FAIRMOUNT Minerals

GREEN TIER
Advantage: Business Advantage: Environment

2013 Annual Green Tier Report

Summary

Fairmount Minerals, with headquarters in Chesterland, Ohio, was founded in 1978. The company has operated in Wisconsin since 1996. Fairmount is a market-driven company with strategically located facilities in North America, Europe, and Asia, supported by a global distribution and customer support network. Aside from being one of the largest producers of industrial sand in North America, Fairmount has become a world-leading expert in the science and art of transforming sand into value-added products used for a variety of industries including oil and gas, water filtrations, foundry, glass, sports, recreation and building. Worldwide, Fairmount Minerals employs over 1,000 people, and produced and shipped more than 6.0 million tons of sand and value-added sand products in 2011. Fairmount Minerals' global operations include eleven mining and mineral processing plants and ten manufacturing and coating facilities, one resin-producing operation, three custom blending plants and eight administrative R&D offices. These facilities are located in the United States, Canada, Mexico, Denmark, and China. The Northern Area Region of Fairmount Minerals operations include one mining and mineral processing operation in Minnesota, and five operations in Wisconsin.

Mission: We, the Fairmount Minerals family, are united in our commitment to exceed all expectations while fulfilling our economic, social, and environmental responsibilities.

In 2011, the professionals that we work with at the Wisconsin Department of Natural Resources (DNR) encouraged us to consider becoming a part of the Green Tier Program. With our Environmental Management System (ISO 14001) already in place, and our existing commitment to environmental stewardship, we felt that we were a great candidate for Green Tier certification. Our three Wisconsin Industrial Sand Company (WISC) sites achieved Green Tier status on January 11, 2013. These three facilities are the first industrial sand mining operations to enter into the Wisconsin Green Tier Program. On October 21, 2013, we applied for Green Tier I status for our two newest Fairmount Minerals' subsidiaries – FML Sand, located in Oakdale and Readfield, Wisconsin.

Environmental Management System (EMS)

Fairmount Minerals' Wisconsin Industrial Sand Company (WISC) subsidiaries have been ISO 14001 certified since 2010. WISC establishes performance goals that support the three pillars of

sustainable development that we have identified as crucial to our operations - People, Planet & Prosperity. The performance goals also align with our environmental policy, and address any potential significant impacts.

Our Environmental Policy is as follows:

Fairmount Minerals, Ltd. and all subsidiaries, through our Sustainable Development process, will operate its business in an environmentally sensitive and responsible manner, with concern for our employees and stakeholders so that we will manage the impact of our activities on the environment.

Our Environmental Policy is to be a responsible corporate citizen in protecting the environment. We are committed to:

- Conducting operations so as to comply with applicable local, state and federal environmental rules, regulations, and requirements
- Manage aspects of the operation to minimize the resulting environmental impacts (i.e. to prevent pollution, and reduce or minimize waste)
- Work to continually improve the environmental management system and performance of facility operations
- Regularly communicate our environmental policies and performance
- Providing for continuous review of objectives and targets

This commitment requires employees to participate in and accept responsibility for achieving the following:

- Reduce, reuse and recycle waste and packaging
- Improve the efficiency of energy use
- Reclaim disturbed land to a usable and productive state

This policy will be communicated to all parties interested in the performance of our environmental management system.

Management reviews are conducted regularly at our operations, with a comprehensive management review held annually. On an annual basis we also conduct internal environmental compliance audits of our EMS system at each of our facilities to ensure compliance with federal, state and local regulations. Additional annual surveillance audits conducted by an external independent auditing firm, American Systems Registrar (ASR), monitor our ISO 14001 certification.

Audit Documentation

All three of our WISC facilities (Hager/Bay, Maiden Rock and Menomonie) comply with one combined ISO 14001 registration. Our application for Green Tier was submitted in 2012, and in August of 2012, ASR performed a surveillance audit that is a sample audit under our existing

certificate. In August of 2013, our EMS was audited by an external auditing firm (ASR), and we were approved for recertification.

Audit Date	Major	Minor	OFI
08/22/2012	0	2	7
08/16/2013	0	2	5

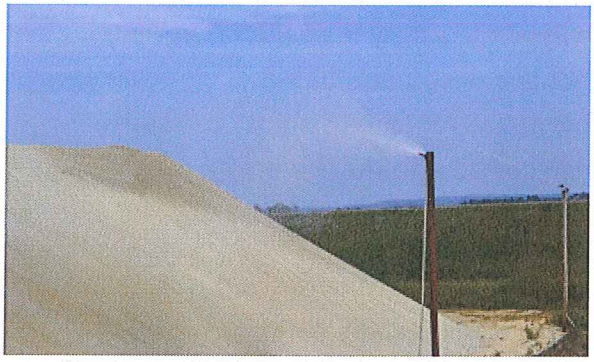
In addition to our external audits, the Director of Environmental, the Director of Safety & Health, the Corporate Environmental Coordinator, the Corporate Safety & Health Coordinator, the Regional Environmental Coordinator, and the Regional Safety & Health Coordinator, along with our employees in operations, regularly inspect and document their findings. Every major and minor finding that is identified has a corrective action for resolution of the issue(s) identified. At this time, all minor findings have been corrected. There were no major findings identified in the audit report (Appendix A).

Our 2014 internal audits have been scheduled for all Fairmount Minerals' industrial sand operations, along with the external audits that will be conducted by ASR.

Goal Update and Progress

	2012 Goals	Hager/Bay
1	Reduce waste from last year by 20%. Target is 141.2 or less.	88 yards YTD **Zero Waste*** Nov 5th
2	Reduce Energy Usage by 5% per ton shipped based on last years numbers.	Reduced by 6.11%
3	Complete Water Footprint and provide a plan.	Water foot print completed. 32.15% water Reduction
4	Improve air quality in the under ground mine.	Installed air doors and walls in the mine, reducing the amount of fans and electricity needed to ventilate the mine. One of the loaders used in the mine was replaced with a more efficient Tier 4 loader.
	2012 Goals	Maiden Rock
1	Reduce waste from last year by 20%. Target is 172 or less.	Oct 82.5 YTD and ***Zero Waste*** November
2	Reduce Energy Usage by 5% per ton shipped based on last years numbers.	Reduced electricity by 10.79% per Ton Shipped
3	Complete Water Footprint and provide a plan.	Water foot print completed. Reduced water gal/ton shipped by 75.31%
4	Improve air quality in the under ground mine.	Added more fans and replaced two loaders with Tier 4

	2012 Goals	Menomonie
1	Reduce waste from last year by 20%. Target is 305.2 or less.	39.1 yards total to date **Zero Waste*** October
2	Reduce Energy Usage by 5% per ton shipped based on last years numbers.	Diesel Fuel 40.78% Reduction & Electricity 34.26% Reduction
3	Complete Water Footprint and provide a plan.	Water foot print completed. 21.63% water Reduction
4	Improve air quality.	Added another water truck to fleet and more water cannons.



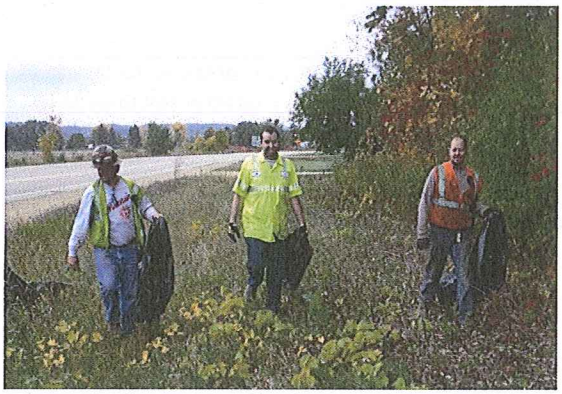
Additional water cannons in strategic locations at the Menomonie facility enhance our dust suppression plan and improve air quality

Recycling centers established at all WISC facilities made it easier to reach our goal of "Zero Waste to Landfill"

	2013 Goals	Hager/Bay
1	Facility will remain zero waste = 75%. 25% for each recycling/zero waste event that we host, organize or participate in.	*Trimbelle River education with Prairie View Elementary on May 14 was a Zero Waste event * Adopt-A-Highway clean-up event on October 11. Everything collected was recycled or sent to waste-to-energy. *Bloodmobile - Zero Waste event on September 6.
2	Complete two environmentally focused projects that contribute to GHG or energy consumption reduction. 125% = 25% participation from facility in EACH project.	All trees have been planted (at Trimbelle Recreation Area) to net zero emissions from the group travel. 1.) Trimbelle River restoration: May 14 - planted 12 white spruce trees on the bank of the Trimbelle River; September 12 - seeded/mulched the restoration area there (about 3.5 acres) to prevent erosion. Employee participation = 35% (14 out of 40 employees). 2.) June-September - planted produce garden at Hager City plant and donated all the food that was produced to Pierce County Food Pantry: one row of carrots, one row of onions, one row (about 6 plants) of Lady Bell green peppers, one row (about 10 plants) of Blue Lake bush beans, one row (about 6 plants) of Better Boy tomatoes, one row (about 10 plants) of sweet potatoes, and one row (3 plants) of Bush Pickle Cucumbers. Employee participation = 28% (11 out of 40 employees)

3	Create a water-related education or conservation program with at least 50% of facility participation. 125% = achieve 75% participation from facility.	May 14 - project with Prairie View Elementary School - education on erosion and sedimentation at the Trimbelle River. Planted trees to help prevent bank erosion, prepared presentation with visual displays to educate the children. 36 out of 42 employees participated = 86%
4	Improve air quality .	1.) Dust particulate meters installed in stacks/Visolite process for dust collection systems. 2.)Two of the Tier-4 Loaders were delivered on May 14, 2013 and are currently in use, replacing older loaders that had higher emissions.
	2013 Goals	Maiden Rock
1	Facility will remain zero waste = 75%. 25% for each recycling/zero waste event that we host, organize or participate in.	* Adopt-A-Highway (State Highway 35, north of Maiden Rock) clean-up event on June 13, with everything being recycled or sent to waste-to-energy. * Adopt-A-River-Mile clean-up event on July 23 and 26, with everything being recycled or sent to waste-to-energy. * Other Adopt-A-Highway and Adopt-A-River-Mile clean-up events were completed after July, with everything being recycled or sent to waste-to-energy.
2	Complete two environmentally focused projects that contribute to GHG or energy consumption reduction. 125% = 25% participation from facility in EACH project.	1. Trees were planted 5/20 and 5/21 - 11 River Birch, 10 Northern White Cedar, along Hwy 35 to screen rail loadout from Hwy. traffic. Tree size and type were approved by the DOT and Pierce County LMC, and are native to the area. Employee participation = 25% (15 out of 60 employees). 2. Trees were planted 6/25 in reclamation area behind the wash plant - 100 red and white oak seedlings. Employee participation = 37% (23 out of 62 employees).
3	Create a water-related education or conservation program with at least 50% of facility participation. 125% = achieve 75% participation from facility.	Maiden Rock facility joined the "Adopt-a-River-Mile" program through Living Lands & Waters on May 24. Clean-up events took place on 7/23 and 7/26, with 11 people participating. On 9/24 and 9/26 we presented to 32 co-workers about the program, our progress with the river clean-up events, and our plans for participation in this program in future years. On 10/15, 6 new participants completed another clean-up event on the river and collected more than two bags of waste-to-energy material. Total participation is 49 employees (out of 64) = 76%
4	Improve air quality.	1. Tennant Wet/Vacuum Sweeper Truck to replace old sweeper; 2. Ventilation Simulation software to improve air flow underground; 3. Airflow Technology on drilling units
	2013 Goals	Menomonie
1	Facility will remain zero waste = 75%. 25% for each recycling/zero waste event that we host, organize or participate in.	* Health Fair - Zero Waste event on 2/20 * Adopt-A-Highway clean-up event on 7/30 with all waste being recycled or sent to waste-to-energy. *Adopt-A-Highway clean-up event on 11/1 with all waste being recycled or sent to waste-to-energy
2	Complete two environmentally focused projects that contribute to GHG or energy consumption reduction. 125% = 25% participation from facility in EACH project.	1. October 11: planted 49 trees at Menomonie Middles School (26% participation). 2. October 15: planted 26 trees at mine house (7% participation). 3. Maxsys fuel system installed and trials - February 2013 (30% participation)

3	Create a water-related education or conservation program with at least 50% of facility participation. 125% = achieve 75% participation from facility.	Red Cedar: Land, Water & People Coming Together - watershed conference held at UW-Stout with Menomonie designing and manning educational booth at the event. 76% (19 out of 25) employees participated in the event/program.
4	Improve air quality.	Email notification system established in Citect for DMP meters (tech.); Particulate meters on Donaldson dust collector, developed standard procedure for operation and follow-up (stand.).



Every WISC facility participates in the Adopt-A-Highway program in their area, with at least two clean-up events on their adopted stretch of roadway per year.

Employees from our Hager/Bay facility taught local 3rd graders about the benefits of planting trees to prevent stream bank erosion, at the Trimbelle River site that they helped to restore.

Employees at our Maiden Rock facility organized 3 clean-up events on their stretch of the Mississippi River, as part of the Adopt-A-River Mile program through Living Lands & Waters organization.

Employees at our Menomonie facility built a display for a local watershed conference, that demonstrated the water filtering devices provided by Aqua Clara, a non-profit organization that we partner with to provide clean drinking water to communities in third world countries.

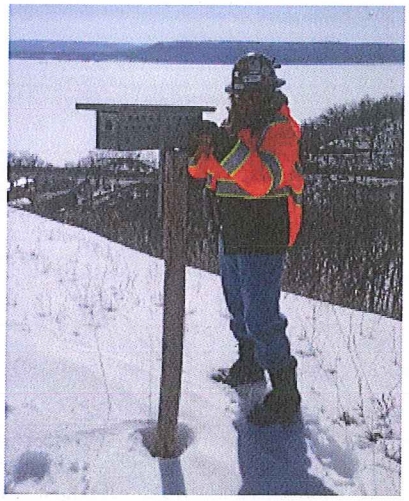
Current Fiscal Year Goals -2014

	2014 Goals
1	100% - Continue the Find It-Fix It program Need to verify that there was tangible asset put forward toward the number. So if it was 5, you have to show you did something (documentation of problem, and steps taken to correct it and evidence of correction). 15 per year = 100%; 20 per year = 125%. Safety Course & Drill Complete one safety course with at least 50% participation and one safety drill (First aid training, Fire extinguisher training, Fire drill, Tornado Drill) 1 emergency drill & 1 safety course = 100%; 3 or more courses/drills = 125%
2	100% - Coordinate and/or host SD breakfast/lunch in cooperation with local businesses or community groups to discuss and share SD practices within the community. 125% - Share highlights from meeting with other Fairmount family members via Mineral Matters or Fairmount Focus.
3	100% = Deliver one lunch N learn (or similar) SD message on transportation and/or Smart Growth (advantages of public transit, transit-oriented development, hybrid, hybrid electric, natural gas vehicles and FML's "Road to Zero" program, FML's new car pooling contest, biking to work, etc.) with 25% participation. Each facility to establish baseline on railcars for their facility (car size, route and typical order size). 125% = Achieve 100% participation in the transportation message/lunch N learn. Also establish baseline geography of where everyone at the facility lives and explore opportunities for car pooling.
4	Current Zero Waste facilities = 100% to maintain Zero Waste; 12% monthly database input (1% per month, must be inputted by month-end to receive credit); 13% for organizing/participating in Zero Waste and/or Recycling event.
5	100% = Workshop, course or activity around water as related to each location; and review management plan with plant managers and complete one item in the plan (if plan already completed). 125% = 50% participation in workshop, course or activity around water.
6	100% = Increase the Paid Volunteer Time average by increasing the average hour per facility. If facility average is > 15, get to 20. 125% = Host SR training.
7	100% = Complete two projects that contribute to GHG or energy consumption reduction. 125% = 25% participation from facility overall. (1 project = average of 1 large tree, at least 3-feet tall, or 10 whips per employee at the facility)
8	100% = 1.) Identify 3 best practices, one in each of the categories: organization, standardization, and technology. Document how the best practice can be implemented at your facility, i.e expense and time needed. 25% for each of the 3 best practices that is identified and documented. 2.) Educate Facility in Best Practice Opportunities through a lunch n'learn, presentation, etc. - 25% for hosting this session. 125% = Implement one of those and show that it produced a quantifiable SD Pays in 2014.
9	100% - Identify and provide details for at least 2 changes to products or processes that are more environmentally responsible and produce an SD Pays. 125% = Implement and document one of those projects.
10	100% - Achieve a housekeeping score of 4 or higher by year end. 125% - Complete monthly housekeeping audit (12%) Complete a kaizen event (13%)

Environmental Performance

We are committed to protecting and preserving the environment. Three of our Wisconsin facilities have voluntarily obtained certification through the Wildlife Habitat Council's (WHC) — "Corporate Lands for Learning" and "Wildlife at Work" programs. We have agreed to strict criteria to meet Saving Birds thru Habitat's standards for certification at both our Maiden Rock and Hager City facilities. The Wildlife at Work program that we are certified in emphasizes community involvement in habitat projects by collaborating with local teachers and students, Scout groups, 4-H groups, and other community members. The Corporate Lands for Learning program engages our employees in the experience of innovative teaching and learning techniques, and the opportunity to involve our community in our conservation efforts. Students

use our habitat as an "outdoor classroom," building essential knowledge in key concepts and skills such as importance of natural resources, geological makeup of our area, and ecological considerations. We work with Scout groups to earn merit badges, and those groups assist our team in habitat establishment, management and monitoring. Projects that were completed in 2013 include construction and installation of bird houses and bat houses, monitoring activity in those habitats, stream monitoring activities, and species identification, among others. College students and professors have used our sites to conduct research or class studies in our habitat. All of these projects provide members of the community an opportunity to connect to the environment and learn about our role as a thoughtful steward of the environment.



Employees help monitor and maintain the many bluebird houses that are located throughout the properties at all of our WISC facilities.

Local Boy Scout troops are one of the many groups of stakeholders that help us monitor our bat houses on our properties and in the surrounding communities.

In our local restoration and mine reclamation projects, we strive to incorporate sustainable landscaping plans that include native species, storm water management ponds, pollinator gardens, and natural habitats that attract wildlife. For example, in partnering with Trout Unlimited, we helped to restore the health of Pine Creek in Pierce County, Wisconsin, in order to re-establish trout populations. We are partnering with their organization again this year to complete some work on the Trimbelle River, Parker Creek, and additional maintenance on the Pine Creek. Other corporate goals that focus on protecting our planet are created and implemented by our Sustainable Mobility Team; Environmentally Responsible Products and Processes (ERPP) Team; Quest for Eco-Efficiency (QEE) Team; Recover, Recycle, Reuse (3R) Team; and our Clean Water Team.

Our engineers are always working hard to help us meet and exceed our goals to reduce greenhouse gas (GHG) emissions through continual process improvement and strategic design. We track every part of our process, to find out how many kilowatts, how much diesel and dryer fuel, and how much water we are consuming. This allows us to identify ways that we can continue to decrease our consumption of valuable natural resources, and significantly lower our carbon footprint. A 39.6 kilowatt solar panel array installed in October 2011 at our Menomonie facility provides enough energy to power the entire office building, which includes the maintenance shop, lab, conference room, and six offices. Through comprehensive efforts such as these, Fairmount Minerals has reduced the amount of GHG they are generating, by 11.3% from 2007 to 2011. We continue to track our GHG and identify ways to continuously reduce this number every year.

In December 2012, WISC achieved "Zero Waste to Landfill" status at its three existing facilities at that time – Hager City/Bay City, Maiden Rock, and Menomonie. Through comprehensive recycling and composting efforts, finding ways to reuse and reduce materials, and partnering with waste-to-energy facilities for the final step, we are proud to say that now there is no waste leaving these facilities and entering a landfill. Our other facilities that have joined our Wisconsin operations – FML Sand at Oakdale and Readfield – are on target to be Zero Waste to Landfill by the end of 2014.

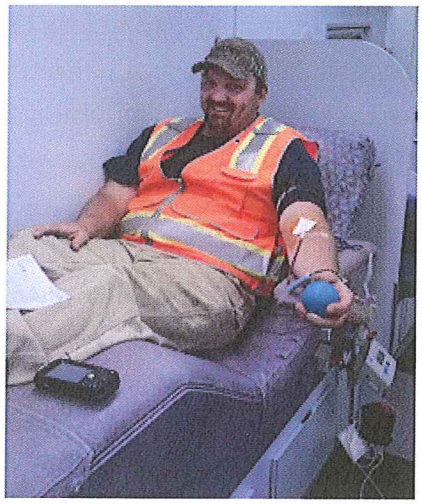
Transportation

We work with transportation companies to ensure safe transport of our product and minimize the impact of transporting sand, on our communities. All truck drivers that we work with sign a Letter of Acknowledgment before they begin, and review it once a year. The agreement outlines policies and procedures that they must follow at all times, including: the required use of personal protective equipment, required tarps to completely cover the load before leaving our facility, cleaning trailers before being loaded, obeying speed limit signs, not permitting engine brakes, no dumping of sand on the highway, or anywhere except on Fairmount Property. We take these rules seriously, and if we witness or hear of infractions by the drivers we contact the trucking company or the driver specifically to communicate dissatisfaction. The company/driver is given a chance to rectify the situation. If we have continued issues with drivers or incidents we will temporarily suspend their partnership with us. If the infraction is serious enough the driver and/or company will not be allowed back to work for our company. With regards to rail transportation, we clean the tops of every rail car before it leaves our facility, and promptly remove any sand that has been spilled on the tracks.

Stakeholder Involvement

We feel that it is very important to continuously communicate with our stakeholders and other members of our community to maintain a great relationship with our neighbors, and minimize the impact of our operations whenever feasible. We maintain an open-door policy and encourage feedback from stakeholders and other members of the community at any time. We have given many tours of our facilities to teach people about how our business operates and answer questions that they may have about our impact on the community. We publish a bi-annual newsletter from each of our facilities that communicates our goals and our accomplishments, and keeps them apprised of our activities. We voluntarily established a Community Advisory Committee and hold regular community meetings that are open to the public, to discuss any concerns that community members may have and how we can mitigate those concerns.

We are committed to serving the communities in which we operate. Our employees are encouraged to participate in at least 20 hours of paid volunteerism each year, and are involved in local projects and events such as: Adopt-a-Highway road clean-up, Trimbelle River and Parker Creek restoration, Adopt-A-River Mile program through the Livings Lands & Waters organization, stocking shelves at a local food pantry, hosting blood drives and donating blood, organizing a team to participate in the Relay for Life fundraiser for the American Cancer Society, donating and planting hundreds of trees at local schools, helping restore school forests and build outdoor teaching arenas, assisting local municipalities with maintenance and projects such as snow plowing and dock construction and installation, and the restoration of Pine Creek in Pierce County, toward which we donated 3,800 tons of rock, thousands of dollars, and hundreds of hours of labor.



Employees at our Hager/Bay and Maiden Rock facilities participate in annual blood drives that are held on site, for the American Red Cross.

In 2013, we amassed 2,995 hours of volunteer time, which provides a tangible value of over $68,874 in labor to the local community. We also donate a percentage of our profits each year

toward the support of community investment and local non-profit organizations. Donations from our six operations in the Northern Area Region of Fairmount Minerals in 2013 totaled more than $241,590. In addition, our Fairmount Minerals Foundation set up an education grant fund, which was distributed locally to support the schools and educational programs in the communities where we work and live. In January 2013, more than $176,000 was donated to grade schools in Barron, Dunn, Pepin, and Pierce counties in Wisconsin, for 19 different projects and programs.

We feel strongly about supporting education in the communities where we work and live. More than 20 different school-age groups are scheduled to tour our facilities in 2014. In addition, employees from our region organized and led two large educational field trips for eighth grade students in Ellsworth and Menomonie. In May 2013, more than 220 students from Ellsworth Middle School visited our facility in Maiden Rock, and nearby Pine Creek. Approximately 270 students from Menomonie Middle School visited our Menomonie mining site in November 2013. Students learned about the natural resource that we mine, the geological history of our area, the mining process, and participated in ecological activities such as stream monitoring, insect identification, and construction of bat houses.

Employees gather with 8th grade students from a local middle school at Pine Creek, a stream that we helped to restore, to participate in an insect identification project.

We are probably most proud of our Days of Caring, in which employees within our entire region come together to help our local communities with a larger project or event. In May 2013, 65% of our employees from our Wisconsin operations participated in one of two different river clean-up events. The Rush River Clean-up in Pierce County resulted in the collection of more than 640 pounds of trash and recycling, and 3 tires. We also joined the Kinnickinnic River Clean-up effort in Pierce and St. Croix counties.

Employees and their family members joined the Kinnickinnic River Clean-up event in April 2013, helping to pull hundreds of pounds of waste and recyclables out of the River.

Environmental Recognition

Our efforts to be a responsible steward of the natural resource that we mine have been recognized by many organizations including the Wisconsin Sustainable Business Council, which designated Wisconsin Industrial Sand Co. as a Green Master in both 2012 and 2013. The Green Master designation is the highest tier in the Green Masters program. Candidates are judged on a comprehensive range of sustainability issues from energy and natural resource use, to education outreach and purchasing.

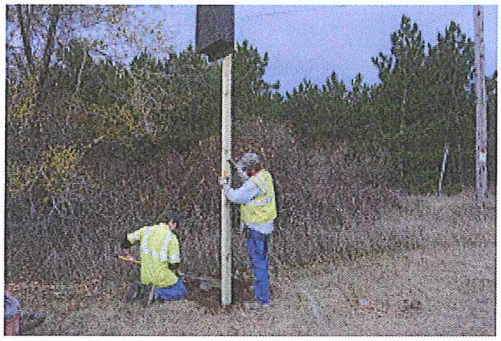
The following provides an overview of prior environmental achievements for Fairmount Minerals' operations in Wisconsin:

Year	Award	Location
Nov, 2012	Wildlife Habitat Council's "Bat Conservation Action Award of the year"	Hager/Bay
Jan, 2013	Pierce County Economic Development Corporation - Business of the Year	Maiden Rock, Hager City, Bay City
Feb, 2014	Greater Menomonie Area Chamber of Commerce - Business of the Year	Menomonie
May, 2013	Wisconsin Manufacturers & Commerce - Business Friend of the Environment	Menomonie, Maiden Rock, Hager City, Bay City
Dec, 2012 & Dec, 2013	Wisconsin Sustainable Business Council - Green Master	Menomonie, Maiden Rock, Hager City, Bay City
Jan, 2013	Wisconsin Department of Natural Resources - Green Tier	Menomonie, Maiden Rock, Hager City, Bay City

DNR Relationship

We have worked closely with the Wisconsin Department of Natural Resources (DNR) for many years. We work in concert with the DNR to monitor bat activity in our underground mines, in order to detect and prevent the spread of "white nose syndrome", a fungal disease which threatens to decimate the entire bat population of the United States. Our Maiden Rock mine is

the second largest bat hibernacula in the state of Wisconsin, and our Bay City mine is the third largest, with more than 150,000 bats hibernating in those two mines every winter. In 2011 we received an award from Secretary Frank at October's Wisconsin DNR Board Meeting, commemorating our efforts to assist the DNR's bat research. We were also recognized with the Wildlife Habitat Council's Bat Conservation Action Award of the year in November 2012.



Employees from our Hager/Bay facility installed a bat house at a local elementary school to provide additional habitat for bats roosting in the area, and to teach kids there the important role that bats play in ecosystem.

We have also partnered with the DNR and Trout Unlimited in the restoration of many local waterways, by providing heavy equipment and many hours of employee volunteer hours.

In addition, we have facilitated several tours of our Wisconsin operations to DNR professionals, to help them understand how an industrial sand mining operation works, from the equipment used, to the mining process, and even sharing some of our best management practices.

We are very grateful to have the guidance of the DNR. Any time we have questions relating to new rules or regulations, the DNR professionals are always helpful in clarifying these changes so that we can continue to go beyond compliance.

Conclusion

Participation in the Green Tier program has helped us to reinforce our continuous improvement programs at Fairmount Minerals, and has helped us to strengthen our ISO 14001 certification and our Environmental Management System. We believe that our strength is fundamentally rooted in our people and the relationships we create. To build an engaging, thriving workplace, we make safety, health and wellness, and community engagement our top management priorities. Environmental stewardship is a fundamental element of the way we operate, not only because it is critical to our prosperity, but because we strongly believe it is simply the right thing to. We are looking forward to bringing our new facilities into the Wisconsin Green Tier Program.

Appendix A: Audit Report

ASR
American Systems
REGISTRAR

5281 Clyde Park Ave, S.W.
Wyoming, MI 49509
888.891.9002 Fax 616.942.6409

MANAGEMENT SYSTEM AUDIT REPORT
CONFIDENTIAL

Organization Name:	Date(s) of Audit:
Wisconsin Industrial Sand	Aug. 12-16, 2013
Organization MS Mgmt. Rep(s):	**Standard:**
Ms. Michele Maxson (EMS)	ISO 14001

Type of Audit: (Check all that Apply; after each checked box indicate with standard applies)

☐ Pre-Assessment	☐ Stage 2	
☐ Transfer	☐ Surveillance	☐ Special Surveillance
☒ Re-Certification	☐ Upgrade	

Organization Address(es): (Must include all sites audited) Street Address City State Zip (Press Enter for Next Address)	Total Employees (by Site):
N5628 580th Street, Menomonie, WI	26
N1464 770th St, Hager City, WI	52
W3302 Hwy 358, Maiden Rock, WI	62

Scope of Registration: (What should be on Certificate – scope can be different for each standard)

QMS:	NA
EMS:	Processing, testing, packaging and delivery of high grade sand and gravel for industrial and specialty uses
OHSAS:	NA

Permissible Exclusions:

None

Audit Recommendation

☐ Stage 2 ☒ Re-Certification ☐ Transfer ☐ Upgrade ☐ Surveillance

☒ Recommendation To Register or Maintain Registration Applicable Standard ISO 14001

☐ Recommendation **NOT** To Register or Maintain Registration Applicable Standard Choose Standard

Follow Up Required? ☐ YES ☒ NO

Have all documented non-conformances been verified from the previous audit? ☒ YES ☐ NO ☐ N/A

Comments:

Lead Auditor (printed name):	Date:
Barton Solomon	9/30/13

ASR
American Systems
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Wyoming, MI 49509
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AUDIT SUMMARY
Minor non-conformances (state fully):
ISO 9001:
NA
ISO 14001:
BSS-1 -- The facility aspects lists for the 3 sites are not complete. (clause 4.3.1) BSS-3 -- The air emission equipment on the railcar loading process does not meet the Fairmount Minerals internal requirements . (clause 4.4.6)
OHSAS 18001:
NA
Major non-conformances (state fully):
ISO 9001:
NA
ISO 14001:
none
OHSAS 18001:
NA
Opportunities for improvement (from form F-3001):
ISO 9001:
NA
ISO 14001:
Consider clear feed rate restrictions for the operators for the coagulant and flocculent additions. (Maiden Rock) Housekeeping could be improved in diesel tank storage areas and used oil storage areas. Storage of fluorescent light bulbs could be improved Consider encouraging/requiring trucks to use the EPA tarps Consider establishing dates for completion of action items listed in the meeting report enabling the monitoring of progress.
OHSAS 18001:
NA
AUDIT PLAN DATA
Composition and qualification of audit team:
Bart Solomon RABQSA Q-01692 & A-01692 Fred Nelson
Reference checklists used:
CH-4300 attached

ASR
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5281 Clyde Park Ave, S.W.
Wyoming, MI 49509
888.891.9002 Fax 616.942.6409

Shifts Audited			
Location (identify below)	Shift Scheduled Time	Date Audited (if all shifts are not audited please note your justification of why not audited.)	Time audited
#1 Menomonie, WI	7am-3pm	Aug. 12-13	8am-5pm
	3pm-11pm	Aug. 12	3pm-5pm
#2 Hager City, WI	7am-3pm	Aug. 15-16	8am-5pm
	3pm-11pm	Aug. 15	3pm-5pm
#3 Maiden Rock, WI	7am-3pm	Aug. 14-15	8am-5pm
	3pm-11pm	Aug. 142	3pm-5pm

1) Was the audit completed as scheduled? ☒YES ☐NO If not provide details:

2) Effectiveness of the management system:

Indicate which processes in the management system are important contributor to the organization's system effectiveness:

☒ Internal Audit
☒ Corrective action including root cause identification and removal
☒ Preventive action
☒ Use of performance data and objectives to drive continuous improvement (Such as customer report cards-customer evaluations, on-time delivery, waste generated, raw materials/energy used, safety incidents, near miss accidents, etc)
☒ Management review activities

Comment (below) on the strong and weak points of these management system activities:

The EMS is designed in accordance with the Fairmount Minerals corporate system and has been well implemented. The internal audit, corrective action, use of data and management review processes all draw on the corporate processes and have learned from the other sites. The performance data for both QMS and EMS are largely contained in the GHG and SD initiatives

3) ISO 9001: Comment on the organization's customer focus
(Such as customer evaluations-continual improvement-shipping & receiving)

NA.

4) ISO 9001: Comment on the organization's processes: which are well managed and which are not well managed?
(Which processes are carefully monitored and actions taken when the process is not achieving desired results?)

NA

5) ISO 14001: Comment on the effectiveness of the management of the environmental aspects:

The environmental aspects are being well managed.
The new wet process and the new railcar loading facility at Maiden Rock both look good

6) OHSAS 18001: Comment on the effectiveness of the management of the hazards and risks:

NA

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7) Re-Certification ISO 9001 Audit: Comment on the performance of the quality management system over the period of certification (in your comments cite the actual data reviewed):
NA
What does the data from ASR's or previous registrar's audits for the past 3 years indicate about the organization's management system performance?
What does the data from the organization's internal audits for the past 3 years indicate about the organization's management system performance?
What does the data from customer complaints and monitoring of customer satisfaction indicate about the organization's QMS performance in the eyes of the customer over the past 3 years?
What does the internal data from monitoring goals/objectives and internal processes indicate about the organization's quality system performance over the past 3 years?
8) Re-Certification ISO 14001 Audit: Comment on the performance of the environmental quality management system over the period of certification (in your comments cite the actual data reviewed):
The EMS is well managed and is demonstrating improvement
What does the data from ASR's audits or previous registrar's audits for the past 3 years indicate about the organization's environmental management system performance?
The ASR audits have raised relatively few NCs over the previous three year certification period
What does the organizational monitoring of performance; such as waste generated and/or consumption of raw materials, or energy indicate about the organization's EMS performance over the last 3 years?
The facilities track SD goals and performance data and are successful at meeting annual SD goals
What does the organizational monitoring of the product performance of fate of the product in the environment indicate about the organization's EMS performance over the last 3 years?
NA
Evaluate the organization's compliance with regulations over the past three years:
Compliance has been good – no NOVs and internal compliance audits look good

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9) Re-Certification OHSAS 18001 Audit: Comment on the performance of the occupational health and safety management system over the period of certification (in your comments cite the actual data reviewed):
NA
What does the data from ASR's audits or pervious registrar's audits for the past 3 years indicate about the organization's occupational health and safety management system performance?
What does the organizational monitoring of performance – such as lost time, accidents, employee exposure and/or near misses indicate about the organization's OHSAS performance over the last 3 years?
What does the organizational monitoring of the product safety performance indicate about the organization's OHSAS performance over the last 3 years?
Evaluate the organization's compliance with regulations over the past 3 years:
10) Comments after follow-up audit: ☒check if not applicable

Note To Customer: Please contact ASR if you have any questions or comments about this report.

Required for all audits:		**Auditor Verification:** (Initials Required)
1.	Review use of Registration Certificate Logo (OP-2040)	BSS
2.	Review of change of policies and procedures for any revisions that may affect requirements of the standards	BSS
Required at least annually		
3.	Audit customer complaints, corrective and preventive action	BSS
4.	Audit Internal Audits	BSS
5.	Review progress towards continuous improvement objectives/targets	BSS
6.	Audit management review	BSS
7.	For a list of interviewed auditees please refer to the M-5000 and appropriate audit checklist	BSS

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ISO 14001 Audit Tracking Table (for multi-site registrations include a table for each location)	Audit	Stage 2 or Re-Certification	S1	S2	S3	S4	S5
					N/A for annual frequency		
Environmental Management System Element	Date	8/13					
4.1		0					
4.2		0					
4.3.1 Environmental aspects		BSS-1					
4.3.2 Legal and other requirements		0					
4.3.3 Objectives, targets and programme(s)		0					
4.4.1 Resources, roles, responsibility and authority		0					
4.4.2 Competence, training and awareness		0					
4.4.3 Communication		0					
4.4.4 Documentation 4.4.5 Control of documents		0					
4.4.6 Operational control		BSS-3					
4.4.7 Emergency preparedness and response		0					
4.5.1 Monitoring and measurement		0					
4.5.2 Evaluation of compliance		0					
4.5.3 Nonconformity, corrective action and preventive action		0					
4.5.4 Control of records		0					
4.5.5 Internal audit		0					
4.6 Management review		0					

Fill in each cell in the table with the number of non-conformities raised for each system element at each audit. If an element was not audited enter 'N/A' in the cell. Suggest elements to audit at the next visit by entering an 'R' in the appropriate cell in the column for the next visit.

American Systems
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American Systems Registrar, LLC, a provider of third-party system registration and accredited by the ANSI-ASQ National Accreditation Board for Registrars of Environmental Management Systems, attests that:

WISCONSIN INDUSTRIAL SAND
A DIVISION OF FAIRMOUNT MINERALS LTD.

N5628 580TH ST.	N1464 770TH ST.	W3302 HWY. 35S.
MENOMONIE, WI 54751	HAGER CITY, WI 54014	MAIDEN ROCK, WI 54750

with a scope of:

PROCESSING, TESTING, PACKAGING AND DELIVERY OF HIGH GRADE SAND AND GRAVEL FOR INDUSTRIAL AND SPECIALTY USES

has established an environmental management system that conforms to the Environmental Management System Standard

ISO 14001:2004

ASR Certificate Number:	4364
Date of Certification:	November 6, 2013
Date of Certification Expiration:	November 5, 2016
Date of Initial Registration:	December 28, 2010
Revision:	

President

CERTIFICATE OF REGISTRATION