash	-	(5,000)	-	-	-	-	-	(5,000)
Share based compensation	-	-	-	-	302,507	-	-	302,507
Net loss for the period	-	-	-	-	-	-	(678,053)	(678,053)
Balance, September 30, 2016	57,720,414	\$ 22,040,404	\$ -	\$ -	\$ 2,679,737	\$ (5,625)	\$ (16,529,173)	\$ 8,185,343
Balance, January 31, 2015	41,626,408	\$ 17,471,061	\$ -	\$ 603,040	\$ 2,123,150	\$ (5,625)	\$ (14,815,249)	\$ 5,376,377
Share register correction	50,000	-	-	-	-	-	-	-
Shares issued for private placement	6,725,000	2,690,000	-	-	-	-	-	2,690,000
Share subscriptions received	-	-	85,000	-	-	-	-	85,000
Warrants exercised	695,813	104,372	-	-	-	-	-	104,372
Options exercised	10,000	2,359	-	-	(859)	-	-	1,500
Debenture conversions	2,513,333	377,000	-	(377,000)	-	-	-	-
Debenture interest	-	(24,645)	-	24,645	-	-	-	-
Share issue costs – cash	-	(188,852)	-	-	-	-	-	(188,852)
Share issue costs – warrants	-	(71,612)	-	-	71,612	-	-	-
Share based compensation	-	-	-	-	127,988	-	-	127,988
Net loss for the period	-	-	-	-	-	-	(690,183)	(690,183)
Balance, October 31, 2015	51,620,554	\$ 20,359,683	\$ 85,000	\$ 250,685	\$ 2,221,891	\$ (5,625)	\$ (15,505,342)	\$ 7,506,202

-- The accompanying notes are an integral part of these consolidated financial statements --

Select Sands Corp.

Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine Months Ended September 30, 2016	Nine Months Ended October 31, 2015
Operating Activities		
Net loss for the period	\$ (678,053)	\$ (690,183)
Adjustments for non-cash items:		
Gain on sale of mineral properties	(538,605)	-
Write-off mineral property costs	1	107,514
Loss on equity in investment in affiliate	14,440	-
Disposal of investment	-	28,054
Share-based compensation	302,507	127,988
Foreign exchange	5,602	1,709
Changes in non-cash operating assets and liabilities:		
Amounts receivable	(90,995)	116,962
Prepaid expenses	19,367	(5,642)
Accounts payable and accrued liabilities	(25,408)	42,309
Total Cash Used in Operating Activities	(991,144)	(271,289)
Investing Activities		
Deposits	(27,369)	(97,531)
Investment in affiliate acquisition	(13,512)	-
Property, plant and equipment	(622,874)	-
Exploration and evaluation assets	(332,368)	(340,093)
Total Cash Used in Investing Activities	(996,123)	(437,624)
Financing Activities		
Share subscriptions issued for private placement	-	2,740,000
Share subscriptions received	-	85,000
Share issue costs	(5,000)	(162,546)
Options exercised	93,000	1,500
Warrants exercised	93,105	104,372
Total Cash Provided by Financing Activities	181,105	2,768,326
(Decrease) Increase in Cash and Cash Equivalents	(1,806,162)	2,059,413
Cash and Cash Equivalents, Beginning of Period	3,172,051	414,372
Cash and Cash Equivalents, End of Period	\$ 1,365,889	\$ 2,473,785

Supplementary Cash Flow Information and Non-cash Investing and Financing Transactions:

Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Issuance of shares for property, plant and equipment	\$ 93,348	\$ -
Issuance of shares for convertible debenture	\$ 218,000	\$ 327,000
Issuance of shares for interest on convertible debenture	\$ 53,885	\$ -
Debenture interest accrued	\$ 14,940	\$ 24,645
Issuance of warrants for finder's fees	\$ -	\$ 71,612

-- The accompanying notes are an integral part of these consolidated financial statements --

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

(Unaudited)

1. NATURE OF OPERATIONS

Select Sands Corp. (the “Company”) was incorporated in Canada on July 31, 2006 pursuant to the Business Corporations Act (British Columbia) (the “Act”). On June 18, 2015, the Company elected to change its year-end to December 31, 2015 to align its reporting periods with the industry standard calendar year-end. The Company is a public company listed on the TSX Venture Exchange (the “TSX.V”), trading under the symbol “SNS”. 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.

The Company is in the process of acquiring, exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, or upon future cash flows from production or sale of the properties. With the recently completed private placement financing raising \$16,459,782 (see Note 13), the Company believes it has adequate capital for the next year to fund operations and capital acquisitions intended to bring the Company to full commercial silica sand production.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The accounting policies applied in these condensed consolidated interim financial statements are consistent with those found in the Company’s December 31, 2015 audited annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company’s December 31, 2015 audited annual financial statements.

b) Basis of Measurement and Presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information. In the opinion of management, all adjustments (including normal recurring accruals), considered necessary for a fair presentation have been included these condensed consolidated interim financial statements.

c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, American Select Corp. All intercompany transactions and balances have been eliminated.

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

(Unaudited)

2. BASIS OF PRESENTATION (Continued)

d) Foreign Currencies

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

e) Significant Accounting Judgments and Estimates

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the determination of cash generating units when performing impairment assessments of exploration and evaluation assets;
- the assessment of indications of impairment of the Company's exploration and evaluation assets and related determination of recoverable values and write-down of those assets where appropriate;
- the fair value estimation of share-based payments included in the consolidated statements of operations and comprehensive loss;
- the accounting and recognition of income taxes which is included in the consolidated statement of operations and comprehensive loss;
- the classification of issued convertible debentures requires management to evaluate contractual terms with *IAS 32 financial instruments: presentation* requirements in order to determine debt and equity components; and
- the determination of the going concern assumption requires management to make judgments regarding the viability of the Company.

During the nine months ended September 30, 2016, the Company commenced limited silica sand production and sales on its Sandtown property (see Note 5). Under IFRS, the Company accounts for the silica sand sales as a reduction in the carrying value of the Sandtown property until commercial production is achieved.

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

(Unaudited)

3. DEPOSITS

	September 30, 2016	December 31, 2015
Environmental	\$115,441	\$ 108,090
Electrical Utility	14,371	-
Total	\$129,812	\$ 108,090

4. INVESTMENT IN AFFILIATE

On September 14, 2016, the Company sold its La Ronge and Old Cabin mineral properties to Comstock Metals Ltd. ("Comstock") in exchange for 20,000,000 common shares of Comstock (see also Note 6). As of September 30, 2016, the Company held a 35.4% (December 31, 2015 – Nil%) stake in the issued and outstanding shares and accounts for its investment in Comstock using the equity method as follows:

	September 30, 2016	December 31, 2015
Value of Comstock shares on September 14, 2016	\$5,000,000	\$ -
Acquisition costs	13,512	-
Equity share of Comstock's loss for the period from September 14, 2016 to September 30, 2016	(14,440)	-
Total	\$4,999,072	\$ -

5. PROPERTY PLANT AND EQUIPMENT

On August 23, 2016, the Company purchased a permitted and producing silica sand wet processing plant, equipment and related assets (the "Assets"), all nearby its Sandtown silica sands deposit in Arkansas, USA (see also Note 6) 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 are subject to a hold period of four months and one day which expires on January 2, 2017. The company also incurred \$11,612 in costs associated with this acquisition bringing the total cost to \$721,222.

As of September 30, 2016, the Company has not begun depreciating the Assets as the Company has not yet entered commercial production.

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS

For the nine months ended September 30, 2016:

	Sandtown Arkansas USA	La Ronge Gold Belt Saskatchewan, Canada	Other Properties Saskatchewan, Canada	Other Properties Ontario, Canada	Total
	Note (a)	Note (b)	Note (c)	Note (b)	
Acquisition Costs					
Opening balance	\$ 239,975	264,356	\$ 1	\$ 1	\$ 504,333
Option payments	36,200	-	-	-	36,200
Disposals	-	(264,356)	-	(1)	(264,357)
Write-off property costs	-	-	(1)	-	(1)
Ending balance	276,175	-	-	-	276,175
Development and Exploration Costs					
Opening balance	379,477	4,182,658	-	-	4,562,135
Assays, samples	616	-	-	440	1,056
Engineering & consulting	41,213	-	-	-	41,213
Environmental	22,902	-	-	-	22,902
Geology & mapping	-	-	-	13,940	13,940
Land clearing & site prep	66,570	-	-	-	66,570
Test mining & production	95,328	-	-	-	95,328
Transportation	159,866	-	-	-	159,866
Test sand sales	(119,539)	-	-	-	(119,539)
Royalties on test sand sales	906	-	-	-	906
Sand purchases and related	13,926	-	-	-	13,926
Disposals	-	(4,182,658)	-	(14,380)	(4,197,038)
Ending balance	661,265	-	-	-	661,265
Balance, Beginning Of Period	619,452	4,447,014	1	1	5,066,468
Total Costs For The Period	317,988	-	-	14,380	332,368
Write-off property costs	-	-	(1)	-	(1)
Disposals	-	(4,447,014)	-	(14,381)	(4,461,395)
Balance, End Of Period	\$ 937,440	-	\$ -	\$ -	\$ 937,440
Cost Summary					
Acquisition Costs	\$ 276,175	-	\$ -	\$ -	\$ 276,175
Exploration Costs	661,265	-	-	-	661,265
Total	\$ 937,440	-	\$ -	\$ -	\$ 937,440

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

(Unaudited)

For the five months ended December 31, 2015:

	Sandtown Arkansas USA	La Ronge Gold Belt Saskatchewan, Canada	Other Properties Saskatchewan, Canada	Jacobson, Old Cabin Ontario, Canada	Total
	Note (a)	Note (b)	Note (c)	Note (b)	
Acquisition Costs					
Opening balance	\$ 239,975	264,356	\$ 1	\$ 1	\$ 504,333
Ending balance	239,975	264,356	1	1	504,333
Exploration Costs					
Opening balance	223,204	4,182,321	-	-	4,405,525
Air travel	1,049	-	-	-	1,049
Assays, samples	16,630	337	-	-	16,967
Crushing	10,847	-	-	-	10,847
Drilling	18,166	-	-	-	18,166
Engineering & consulting	3,560	-	-	-	3,560
Environmental	259	-	-	-	259
Geology & mapping	773	-	-	-	773
Land clearing & site prep	76,436	-	-	-	76,436
Supplies & Equipment	338	-	-	-	338
Test mining & production	6,550	-	-	-	6,550
Transportation	21,665	-	-	-	21,665
Ending balance	379,477	4,182,658	-	-	4,562,135
Balance, Beginning Of Period	463,179	4,446,677	1	1	4,909,858
Total Costs For The Period	156,273	337	-	-	156,610
Balance, End Of Period	\$ 619,452	4,447,014	\$ 1	\$ 1	\$ 5,066,468
Cost Summary					
Acquisition Costs	\$ 239,975	264,356	\$ 1	\$ 1	\$ 504,333
Exploration Costs	379,477	4,182,658	-	-	4,562,135
Total	\$ 619,452	4,447,014	\$ 1	\$ 1	\$ 5,066,468

a) Sandtown, Arkansas, USA

On October 9, 2014 the Company 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 commercial silica sand property located in northeast Arkansas, USA ("Sandtown"). The Property is a greenfield commercial silica sand exploration prospect underlain by the Ordovician St. Peter sandstone formation.

The acquisition was at arm's length and an initial payment was made of US\$25,000 (CA\$28,610), further payments of (i) US\$100,000 (C\$117,015) was made on December 22, 2014; and (ii) US\$75,000 (C\$97,342) was made on February 23, 2015; and (iii) a final payment of \$US1,800 (C\$2,336) per acre less prior payments made (or approximately US\$736,000; C\$955,254) is due to the vendor on or before April 25, 2016. The final payment can be delayed until April 25, 2018 if the company decides to pay \$4,000 (C\$5,192) per month to the vendors (half of the \$4,000 will go to the principal payment). The Company has elected to delay the final payment and began making monthly payments of US\$4,000 in April 2016. On March 1, 2015 the Company signed an addendum to the original property agreement that allows the Company to collect material from a 10 acre parcel of land for test mining purposes before the full option agreement is reached, provided the Company pays the vendor US \$0.75/ton for any material sold as either commercial silica sand or other sand and gravel. See also Note 13 (d).

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

b) La Ronge Gold Belt and Jacobson, Old Cabin

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 (See also Note 4). The Company recorded a gain on the sale of these mineral properties as follows:

Value of Comstock shares on September 14, 2016	\$ 5,000,000
Book value of La Ronge Gold Belt	(4,447,014)
Book value of Old Cabin	(14,381)
Gain on sale of mineral properties	\$ 538,605

c) Other Saskatchewan Properties

By staking, the Company acquired a 100% interest in a land package in Saskatchewan consisting of six mining claims. During the year ended July 31, 2015, as a result of management's focus on the La Ronge and Arkansas properties, other properties were written down by \$91,512 to a value of \$1. As of September 30 2016, the Company decided to allow these claims to lapse and wrote-off the \$1.

7. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Company incurred the following related party transactions for the nine months ended September 30, 2016 and October 31, 2015 and had the following balances with related parties outstanding as at September 30, 2016 and December 31, 2015:

a) Remuneration of key management and directors were as follows:

	Nine months ended September 30, 2016	Nine months ended October 31, 2015
Short-term compensation and consulting *	\$336,500	\$ 178,414
Share-based compensation	204,865	126,925
Total compensation of key management and directors	\$541,365	\$ 305,339

* Includes geological consulting fees of \$Nil (nine months ended October 31, 2015 - \$20,716) capitalized as exploration and evaluation assets.

- b) As at September 30, 2016, the Company had accounts payable to directors and officers in the amount of \$12,036 (December 31, 2015 - \$17,537).
- c) The Company shares office space with Comstock Metals Ltd. which has common directors. During the nine months ended September 30, 2016, the company recovered \$17,477 in shared office costs (Nine months ended October 31, 2015 - \$Nil)

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.

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

(Unaudited)

8. SHARE CAPITAL AND RESERVES

a) Authorized

Unlimited number of common shares without par value

b) Issued

See also Subsequent Events Note 13

Nine Months ended September 30, 2016

Convertible debenture

In November, 2014, the Company completed a non-brokered private placement of convertible debentures in the principal amount of \$595,000 (the "Debentures"). The principal amount of the Debentures bore interest at 15% per annum, compounded quarterly not in advance with the principal amount of the Debentures payable on May 19, 2016 (the "Maturity Date").

Subject to an early conversion (the "Early Conversion") of the principal amount of the Debentures, on the Maturity Date, the principal amount of the Debentures will be automatically converted into units (the "Principal Units") of the Company at a conversion price of \$0.15 per Principal Unit; and, provided that the Early Conversion has not occurred, all accrued interest on the Debentures will be automatically converted into common shares (the "Interest Shares") of the Company at a conversion price equal to the applicable market price (as determined pursuant to the policies of the TSX Venture Exchange) of the common shares on the Maturity Date. In the case of Early Conversion, interest will not be paid.

On May 19, 2016, the Company's convertible debenture issued November 2014 with a remaining principal balance of \$218,000 and accrued interest of \$53,885 came due. The principal of \$218,000 was settled by issuing 1,453,333 Units. Each Unit consists of one common share of the Company and one common share purchase warrant with an exercise price of \$0.15 and life of 18 months. The accrued interest of \$53,885 was settled by issuing 199,571 Interest Shares calculated using the Company's closing share price of \$0.27 on May 19, 2016.

No Early Conversion occurred during the six months ended June 30, 2016 and the five months ended December 31, 2015. For the year ended July 31, 2015, the Company issued 2,513,333 shares and warrants from the Early Conversion of \$377,000 in Debentures.

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

(Unaudited)

8. SHARE CAPITAL AND RESERVES (Continued)

b) Issued (Continued)

In connection with the private placement, the company paid an aggregate of \$37,000 in finder's fees and issued an aggregate of 246,346 broker warrants to arm's length third-party finders. Each broker warrant is exercisable to acquire one common share of the Company at \$0.15 until May 19, 2016. The broker warrants were given a value of \$13,000 using the Black-Scholes pricing model and the following assumptions:

Expected life: 1.5 years
Risk free rate: 0.98%
Expected volatility: 85%
Expected dividend rate: 0%
Expected forfeiture rate: 0%

The Company recorded the remaining balance owing as a commitment to issue shares in the equity section of the statements of financial position.

Five Months ended December 31, 2015

On November 12, 2015, the Company closed a private placement raising gross proceeds of \$1,085,000. The private placement consisted of 2,712,500 Units at a price of \$0.40 per Unit. Each Unit was comprised of one common share of the Company and one share purchase warrant, with a warrant exercisable to purchase a further common share of the Company at a price of \$0.60 for a period of 3 years after closing.

In connection with the closing, the Company paid finders fees of \$60,000 and issued 200,000 compensation warrants. Each compensation warrant entitles the holder to acquire one common share in the capital of the Company at a price of \$0.40 for a period of three years after closing. The compensation warrants were given a value of \$42,441 using the Black-Scholes pricing model and the following assumptions:

Expected life: 3 years
Risk free rate: 0.69%
Expected volatility: 98.48%
Expected dividend rate: 0%
Expected forfeiture rate: 0%

All securities issued in connection with the financing are subject to a four month hold period expiring on March 12, 2016.

On August 13, 2015, The Company closed a private placement raising gross proceeds of \$2,690,000. The private placement consisted of 6,725,000 Units at a price of \$0.40 per Unit. Each Unit was comprised of one common share of the Company and one-half of a share purchase warrant, with a whole warrant exercisable to purchase a further common share of the Company at a price of \$0.60 for a period of 3 years after closing.

Select Sands Corp.

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(Unaudited)

8. SHARE CAPITAL AND RESERVES (Continued)

b) Issued (Continued)

Cash of \$110,250 and 306,250 warrants were paid as finder fees in connection with the private placement. Each finder warrant is exercisable to purchase a common share of the Company at a price of \$0.40 for a period of 3 years after closing. All securities issued have a four-month statutory hold period, expiring on December 14, 2015. The finder warrants were given a value of \$71,612 using the Black-Scholes pricing model and the following assumptions:

Expected life: 3 years
Risk free rate: 0.42%
Expected volatility: 111.38%
Expected dividend rate: 0%
Expected forfeiture rate: 0%

c) Warrants

A summary of the changes in warrants is as follows:

	NUMBER OF WARRANTS	EXERCISE PRICES \$
Balance, July 31, 2015	2,298,366	0.15/0.25
Issued	6,581,250	0.40/0.60
Exercised	(66,200)	0.15/0.25
Balance, December 31, 2015	8,813,416	0.15/0.25/0.40/0.60
Issued	1,453,333	0.15
Exercised	(589,966)	0.15/0.25
Expired	(142,200)	0.25
Balance, September 30, 2016	9,534,583	0.15/0.40/0.60

During the nine months ended September 30, 2016, 589,966 warrants were exercised for \$112,139 (five months ended December 31, 2015 – 66,200 warrants were exercised for \$14,550).

As at September 30, 2016 the following share purchase warrants were outstanding:

EXPIRY DATE	EXERCISE PRICE \$	NUMBER OF WARRANTS
October 9, 2016	0.15	1,500,000
November 19, 2017	0.15	1,453,333
August 13, 2018	0.40	306,250 *
August 13, 2018	0.60	3,362,500
November 12, 2018	0.40	200,000 *
November 12, 2018	0.60	2,712,500
		9,534,583

*Broker and finder's warrants.

As at September 30, 2016, the weighted average remaining contractual life of the share purchase warrants is 1.54 years and the weighted average exercise price is \$0.45 (December 31, 2015 – 2.21 years and \$0.47). See also Subsequent Events Note 13.

Select Sands Corp.

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8. SHARE CAPITAL AND RESERVES (Continued)

d) Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company exercisable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company at the grant date. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX.V policy), or such other price as may be agreed to by the Company and accepted by the TSX.V. Stock options granted to consultants providing investor relations activities under the Plan are subject to minimum vesting restrictions such that one-quarter of the option shall vest on each of the date grant and three, six and twelve months after the date of grant.

A summary of the changes in stock options follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE \$
Balance, July 31, 2015	2,682,833	0.24
Granted	1,000,000	0.43
Expired/Cancelled	(40,000)	0.15
Balance, December 31, 2015	3,642,833	0.29
Granted	1,200,000	0.40
Exercised	(820,000)	0.15
Balance, September 30, 2016	4,022,833	0.39

The following summarizes the stock options outstanding and exercisable as at September 30, 2016:

EXPIRY DATE	EXERCISE PRICE \$	OPTIONS OUTSTANDING	OPTIONS EXERCISABLE
October 7, 2017	0.45	500,000	375,000
May 3, 2018	0.15	1,000	1,000
February 23, 2019	0.56	476,833	476,833
November 30, 2019	0.40	500,000	500,000
December 4, 2019	0.15	420,000	168,000
March 23, 2020	0.15	625,000	250,000
April 27, 2020	0.30	300,000	150,000
January 26, 2021	0.40	1,000,000	500,000
August 10, 2019	0.30	200,000	200,000
		4,442,833	2,620,833

Select Sands Corp.

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8. SHARE CAPITAL AND RESERVES (Continued)

d) Stock Options (Continued)

Share-based compensation recognized during the nine months ended September 30, 2016 was \$314,507 (five months ended December 31, 2015 - \$160,712). The Company's valuation of share purchase options was estimated using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2016	December 31, 2015
Risk-free interest rate	0.51 – 0.71%	0.53 – 0.67%
Expected dividend yield and forfeiture	0%	0%
Expected stock price volatility	99.90 – 130%	106 – 107%
Expected option life in years	3 – 5	2 – 4

As at September 30, 2016, the weighted average remaining contractual life of the share purchase options is 3.02 years and the weighted average exercise price is \$0.35 (December 31, 2015 – 3.42 years and \$0.29).

e) Escrow

As of September 30, 2016, 625 common shares (December 31, 2015 - 625) were held in escrow.

f) Nature and Purpose of Reserve

The reserve recorded in equity on the Company's Statements of Financial Position includes Share-based Payment Reserve which is used to recognize the fair value of stock option grants prior to exercise, expiry or cancellation and the fair value of other share-based consideration recorded at the date of issuance.

9. MANAGEMENT OF CAPITAL

The Company manages its cash, common shares, stock options and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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9. MANAGEMENT OF CAPITAL (Continued)

The Company manages the capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2016. The Company is not subject to externally imposed capital requirements.

10. 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 consolidated 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 at September 30, 2016, the classification of the financial instruments, as well as their carrying values and fair values, are shown in the table below:

	LEVEL	FVTPL	LOANS AND RECEIVABLES/ OTHER FINANCIAL LIABILITIES	TOTAL FAIR VALUE
Financial assets				
Cash and cash equivalents	1	\$ 1,365,889	\$ -	\$ 1,365,889
Deposits	1	\$ 129,812	\$ -	\$ 129,812
Financial liabilities				
Accounts payable and accrued liabilities	2	\$ -	\$ 86,325	\$ 86,325

At September 30, 2016 and December 31, 2015, 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.

There have been no transfers between levels for the nine months ended September 30, 2016 and October 31, 2015.

a) 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 silica sand and base and precious metals including gold, silver, zinc and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations.

Select Sands Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian Dollars Unless Otherwise Noted)

(Unaudited)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Market prices for silica sand and metals 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.

b) 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 year the Company has been able to maintain its liquidity position through the private placements of its common shares. However, the variable market conditions make it uncertain whether the Company can continue to raise adequate funds to meet its financial obligations.

c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or 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.

11. LOSS PER SHARE

The Company calculates the basic and diluted loss per common share using the weighted average number of common shares outstanding during each period and diluted loss per share assumes that the outstanding vested stock options and share purchase warrants had been exercised at the beginning of the period unless they are anti-dilutive. These options and warrants were excluded from the weighted average number of common shares calculation as they were anti-dilutive. As a result, diluted loss per share is equal to basic loss per share.

	Nine Months ended September 30, 2016	Nine Months ended October 31, 2015
Issued common shares beginning of period	54,399,254	41,676,408
Weighted average issuances	1,249,115	4,127,438
Basic weighted average common shares	55,648,369	45,803,846

Select Sands Corp.

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(Expressed in Canadian Dollars Unless Otherwise Noted)

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12. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. All of the Company's assets and liabilities and comprehensive loss are located in Canada and the USA as follows:

September 30, 2016			
	Canada	USA	Total
Cash and cash equivalents	\$ 1,297,443	\$ 68,446	\$ 1,365,889
Amounts receivable	6,183	98,467	104,650
Prepaid expenses	13,583	-	13,583
Total current assets	\$ 1,317,209	\$ 166,913	\$ 1,484,122
Deposits	\$ -	\$ 129,812	\$ 129,812
Investment in affiliate	4,999,072	-	4,999,072
Property, plant and equipment	-	721,222	721,222
Exploration and evaluation assets	-	937,440	937,440
	\$ 4,999,072	\$ 1,788,474	\$ 6,787,546
Total assets	\$ 6,316,281	\$ 1,955,387	\$ 8,271,668
Accounts payable and accrued liabilities	\$ 68,086	\$ 18,239	\$ 86,325
Comprehensive loss for the nine month period ended September 30, 2016	\$ 460,937	\$ 217,116	\$ 678,053

December 31, 2015			
	Canada	USA	Total
Cash and cash equivalents	\$ 3,101,641	\$ 70,410	\$ 3,175,051
Amounts receivable	13,655	-	13,655
Prepaid expenses	32,950	-	32,950
Total current assets	\$ 3,148,246	\$ 70,410	\$ 3,218,656
Deposits	\$ -	\$ 108,090	\$ 108,090
Exploration and evaluation assets	4,447,016	619,452	5,066,468
	\$ 4,447,016	\$ 727,542	\$ 5,174,558
Total assets	\$ 7,595,262	\$ 797,952	\$ 8,393,214
Accounts payable and accrued liabilities	\$ 111,733	\$ -	\$ 111,733
Comprehensive loss for the five month period ended December 31, 2015	\$ 557,580	\$ 52,780	\$ 610,360

Select Sands Corp.

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13. SUBSEQUENT EVENTS

Subsequent to September 30, 2016:

- a) On October 4, 2016, the Company entered into a binding agreement with Tuttle Holding, LLC, Steve Hackmann, and Ozark Premium Sand, LLC ("OPS") pursuant to which the Company's wholly owned subsidiary, American Select Corp., will purchase certain of OPS's equipment and shall have the option to purchase OPS's dry processing plant, operating equipment, saleable inventory, and customer lists amongst other miscellaneous assets owned by OPS.

Included in the assets in respect of which the Company will have an option to purchase is a 26-acre fully operational drying facility with storage located within 50 miles of The Company's Sandtown quarry in Arkansas, USA (see also Note 6).

Pursuant to the terms of the agreement, Select Sands paid US\$500,000 upon signing of the agreement to the vendors in respect of the purchase of certain heavy equipment. The Company took title to these assets upon payment of the US\$500,000.

The Company has 60 days to complete its due diligence on the remaining assets that are subject to the agreement. If Select Sands is satisfied with its due diligence, then before the end of the due diligence period it must pay an additional US\$250,000 to the vendors for certain specified additional heavy equipment and US\$250,000 as a payment for the option to acquire the remaining assets within the period expiring on the one year anniversary of the date of payment of the above referenced US\$250,000 option payment. The Company made this US\$500,000 total payment on November 22, 2016. The purchase price for the remaining assets subject to the option will be US\$3,317,000, after deducting the US\$250,000 option payment.

On November 4, 2016, the Company amended the agreement such that if the option is exercised and the transaction is completed by December 19, 2016, of the US\$3,317,000 purchase price, US\$400,000 may be satisfied through the issuance of (i) 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.

- b) 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 \$837,030 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 will expire on March 5, 2017.

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13. SUBSEQUENT EVENTS (Continued)

- c) On November 22, 2016, David Giannini joined the Company's Board of Directors and was granted 300,000 options. Each option is exercisable into one common share at an exercise price of \$0.90 at any time on or before the fifth anniversary of its issuance. One half of such options will vest on the six month anniversary of the issuance date with the remainder vesting on the 12 month anniversary of the issuance date.
- d) On November 23, 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 and the remaining balance owing was paid in full on closing bringing the aggregate amount paid to the vendors (inclusive of extension payments) to 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 respect of this transaction to two separate finders. One-half of this finder's fee was satisfied through the issuance of 46,191 common shares in the capital of the Company. 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.

- e) The Company issued 3,680,000 common shares from the exercise of 3,680,000 warrants and received proceeds of \$1,453,500.