

Canadian Premium Sand Provides Corporate Update

CALGARY, Alberta, Dec. 18, 2019 -- **Canadian Premium Sand Inc.** (“**CPS**” or the “**Company**”) (TSXV: CPS) is pleased to announce that it has entered into a non-binding letter of interest with Hi-Crush Inc. (“**Hi-Crush**”), a leading provider of proppant and logistics services. The Company also wishes to provide an update on its previously announced comprehensive capital optimization review relating to the Company’s Wanipigow Sand Project (the “**Project**”).

Letter of interest: The Company entered into a non-binding letter of interest with Hi-Crush on December 6, 2019, which outlines the key terms for Hi-Crush to assist in the design and construction of the Project. This includes sharing of Hi-Crush’s expertise in plant design, construction and operations through their NexStage™ equipment business. A variety of plant configurations for the Project are being jointly investigated, with the aim of a substantial reduction in capital cost while implementing the most cost-effective operational solution. The strategic relationship also addresses terms of a supply arrangement for CPS to continue delivering Northern White Sand into Western Canada that will be procured at agreed upon rates from Hi-Crush’s existing production facilities.

“The management team at CPS is positioning the Company for resilience in the current challenging market conditions”, stated Glenn Leroux, President and CEO of CPS. “We are excited to collaborate with a recognized leader in the silica sand and logistics sectors and gain from Hi-Crush’s vast operating experience and their offering of various NexStage equipment solutions. The initiatives that we are pursuing will position the Company for growth through optimization of capital costs, strategic operating scenarios for the Project along with continuing to grow our Northern White Sand sales.”

The collaborative relationship with Hi-Crush is a key element of Company’s efforts to generate a robust advancement plan for the Company and the Project. Furthermore, the Company is ramping up its 2020 sales efforts in Western Canada.

The final terms and structure for a transaction between the Company and Hi-Crush is subject to negotiation of definitive documentation, completion of customary due diligence and receipt of any required regulatory approvals. A comprehensive news release will be issued if and when the Company and Hi-Crush enter into a definitive transaction.

Capital optimization review update: The Company continues to advance its capital optimization review relating to the Project and expects the review to conclude in Q4 2019 as previously announced. The optimized development plan will contain sufficient detail to complete an update to the Preliminary Feasibility Study and Mineral Resource Report (the “**Technical Report**”), the release of which is expected in Q1-2020.

About Canadian Premium Sand Inc.

The Company is an exploration stage company which is developing its Wanipigow Sand Resource in Manitoba and developing a sales channel into Western Canada Sedimentary Basin to support the basis for a commercial operation at Wanipigow, when achieved. The Company is a reporting issuer in Ontario, Alberta and British Columbia. Its shares trade on the TSX Venture Exchange under the symbol "CPS".

About Hi-Crush Inc.

Hi-Crush Inc. is a fully-integrated provider of proppant and logistics services for hydraulic fracturing operations, offering frac sand production, advanced wellsite storage systems, flexible last mile services, and innovative software for real-time visibility and management across the entire supply chain. Hi-Crush Inc.’s strategic suite of solutions provides operators and service companies in all major U.S. oil and gas basins with the ability to build safety, reliability and efficiency into every completion.

Neither the 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.

Forward Looking Information

Certain statements contained in this press release constitute forward-looking statements relating to, without limitation, expectations, intentions, plans and beliefs, including information as to the future events, results of operations and the Company’s future performance (both operational and financial) and business prospects. In certain cases, forward-looking statements can be identified by the use of words such as “expects”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “plans”, “seeks”, “projects” or variations of such words and phrases, or state that certain actions, events or results “may” or “will” be taken, occur or be achieved. Such forward-looking statements reflect the Company’s beliefs, estimates and opinions regarding its future growth, results of operations, future performance (both operational and financial), and business prospects and opportunities at the time such statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change. Forward-looking statements are necessarily based upon a number of estimates and assumptions made by the Company that are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Forward-looking statements are not guarantees of future performance. In particular, this press release contains forward-looking statements

pertaining, but not limited, to: the scope and nature of, potential benefits to be derived therefrom, and the ultimate completion of definitive documentation with Hi-Crush, the plan to develop a robust advancement plan for the Company and the Project and the benefits to be derived therefrom, the timing for the completion of the Technical Report, the anticipated results, benefits and timing for completion of the capital optimization review including the ability to achieve meaningful capital cost reductions and improve the investment opportunity as a result of such review; and future development plans; industry activity levels; industry conditions pertaining to the silica sand industry; the ability of and manner by which the Company expects to meet its capital needs; and the Company's objectives, strategies and competitive strengths.

By their nature, forward-looking statements involve numerous current assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from those anticipated by the Company and described in the forward-looking statements.

With respect to the forward-looking statements contained in this press release, assumptions have been made regarding, among other things: the ability to obtain the necessary stakeholder, regulatory and environmental approval to advance the development of the Wanipigow Sand Project; the ability to secure 3rd party sales into Western Canada; the ability to enter into definitive documentation with Hi-Crush, the ability to continue to consult with, and address feedback received from interested stake holders including the Hollow Water First Nation and surrounding communities; environmental risks and regulations; future global economic and financial conditions; future commodity prices; operating, capital and sustaining costs; that the regulatory environment in which the Company operates will be maintained in the manner currently anticipated by the Company; future exchange and interest rates; geological and engineering estimates in respect of the Company's silica sand quantities; the recoverability of the Company's silica sand and its quality; the accuracy and veracity of information and projections sourced from third parties respecting, among other things, future industry conditions and product demand; demand for horizontal drilling and hydraulic fracturing and the maintenance of current techniques and procedures, particularly with respect to the use of silica sand; the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts its business and any other jurisdictions in which the Company may conduct its business in the future; future capital expenditures to be made by the Company; future sources of funding for the Company's capital program; the Company's future debt levels; the impact of competition on the Company; and the Company's ability to obtain financing on acceptable terms.

A number of factors, risks and uncertainties could cause results to differ materially from those anticipated and described herein including, among others: the effects of competition and pricing pressures; effects of fluctuations in the price of proppants; risks related to indebtedness and liquidity, including the Company's capital requirements; risks related to interest rate fluctuations and foreign exchange rate fluctuations; changes in general economic, financial, market and business conditions in the markets in which the Company operates; changes in the technologies used to drill for and produce oil and natural gas; the Company's ability to obtain, maintain and renew required permits, licenses and approvals from regulatory authorities; the stringent requirements of and potential changes to applicable legislation, regulations and standards; the ability of the Company to comply with unexpected costs of government regulations; liabilities resulting from the Company's operations; the results of litigation or regulatory proceedings that may be brought against the Company; uninsured and underinsured losses; risks related to the transportation of the Company's products, including potential rail line interruptions or a reduction in rail car availability; the geographic and customer concentration of the Company; the ability of the Company to retain and attract qualified management and staff in the markets in which the Company operates; labour disputes and work stoppages and risks related to employee health and safety; general risks associated with the oil and natural gas industry, loss of markets, consumer and business spending and borrowing trends; limited, unfavourable, or a lack of access to capital markets; uncertainties inherent in estimating quantities of mineral resources; sand processing problems; and the use and suitability of the Company's accounting estimates and judgments.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in its forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will materialize or prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement. Readers should not place undue reliance on forward-looking statements. These statements speak only as of the date of this press release. Except as may be required by law, the Company expressly disclaims any intention or obligation to revise or update any forward-looking statements or information whether as a result of new information, future events or otherwise.

Any financial outlook and future-oriented financial information contained in this press release regarding prospective financial performance, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action based on management's assessment of the relevant information that is currently available. Projected operational information contains forward-looking information and is based on a number of material assumptions and factors, as are set out above. These projections may also be considered to contain future oriented financial information or a financial outlook. The actual results of the Company's operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. Actual results will vary from projected results. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein.

The forward-looking information and statements contained in this document speak only as of the date hereof and the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

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