UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2016

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-36670

FAIRMOUNT SANTROL HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Delaware	**34-1831554**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

8834 Mayfield Road
Chesterland, Ohio 44026
(Address of Principal Executive Offices) (Zip Code)
(800) 255-7263
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(g) of the Securities Act:

Title of each class:	Name of each exchange on which registered:
Common Stock, par value $0.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Securities Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file report pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of common stock held by non-affiliates of the registrant computed by reference to the last sales price, $7.71 as reported on the New York Stock Exchange, of such common stock as of the closing of trading on June 30, 2016: $549,912,304

Number of shares of Common Stock outstanding, par value $0.01 per share, as of February 26, 2018: 224,346,147

EXPLANATORY NOTE

Fairmount Santrol Holdings Inc. (the "Company") filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (the "Original Form 10-K") with the Securities and Exchange Commission (the "SEC") on March 9, 2017. The Company is filing this Amendment No. 1 to the Original Form 10-K (this "Form 10-K/A") solely for the purpose of correcting certain disclosure and classification errors (which errors the Company has concluded are not material) in the footnotes to the Company's financial statements, as described more fully in Note 1 to the financial statements provided with this Form 10-K/A, and identifying certain material weaknesses, as described more fully in Item 9A of this Form 10-K/A and as previously disclosed in Item 4 on Form 10-Q for the period ended September 30, 2017.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), this Form 10-K/A contains new certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Since financial statements are contained in this Form 10-K/A, the Company is also furnishing new certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 with this Form 10-K/A. Accordingly, Item 15 of Part IV has been amended to include the currently dated certifications as exhibits.

Except as set forth above, no changes have been made to the Original Form 10-K, and this Form 10-K/A does not amend, modify or update any other information contained in the Original Form 10-K. This Form 10-K/A does not reflect events that may have occurred subsequent to the filing date of the Original Form 10-K. Accordingly, this Form 10-K/A should be read in conjunction with the Original Form 10-K and the Company's filings with the SEC subsequent to the filing of the Original Form 10-K.

Introduction

We define various terms to simplify the presentation of information in this Form 10-K/A (this "Report"). Unless we state otherwise or the context otherwise requires, the terms "we," "us," "our," "Fairmount Santrol," "our business" and "our company" refer to Fairmount Santrol Holdings Inc. and its consolidated subsidiaries and predecessor companies. We use Adjusted EBITDA herein as a non-GAAP measure of our financial performance. See further discussion of Adjusted EBITDA at Item 7 – Management's Discussion and Analysis in the Original Form 10-K.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Report are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected costs, expenditures, cash flows, growth rates and financial results, our plans and objectives for future operations, growth or initiatives, strategies or the expected outcome or impact of pending or threatened litigation are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- the price of oil and gas and the level of activity in the oil and gas industries;
- the level of cash flows generated to provide adequate liquidity to meet our working capital needs, capital expenditures, and our lease and debt obligations;
- increasing costs or a lack of dependability or availability of transportation services or infrastructure and geographic shifts in demand;
- changes to leased terminal arrangements impacting our distribution network and ability to deliver our products to our customers;
- actions of our competitors, including, but not limited to, their ability to increase production capacity to levels which cause an imbalance in supply and demand resulting in lower market prices;
- our rights and ability to mine our properties and our renewal or receipt of the required permits and approvals from governmental authorities and other third parties;
- fluctuations in demand and pricing for raw and coated sand-based proppants or the development of either effective alternative proppants or new processes to replace hydraulic fracturing;
- continuing pressure on market-based pricing;
- lower of cost or market inventory adjustments and/or obsolete inventory due to lower proppant demand from the oil and gas industry;
- our ability to protect our intellectual property rights;
- our ability to continue to commercialize Propel SSP® proppants;
- our ability to succeed in competitive markets;
- loss of, or reduction in, business from our largest customers;
- our exposure to the credit risk of our customers and any potential material nonpayments, bankruptcies, and/or nonperformance by our customers;

- our transactions in, and operating subsidiaries with, functional currencies other than the U.S. dollar. We are exposed t o fluctuations in exchange rates of these currencies compared to the U.S. dollar, which is the primary currency in which we operate. These fluctuations may be significant, and may not be fully mitigated by risk management techniques, such as foreign curre ncy hedging;
- changes in U.S. or international political or economic conditions, could adversely impact our operating results;
- fluctuations in demand for industrial and recreational sand;
- operating risks that are beyond our control, such as changes in the price and availability of transportation, natural gas or electricity; unusual or unexpected geological formations or pressures; cave-ins, pit wall failures or rock falls; or unanticipated ground, grade or water conditions;
- our dependence on our Wedron Silica sand-mining facility for a significant portion of our sales, which currently supplies a large majority of our Northern White™ frac sand and a portion of our Industrial & Recreational Products ("I&R") segment sand sold into our markets;
- the availability of raw materials to support our manufacturing of coated proppants;
- diminished access to water;
- challenges to our title to our mineral properties and water rights;
- our ability to make capital expenditures to maintain, develop and increase our asset base and our ability to obtain needed capital or financing on satisfactory terms, including financing for existing commitments such as future railcar deliveries;
- the potential impairment of our property, including our mineral reserves, plant, equipment, goodwill, and intangible assets as a result of market conditions;
- substantial indebtedness, lease and pension obligations;
- restrictions imposed by our indebtedness and lease obligations on our current and future operations;
- the accuracy of our estimates of our mineral reserves and our ability to mine them;
- substantial costs related to mines, coating facilities, and terminals that have been closed;
- potential disruption of our operations due to severe weather conditions, such as wind storms, ice storms, tornadoes, electrical storms, and floods, which occur in areas where we operate;
- a shortage of skilled labor and rising labor costs in the mining industry;
- increases in the prices of, or interruptions in the supply of, natural gas and electricity, or any other energy sources;
- our ability to attract and retain key personnel;
- our ability to maintain satisfactory labor relations;
- silica-related health issues and corresponding litigation;
- our ability to maintain effective quality control systems at our mining, processing and production facilities;
- fluctuations in our sales and results of operations due to seasonality and other factors;
- interruptions or failures in our information technology systems;
- failure to comply with the provisions of the Foreign Corrupt Practices Act ("FCPA");
- the impact of a terrorist attack or armed conflict;
- cybersecurity breaches;
- our failure to maintain adequate internal controls;

- extensive and evolving environmental, mining, health and safety, licensing, reclamation and other regulation (and ch anges in their enforcement or interpretation);
- our ability to acquire, maintain or renew financial assurances related to the reclamation and restoration of mining property; and
- other factors disclosed in the section entitled “Risk Factors” and elsewhere in the Original Form 10-K.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Original Form 10-K. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this Report in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this Report are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

ITEM 8. FINANCIAL STATEMEN TS AND SUPPLEMENTARY DATA

The following consolidated financial statements are filed as part of this Form 10-K/A:

Report of Independent Regist ered Public Accounting Firm

To the Board of Directors and Shareholders of Fairmount Santrol Holdings Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income (loss), comprehensive income (loss), equity and cash flows present fairly, in all material respects, the financial position of Fairmount Santrol Holdings Inc. and its subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Management and we previously concluded that the Company maintained effective internal control over financial reporting as of December 31, 2016. However, management has subsequently determined that material weaknesses in internal control over financial reporting existed as of that date related to the determination of long-lived asset groups for property, plant and equipment and other intangible assets and the assessment of recoverability in accordance with US GAAP, as our controls were not designed to (i) appropriately identify asset groups, (ii) assess whether events occurred which would indicate the carrying value of the asset groups may not be recoverable, and to the extent such events did occur, (iii) appropriately perform a recoverability assessment. Accordingly, management's report has been restated and our present opinion on internal control over financial reporting, as presented herein, is different from that expressed in our previous report. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) because material weaknesses in internal control over financial reporting existed as of that date related to the determination of long-lived asset groups for property, plant and equipment and other intangible assets and the assessment of recoverability in accordance with US GAAP, as our controls were not designed to (i) appropriately identify asset groups, (ii) assess whether events occurred which would indicate the carrying value of the asset groups may not be recoverable, and to the extent such events did occur, (iii) appropriately perform a recoverability assessment. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2016 consolidated financial statements and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements. The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accord ance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements .

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Cleveland, Ohio
March 9, 2017, except for the effects of the revision discussed in Note 1 to the consolidated financial statements and the matter described in the penultimate paragraph of Management's Report on Internal Control Over Financial Reporting, as to which the date is March 1, 2018

Fairmount Santrol Holdings Inc. and Subsidiaries
Consolidated Statements of Income (Loss)
Years Ended December 31, 2016, 2015, and 2014

	Year Ended December 31,		
	2016	2015	2014
	(in thousands, except per share amounts)		
Revenues	$ 535,013	$ 828,709	$ 1,356,458
Cost of goods sold (excluding depreciation, depletion, and amortization shown separately)	459,714	608,845	851,454
Operating expenses			
Selling, general and administrative expenses	79,140	85,191	130,798
Depreciation, depletion and amortization expense	72,276	66,754	59,379
Goodwill and other asset impairments	93,148	87,476	-
Restructuring charges	1,155	9,221	-
Other operating expense	8,899	1,357	3,163
Income (loss) from operations	(179,319)	(30,135)	311,664
Interest expense, net	65,367	62,242	60,842
Gain on repurchase of debt, net	(5,110)	-	-
Other non-operating expense (income)	(10)	1,492	2,786
Income (loss) before provision for income taxes	(239,566)	(93,869)	248,036
Provision (benefit) for income taxes	(99,441)	(1,939)	77,413
Net income (loss)	**(140,125)**	**(91,930)**	**170,623**
Less: Net income attributable to the non-controlling interest	67	205	173
Net income (loss) attributable to Fairmount Santrol Holdings Inc.	**$ (140,192)**	**$ (92,135)**	**$ 170,450**
Earnings (loss) per share			
Basic	$ (0.78)	$ (0.57)	$ 1.08
Diluted	$ (0.78)	$ (0.57)	$ 1.03
Weighted average number of shares outstanding			
Basic	179,429	161,297	157,950
Diluted	179,429	161,297	166,277

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

Fairmount Santrol Holdings Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
Years Ended December 31, 2016, 2015, and 2014

	Year Ended December 31,		
	2016	**2015**	**2014**
		(in thousands)	
Net income (loss)	$ (140,125)	$ (91,930)	$ 170,623
Other comprehensive loss, before tax			
Foreign currency translation adjustment	(774)	(5,051)	(2,353)
Pension obligations	425	222	(949)
Change in fair value of derivative agreements	(3,018)	(1,836)	(5,971)
Total other comprehensive loss, before tax	(3,367)	(6,665)	(9,273)
Benefit from income taxes related to items of other comprehensive income (loss)	(2,058)	(1,780)	(4,151)
Comprehensive income (loss), net of tax	(141,434)	(96,815)	165,501
Comprehensive income attributable to the non-controlling interest	67	205	173
Comprehensive income (loss) attributable to Fairmount Santrol Holdings Inc.	**$ (141,501)**	**$ (97,020)**	**$ 165,328**

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

Fairmount Santrol Holdings Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2016 and 2015

	December 31, 2016	December 31, 2015
	(in thousands)	
Assets		
Current assets		
Cash and cash equivalents	$ 194,069	$ 171,486
Accounts receivable, net of allowance for doubtful accounts of $3,055 and $2,470 at December 31, 2016 and December 31, 2015, respectively	78,942	73,566
Inventories, net	52,650	70,494
Prepaid expenses and other assets	7,065	13,404
Refundable income taxes	21,077	26,506
Current assets classified as held-for-sale (includes cash, accounts receivable, inventories, and property, plant, and equipment)	-	4,218
Total current assets	353,803	359,674
Property, plant and equipment, net	727,735	870,997
Deferred income taxes	1,244	834
Goodwill	15,301	15,301
Intangibles, net	95,341	96,482
Other assets	9,486	10,961
Total assets	**$ 1,202,910**	**$ 1,354,249**
Liabilities and Equity		
Current liabilities		
Current portion of long-term debt	$ 10,707	$ 17,385
Accounts payable	37,263	40,421
Accrued expenses	26,185	26,785
Current liabilities directly related to current assets classified as held-for-sale (includes accounts payable and accrued expenses)	-	934
Total current liabilities	74,155	85,525
Long-term debt	832,306	1,205,721
Deferred income taxes	7,057	89,569
Other long-term liabilities	38,272	33,802
Total liabilities	951,790	1,414,617
Commitments and contingent liabilities (Note 18)		
Equity		
Preferred stock: $0.01 par value, 100,000 authorized shares Shares outstanding: 0 at December 31, 2016 and December 31, 2015	-	-
Common stock: $0.01 par value, 1,850,000 authorized shares Shares outstanding: 223,601 and 161,433 at December 31, 2016 and December 31, 2015, respectively	2,422	2,391
Additional paid-in capital	297,649	776,705
Retained earnings	264,852	405,044
Accumulated other comprehensive loss	(19,002)	(17,693)
Total equity attributable to Fairmount Santrol Holdings Inc. before treasury stock	545,921	1,166,447
Less: Treasury stock at cost Shares in treasury: 18,666 and 77,765 at December 31, 2016 and December 31, 2015, respectively	(294,874)	(1,227,663)
Total equity (deficit) attributable to Fairmount Santrol Holdings Inc.	251,047	(61,216)
Non-controlling interest	73	848
Total equity (deficit)	251,120	(60,368)
Total liabilities and equity	**$ 1,202,910**	**$ 1,354,249**

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

Fairmount Santrol Holdings Inc. and Subsidiaries
Consolidated Statements of Equity
Years Ended December 31, 2016, 2015, and 2014

	Equity (deficit) attributable to Fairmount Santrol Holdings Inc.									
	Common Stock	**Common Stock Units**	**Additional Paid-in Capital**	**Retained Earnings**	**Other Comprehensive Income (Loss)**	**Treasury Stock**	**Treasury Stock Units**	**Subtotal**	**Non-Controlling Interest**	**Total**
					(in thousands)					
Balances at December 31, 2013	**$ 2,341**	**156,462**	**$ 733,088**	**$ 326,729**	**$ (3,536)**	**$ (1,227,001)**	**77,706**	**$ (168,379)**	**$ 3,021**	**$ (165,358)**
Purchase of treasury stock	-	(59)	-	-	-	(662)	59	(662)	-	(662)
Stock options exercised	46	4,510	6,494	-	-	-	-	6,540	-	6,540
Stock compensation expense	-	-	16,571	-	-	-	-	16,571	-	16,571
Tax effect of stock options exercised	-	-	15,735	-	-	-	-	15,735	-	15,735
Transactions with non-controlling interest	-	-	-	-	-	-	-	-	(702)	(702)
Net income	-	-	-	170,450	-	-	-	170,450	173	170,623
Other comprehensive loss	-	-	-	-	(9,273)	-	-	(9,273)	-	(9,273)
Balances at December 31, 2014	**$ 2,387**	**160,913**	**$ 771,888**	**$ 497,179**	**$ (12,809)**	**$ (1,227,663)**	**77,765**	**$ 30,982**	**$ 2,492**	**$ 33,474**
Stock options exercised	4	520	1,763	-	-	-	-	1,767	-	1,767
Stock compensation expense	-	-	4,525	-	-	-	-	4,525	-	4,525
Tax effect of stock options exercised	-	-	(1,471)	-	-	-	-	(1,471)	-	(1,471)
Transactions with non-controlling interest	-	-	-	-	-	-	-	-	(1,849)	(1,849)
Net income (loss)	-	-	-	(92,135)	-	-	-	(92,135)	205	(91,930)
Other comprehensive loss	-	-	-	-	(4,884)	-	-	(4,884)	-	(4,884)
Balances at December 31, 2015	**$ 2,391**	**161,433**	**$ 776,705**	**$ 405,044**	**$ (17,693)**	**$ (1,227,663)**	**77,765**	**$ (61,216)**	**$ 848**	**$ (60,368)**
Re-issuance of treasury stock	-	59,000	(493,233)	-	-	932,789	(59,000)	439,556	-	439,556
Stock options exercised	31	3,168	6,407	-	-	-	(99)	6,438	-	6,438
Stock compensation expense	-	-	8,870	-	-	-	-	8,870	-	8,870
Tax effect of stock options exercised, forfeited, or expired	-	-	(1,100)	-	-	-	-	(1,100)	-	(1,100)
Transactions with non-controlling interest	-	-	-	-	-	-	-	-	(842)	(842)
Net income (loss)	-	-	-	(140,192)	-	-	-	(140,192)	67	(140,125)
Other comprehensive loss	-	-	-	-	(1,309)	-	-	(1,309)	-	(1,309)
Balances at December 31, 2016	**$ 2,422**	**223,601**	**$ 297,649**	**$ 264,852**	**$ (19,002)**	**$ (294,874)**	**18,666**	**$ 251,047**	**$ 73**	**$ 251,120**

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

Fairmount Santrol Holdings Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2016, 2015, and 2014

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Net income (loss)	$ (140,125)	$ (91,930)	$ 170,623
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and depletion	67,614	62,218	54,111
Amortization	11,641	11,416	11,991
Reserve for doubtful accounts	1,851	1,968	3,605
Write-off of deferred financing costs	2,618	864	-
Gain on repurchase of debt, gross	(8,178)	-	-
Goodwill and other asset impairments	93,148	76,038	200
Non-cash restructuring charges	-	1,162	-
Inventory write-downs and reserves	10,302	1,591	-
Loss on sale of fixed assets	420	8,712	854
Unrealized loss on interest rate swaps	-	49	208
Deferred income taxes and taxes payable	(82,732)	20,983	37,810
Refundable income taxes	5,428	(26,506)	-
Stock compensation expense	8,870	4,525	16,571
Change in operating assets and liabilities:			
Accounts receivable	(4,385)	127,718	(70,011)
Inventories	7,543	59,527	(13,264)
Prepaid expenses and other assets	11,496	23,234	(23,454)
Accounts payable	4,196	(38,698)	(1,456)
Accrued expenses	3,701	(6,877)	17,488
Net cash provided by (used in) operating activities	**(6,592)**	**235,994**	**205,276**
Cash flows from investing activities			
Proceeds from sale of fixed assets	5,670	-	5,160
Capital expenditures and stripping costs	(30,597)	(113,750)	(143,491)
Earnout payments	(1,287)	-	-
Other investing activities	-	(250)	-
Net cash used in investing activities	**(26,214)**	**(114,000)**	**(138,331)**
Cash flows from financing activities			
Proceeds from issuance of term loans	-	-	41,000
Payments on long-term debt	(10,840)	(13,532)	(12,512)
Prepayments on term loans	(155,926)	-	-
Repurchase of term loans	(216,000)	-	-
Fees for repurchase of term loans	(450)	-	-
Payments on capital leases and other long-term debt	(5,947)	(6,975)	(4,830)
Proceeds from borrowing on revolving credit facility	-	-	32,267
Payments on revolving credit facility	-	-	(73,000)
Settlement of contingent consideration	-	-	(9,600)
Proceeds from option exercises	6,438	1,767	6,540
Proceeds from primary stock offering	439,556	-	-
Purchase of treasury stock	-	-	(662)
Tax effect of stock options exercised, forfeited, or expired	(1,100)	(1,472)	15,735
Transactions with non-controlling interest	(842)	(301)	(702)
Other financing activities	-	(4,578)	(1,913)
Net cash provided by (used in) financing activities	**54,889**	**(25,091)**	**(7,677)**
Change in cash and cash equivalents related to assets classified as held-for-sale	1,376	(1,376)	-
Foreign currency adjustment	(876)	(964)	(160)
Increase in cash and cash equivalents	**22,583**	**94,563**	**59,108**
Cash and cash equivalents:			
Beginning of period	**171,486**	**76,923**	**17,815**
End of period	**$ 194,069**	**$ 171,486**	**$ 76,923**
Supplemental disclosure of cash flow information:			
Interest paid	$ 60,833	$ 61,395	$ 62,167
Income taxes paid (refunded)	(21,311)	(19,898)	32,203
Non-cash investing activities:			
Equipment purchased under capital leases	$ -	$ 4,552	$ 6,558

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

1. Organization

Fairmount Santrol Holdings Inc. and its consolidated subsidiaries (collectively, the "Company") is a supplier of proppants and sand products. The Company is organized into two segments: Proppant Solutions and Industrial & Recreational Products. This segmentation is based on the end markets served, management structure, and the financial information that is reviewed by the chief operating decision maker in deciding how to allocate resources and assess performance.

The Proppant Solutions business serves the oil and gas markets in the United States, Canada, Argentina, Mexico, China, northern Europe, and the United Arab Emirates, providing raw and coated proppants primarily for use in hydraulic fracturing. The raw sand and substrate for coated sand generally consists of high-purity silica sands produced at facilities in Illinois, Wisconsin, and Texas.

The Industrial & Recreational Products ("I&R") business provides raw and coated sands to the foundry, building products, glass, turf and landscape, and filtration industries. Raw sand for the I&R business is produced at facilities in Ohio, Wisconsin, and Illinois.

In addition to its wholly-owned subsidiaries, the Company owns 90% of a holding company, Technimat LLC, which owns 70% of Santrol (Yixing) Proppant Co., a manufacturer of resin-based proppants located in China. The non-controlling interests in both entities are presented as "non-controlling interest" on the balance sheet.

Prior Period Financial Statement Revisions

During the course of 2017, the Company identified the following classification errors, disclosure errors, and misstatements impacting the consolidated financial statements as of December 31, 2016 and 2015:

- Asset categories presented in Note 5 – Property, Plant and Equipment were not properly classified at December 31, 2016 or 2015. The classification between asset categories did not impact total assets, accumulated depletion and depreciation, or property, plant and equipment, net.
- The description of the Company's impairment assessment for long-lived intangible assets in Note 8 was not consistent with the Company's asset grouping and was revised to clarify that these assets are evaluated for recoverability as part of an asset group.
- Total assets as presented in Note 20 – Segment Reporting, for the Proppant Solutions and I&R segments were not properly stated as of December 31, 2016.

The Company assessed the materiality of these classification errors, disclosure errors, and misstatements on prior periods' financial statements in accordance with SEC Staff Accounting Bulletin ("SAB") No. 99 – Materiality, codified in ASC 250 – Presentation of Financial Statements, and concluded that these classification errors, disclosure errors, and misstatements were not material, individually or in the aggregate, to any previously issued financial statements. In accordance with ASC 250 (SAB No. 108 – Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements), the notes to consolidated financial statements as of December 31, 2016 and 2015, and the years then ended, which are presented herein, have been revised.

The following tables present the impact of these revisions as of December 31, 2016 and 2015.

(in thousands, except per share data)

Note 5 – Property, Plant, and Equipment

	December 31, 2016		
	As Reported on Original Form 10-K	Adjustments	As Corrected on this Form 10-K/A
Land and improvements	$ 86,298	$ (3,307)	$ 82,991
Mineral reserves and mine development	253,766	(3,200)	250,566
Machinery and equipment	596,962	(19,869)	577,093
Buildings and improvements	161,057	26,401	187,458
Furniture, fixtures, and other	3,440	(25)	3,415
Construction in progress	6,748	-	6,748
	1,108,271	-	1,108,271
Accumulated depletion and depreciation	(380,536)	-	(380,536)
Property, plant, and equipment, net	**$ 727,735**	**$ -**	**$ 727,735**

	December 31, 2015		
	As Reported on Original Form 10-K	Adjustments	As Corrected on this Form 10-K/A
Land and improvements	$ 82,966	$ 2,973	$ 85,939
Mineral reserves and mine development	323,691	(3,200)	320,491
Machinery and equipment	575,034	(9,352)	565,682
Buildings and improvements	167,491	9,584	177,075
Furniture, fixtures, and other	3,609	(5)	3,604
Construction in progress	41,347	-	41,347
	1,194,138	-	1,194,138
Accumulated depletion and depreciation	(323,141)	-	(323,141)
Property, plant, and equipment, net	**$ 870,997**	**$ -**	**$ 870,997**

Note 20 – Segment Reporting

	December 31, 2016		
	As Reported on Original Form 10-K	Adjustments	As Corrected on this Form 10-K/A
Segment assets			
Proppant Solutions	$ 477,777	$ 382,388	$ 860,165
Industrial & Recreational Products	$ 57,029	$ 46,027	$ 103,056

2. Summary of Significant Accounting Policies

Principle of Consolidation

The consolidated financial statements include the accounts of Fairmount Santrol Holdings Inc. and its wholly-owned and majority-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estima tes

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenue is recognized when delivery of products has occurred, the selling price is fixed or determinable, collectability is reasonably assured and title and risk of loss have transferred to the customer. This generally occurs when products leave a distribution terminal or, in the case of direct shipments, when products leave a production facility. In a majority of cases, transportation costs to move product from a production facility to a storage terminal are borne by the Company and capitalized into the cost of inventory. These costs are included in the cost of sales as the product is sold. The Company derives its revenue by mining and processing minerals that its customers purchase for various uses. Its net sales are primarily a function of the price per ton realized and the volumes sold. In a number of instances, its net sales also include a separate charge for transportation services it provides to its customers.

In the Proppant Solutions segment, the Company primarily sells its products under market rate contracts with terms typically ranging from two to ten years. The Company invoices the majority of its customers on a per shipment basis when the customer takes possession of the product.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At various times, the Company maintains funds on deposit at its banks in excess of FDIC insurance limits.

Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect, and do not bear interest. Management provides for uncollectible amounts based on its assessment of the current status of individual accounts. Accounts receivable are net of allowance for doubtful accounts of $3,055 and $2,470 as of December 31, 2016 and 2015, respectively.

Inventories

Inventories are stated at the lower of cost or market. Certain subsidiaries determine cost using the last-in, first-out (LIFO) method. If the first-in, first-out (FIFO) method of inventory accounting had been used, inventories would have been higher by $1,256 and $2,912 at December 31, 2016 and 2015, respectively.

LIFO inventories comprise 21% and 18% of inventories reflected in the accompanying Consolidated Balance Sheets as of December 31, 2016 and 2015, respectively. The cost of inventories of all other subsidiaries is determined using the FIFO method. In the years ended December 31, 2016 and 2015, respectively, the Company recorded $10,302 and $1,591 of adjustments to increase the inventory reserve to recognize the decline in value of work-in-process and finished goods inventory, which are recorded in cost of goods sold. In the year ended December 31, 2014, the Company recorded a write-down of $908 of certain inventory to recognize a permanent decline in the value of the inventory, which is included in other operating expense.

(in thousands, except per share data)

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Expenditures, including interest, for property, plant, and equipment and items that substantially increase the useful lives of existing assets are capitalized, while expenditures for repairs and maintenance are expensed as incurred.

Depreciation on property, plant, and equipment is computed on a straight-line basis over the estimated useful lives of the related assets. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements. Depletion expense calculated for depletable land and mineral rights is based on cost multiplied by a depletion factor. The depletion factor varies based on production and other factors, but is generally equal to annual tons mined divided by total estimated remaining reserves for the mine.

The estimated service lives of property and equipment are principally as follows:

Land improvements	10-40 years
Machinery and equipment	3-20 years
Buildings and improvements	10-40 years
Furniture, fixtures, and other	3-10 years

Construction in progress is stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use. Construction in progress at December 31, 2016, represents machinery and facilities under installation.

The Company capitalizes interest cost incurred on funds used to construct property, plant, and equipment. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Interest cost capitalized was $1,380 and $4,903 in 2016 and 2015, respectively.

Depreciation and depletion expense was $67,614, $62,218, and $54,111 in the years ended December 31, 2016, 2015, and 2014, respectively.

The Company reviews property, plant, and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant, and equipment may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets or asset groups. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors. See Note 5 for further detail.

Deferred Financing Costs

Deferred financing costs are amortized over the terms of the related debt obligations and are included in long-term debt. In connection with the amendment to the Revolving Credit Facility in 2015, the Company wrote off $864 of costs that were previously capitalized. In connection with the repurchase of portions of the Company's debt in 2016, the Company wrote off $2,618 of deferred financing costs that were previously capitalized. See Note 9 for further detail.

The following table presented deferred financing costs as of December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
Deferred financing costs	$ 39,924	$ 42,541
Accumulated amortization	(29,530)	(24,145)
Deferred financing costs, net	**$ 10,394**	**$ 18,396**

Goodwill and Intangible Assets

Goodwill and indefinite-lived intangible assets are reviewed for impairment by applying a fair-value based test on an annual basis or more frequently if circumstances indicate that impairment may have occurred. The Company evaluates qualitative factors such as economic performance, industry conditions, and other factors to determine if it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an indication of goodwill impairment exists. The second step of the goodwill impairment test is performed to measure the amount of the impairment loss, if any. If the carrying amount of goodwill exceeds its implied fair value, an impairment loss is recognized equal to the excess. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation, and the residual fair value after this allocation is the implied fair value of the reporting unit goodwill.

The Company reviews definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of a definite-lived intangible asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets or asset groups.

The evaluation of goodwill or other intangible assets for possible impairment includes estimating fair value using one or a combination of valuation techniques, such as discounted cash flows or based on comparable companies or transactions. These valuations require the Company to make estimates and assumptions regarding future operating results, cash flows, changes in working capital and capital expenditures, selling prices, profitability, and the cost of capital. Although the Company believes its assumptions and estimates are reasonable, deviations from the assumptions and estimates could produce a materially different result.

Earnings per Share

Basic and diluted earnings per share is presented for net income attributable to Fairmount Santrol Holdings Inc. Basic earnings per share is computed by dividing income available to Fairmount Santrol Holdings Inc. common stockholders by the weighted-average number of outstanding common shares for the period. Diluted earnings per share is computed by increasing the weighted-average number of outstanding common shares to include the additional common shares that would be outstanding after exercise of outstanding stock options and restricted stock units. Potential common shares in the diluted earnings per share calculation are excluded to the extent that they would be anti-dilutive.

Derivatives and Hedging Activities

Due to its variable-rate indebtedness, the Company is exposed to fluctuations in interest rates. The Company uses interest rate swaps to manage this exposure. These derivative instruments are recorded on the balance sheet at their fair values. Changes in the fair value of derivatives are recorded each period in current earnings or in other comprehensive income, depending on whether a derivative is designated as part of a hedging relationship and, if it is, depending on the type of hedging relationship. For cash flow hedges in which the Company is hedging the variability of cash flows related to a variable-rate liability, the effective portion of the gain or loss on the derivative instrument is reported in other comprehensive income in the periods during which earnings are impacted by the variability of the cash flows of the hedged item. The ineffective portion of all hedges is recognized in current period earnings. As interest expense is accrued on the debt obligation, amounts in accumulated other comprehensive income (loss) related to the interest rate swaps are reclassified into income to obtain a net cost on the debt obligation equal to the effective yield of the fixed rate of each swap. In the event that an interest rate swap is terminated prior to maturity, gains or losses in accumulated other comprehensive income (loss) remain deferred and are reclassified into earnings in the periods during which the hedged forecasted transaction affects earnings.

The Company formally designates and documents instruments at inception that qualify for hedge accounting of underlying exposures in accordance with GAAP. Both at inception and for each reporting period, the Company assesses whether the financial instruments used in hedging transactions are effective in offsetting changes in cash flows of the related underlying exposure.

Foreign Currency Translation

Assets and liabilities of all foreign operations are translated at the rate of exchange in effect on the balance sheet date; income and expenses are translated at the average rates of exchange prevailing during the year. The related translation adjustments are reflected as accumulated other comprehensive income (loss) in equity.

Concentration of Labor

Approximately 18% of the Company's domestic labor force is covered under two union agreements. These agreements were successfully renegotiated during 2016 and expire in 2019.

Concentration of Credit Risk

At December 31, 2016, the Company had two customers whose receivable balances exceed 10% of total receivables. Approximately, 34% and 11% of the accounts receivable balance were from these two customers, respectively. At December 31, 2015, the Company had one customer whose receivable balance exceeded 10% of total receivables. Approximately, 35% of the Company's accounts receivable balance was from this customer.

Income Taxes

The Company uses the asset and liability method to account for deferred income taxes. Deferred tax assets and liabilities are recognized for the anticipated future tax consequences attributable to differences between financial statement amounts and their respective tax bases. Management reviews the Company's deferred tax assets to determine whether their value can be realized based upon available evidence. A valuation allowance is established if management believes it is more likely than not that some portion of the deferred tax assets will not be realized.

Changes in valuation allowances from period to period are included in the Company's tax provision in the period of change.

The Company recognizes a tax benefit associated with an uncertain tax position when the tax position is more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties accrued related to unrecognized tax uncertainties in income tax expense.

Asset Retirement Obligation

The Company estimates the future cost of dismantling, restoring, and reclaiming operating excavation sites and related facilities in accordance with federal, state, and local regulatory requirements. The Company records the initial estimated present value of reclamation costs as an asset retirement obligation and increases the carrying amount of the related asset by a corresponding amount. The Company allocates reclamation costs to expense over the life of the related assets and adjusts the related liability for changes resulting from the passage of time and revisions to either the timing or amount of the original present value estimate. If the asset retirement obligation is settled for more or less than the carrying amount of the liability, a loss or gain will be recognized, respectively.

(in thousands, except per share data)

Research and Development (“R&D”)

The Company’s research and development expenses consist of personnel and other direct and indirect costs for internally-funded project development. Total expenses for R&D for the years ended December 31, 2016, 2015, and 2014 were $3,703, $5,036, and $6,286, respectively. Total research and development expenditures represented 0.69%, 0.61%, and 0.46% of revenues in 2016, 2015, and 2014, respectively.

Change in Classification

For the year ended December 31, 2016, the Company changed the classification of certain operating expenses on the Consolidated Statements of Income (Loss). Previously, the Company classified expenses incurred related to the downturn in the proppant market as “restructuring and other charges.” The Company now further classifies these types of expenses between asset impairments and restructuring charges. All periods presented have been reclassified accordingly.

In the three months ended December 31, 2016, the Company changed the presentation of non-cash stock compensation expense on the Consolidated Statements of Income (Loss). The expenses were previously separately stated but are now included in selling, general, and administrative expenses. All periods presented have been reclassified accordingly.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) is a separate line within equity that reports the Company’s cumulative income that has not been reported as part of net income. Items that are included in this line are the income or loss from foreign currency translation, actuarial gains and losses and prior service cost related to pension liabilities, and the unrealized gains and losses on certain investments or hedges, net of taxes. The components of accumulated other comprehensive income (loss) attributable to Fairmount Santrol Holdings Inc. at December 31, 2016 and 2015 were as follows:

	December 31, 2016		
	Gross	Tax Effect	Net Amount
Foreign currency translation	$ (10,804)	$ 2,533	$ (8,271)
Additional pension liability	(3,589)	1,291	(2,298)
Unrealized gain (loss) on interest rate hedges	(13,146)	4,713	(8,433)
	$ (27,539)	**$ 8,537**	**$ (19,002)**

	December 31, 2015		
	Gross	Tax Effect	Net Amount
Foreign currency translation	$ (10,030)	$ 1,318	$ (8,712)
Additional pension liability	(4,014)	1,464	(2,550)
Unrealized gain (loss) on interest rate hedges	(10,128)	3,697	(6,431)
	$ (24,172)	**$ 6,479**	**$ (17,693)**

(in thousands, except per share data)

The following table presents the changes in accumulated other comprehensive income by component for the year ended December 31, 2016:

	Year Ended December 31, 2016			
	Foreign currency translation	Additional pension liability	Unrealized gain (loss) on interest rate hedges	Total
Beginning balance	$ (8,712)	$ (2,550)	$ (6,431)	$ (17,693)
Other comprehensive income (loss) before reclassifications	441	(14)	(6,238)	(5,811)
Amounts reclassified from accumulated other comprehensive income (loss)	-	266	4,236	4,502
Ending balance	**$ (8,271)**	**$ (2,298)**	**$ (8,433)**	**$ (19,002)**

The following table presents the reclassifications out of accumulated other comprehensive income during the year ended December 31, 2016:

Details about accumulated other comprehensive income	Amount reclassified from accumulated other comprehensive income	Affected line item on the statement of income
Change in fair value of derivative swap agreements		
Interest rate hedging contracts	$ 6,522	Interest expense
Tax effect	(2,286)	Tax expense (benefit)
	$ 4,236	**Net of tax**
Amortization of pension obligations		
Prior service cost	$ -	Cost of sales
Actuarial losses	265	Cost of sales
Curtailment	182	Cost of sales
	447	Total before tax
Tax effect	(181)	Tax expense
	266	Net of tax
Total reclassifications for the period	**$ 4,502**	**Net of tax**

3. Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-15, which requires an entity's management to evaluate conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued or within one year after the date that the financial statements are available to be issued. The ASU is effective for the annual period ending after December 15, 2016 and for annual and interim periods thereafter. Accordingly, the Company incorporated this guidance into its internal control over financial reporting beginning with this Annual Report on Form 10-K for the year ended December 31, 2016.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 – *Leases* (ASC 842), which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification.

Leases with a term of 12 months or less will be accoun ted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating l eases. The Update is expected to impact the Company's consolidated financial statements as the Company has certain operating and land lease arrangements for which it is the lessee. ASC 842 supersedes the previous leases standard, ASC 840 – *Leases* . The s tandard is effective on January 1, 2019, with early adoption permitted. The Company is in the process of evaluating the impact of this new guidance on its financial statements and disclosures.

In March 2016, the FASB issued ASU No. 2016-09 – *Compensation – Stock Compensation* (Topic 718), which provides guidance on simplified accounting for and presentation of share-based payment transactions, including income tax consequences, minimum tax withholding requirements, forfeitures, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The ASU requires all tax effects of share-based payments to be recorded through the income statement, windfall tax benefits to be recorded when the benefit arises, and all share-based payment tax-related cash flows to be reported as operating activities in the statement of cash flows. Regarding tax withholding requirements, the ASU allows entities to withhold an amount up to the employees' maximum individual tax rates without classifying the award as a liability. The ASU also permits entities to make an accounting policy election for the impact of forfeitures on expense recognition, either recognized when forfeitures are estimated or when forfeitures occur. The ASU is expected to impact the Company's financial statements and disclosures as the Company makes share-based payments to its employees. The ASU is effective beginning January 1, 2017, with early adoption permitted. The Company has elected to forgo early adoption and will be implementing and reporting according to this new guidance beginning with its Quarterly Report on Form 10-Q for the period ending March 31, 2017.

In April, May, and December 2016, the FASB issued ASU No. 2016-10 – *Revenue from Contracts with Customers – Identifying Performance Obligations and Licensing* , ASU No. 2016-11 – *Revenue Recognition and Derivatives and Hedging – Recession of SEC Guidance* , ASU No. 2016-12 – *Revenue from Contracts with Customers – Narrow-Scope Improvements and Practical Expedients,* and ASU No. 2016-20 – *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers* . These ASU's each affect the guidance of the new revenue recognition standard in ASU No. 2014-09 – *Revenue from Contracts with Customers* and related subsequent ASUs. This guidance is effective beginning January 1, 2018. The Company is in the process of reviewing its various customer contracts in both of its business segments with a combination of applicable sales, legal, and accounting personnel in order to accomplish the following:

- Identify separate performance obligations of the contract;
- Determine the transaction price of the contract;
- Allocate the transaction price to the performance obligations; and
- Recognize revenue when/as the performance obligation is satisfied.

This review is in discussion and data-gathering stages and, therefore, the effect of the new guidance on the Company's financial statements and disclosures is not yet readily determinable.

In August 2016, the FASB issued ASU No. 2016-15 – *Statement of Cash Flows – Classifications of Certain Cash Receipts and Cash Payments* (Topic 230). The ASU reduces diversity in the presentation and classification of certain cash receipts and payments in the statement of cash flows, namely debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies ("COLIs") [including bank-owned life insurance policies ("BOLIs")]; distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle. The guidance is effective beginning January 1, 2018, with early adoption permitted. The guidance is required to be applied retrospectively for periods presented. The Company has elected early adoption of this ASU and, accordingly, has applied this guidance to its Consolidated Statements of Cash Flows in this Annual Report on Form 10-K.

(in thousands, except per share data)

In O ctober 2016, the FASB issued ASU No. 2016-16 – *Income Taxes (Topic 740) – Intra-Entity Transfers of Assets other than Inventory* . The ASU indicates that an entity should recognize the income tax consequences of an intra-entity transfer of assets other than inventory when the transfer occurs. This ASU also eliminates the exception for an intra-entity transfer of an asset other than inventory. The guidance is effective beginning January 1, 2018, with early adoption permitted. The guidance is required to be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company is in the process of evaluating the impact of this new guidance on its financial sta tements and disclosures.

4. Inventories

At December 31, 2016 and 2015, inventories consisted of the following:

	December 31, 2016	December 31, 2015
Raw materials	$ 7,465	$ 10,145
Work-in-process	12,681	14,613
Finished goods	33,760	48,648
	53,906	73,406
Less: LIFO reserve	(1,256)	(2,912)
Inventories, net	**$ 52,650**	**$ 70,494**

5. Property, Plant, and Equipment

Please refer to Note 1 for further detail on the amendments to Note 5. At December 31, 2016 and 2015, property, plant, and equipment consisted of the following:

	December 31, 2016	December 31, 2015
Land and improvements	$ 82,991	$ 85,939
Mineral reserves and mine development	250,566	320,491
Machinery and equipment	577,093	565,682
Buildings and improvements	187,458	177,075
Furniture, fixtures, and other	3,415	3,604
Construction in progress	6,748	41,347
	1,108,271	1,194,138
Accumulated depletion and depreciation	(380,536)	(323,141)
Property, plant, and equipment, net	**$ 727,735**	**$ 870,997**

Under *ASC 360 Property, Plant, and Equipment* , the Company is required to evaluate the recoverability of the carrying amount of its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Based on the continuing adverse business conditions and the idling of certain assets, the Company evaluated certain of its asset groups that contained mineral reserves and other long-lived assets contained in the Proppant Solutions segment and concluded that the carrying amounts of those assets were not recoverable. Fair value was determined by prices obtained from third parties for the assets and from estimating the net present value of the future cash flows over the life of the assets. Using Level 3 inputs of the fair value hierarchy, critical assumptions for these valuations included future selling prices of products, future operating costs, and the cost of capital. The Company incurred $93,148, $18,230, and $0 of such asset impairments in the years ended December 31, 2016, 2015, and 2014, respectively. These impairments are recorded as asset impairments in operating expenses in the Consolidated Statements of Income (Loss).

(in thousands, except per share data)

6. Accrued Expenses

At December 31, 2016 and 2015, accrued expenses consisted of the following:

	December 31, 2016	December 31, 2015
Accrued payroll and fringe benefits	$ 10,554	$ 13,285
Contingent consideration	2,507	-
Accrued income taxes	421	1,042
Accrued real estate taxes	4,821	5,901
Other accrued expenses	7,882	6,557
Accrued expenses	**$ 26,185**	**$ 26,785**

7. Other Long-Term Liabilities

At December 31, 2016 and 2015, other long-term liabilities consisted of the following:

	December 31, 2016	December 31, 2015
Interest rate swaps	$ 14,488	$ 12,107
Accrued asset retirement obligations	5,249	4,288
Accrued compensation and benefits	11,579	11,752
Other	6,956	5,655
Other long-term liabilities	**$ 38,272**	**$ 33,802**

8. Goodwill and Other Intangible Assets

The following table summarizes the activity in goodwill for the years ended December 31, 2016 and 2015:

	Beginning Balance	Impairment	Currency Translation / Other	Ending Balance
Year Ended December 31, 2016:				
Proppant Solutions	$ -	$ -	$ -	$ -
Industrial & Recreational Products	15,301	-	-	15,301
Total goodwill	**$ 15,301**	**$ -**	**$ -**	**$ 15,301**
Year Ended December 31, 2015:				
Proppant Solutions	$ 68,216	$ (69,246)	$ 1,030	$ -
Industrial & Recreational Products	16,461	-	(1,160)	15,301
Total goodwill	**$ 84,677**	**$ (69,246)**	**$ (130)**	**$ 15,301**

Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company evaluates goodwill on an annual basis in the fourth quarter and also when management believes indicators of impairment exist. The Company performed a qualitative assessment of the I&R segment as of October 31, 2017 (the Company's annual valuation date) and determined the fair value of this segment was, more likely than not, greater than its carrying value. Based on the Company's assessment in 2015, the Company concluded that the goodwill attributable to the Proppant Solutions segment was fully impaired in the three months ended December 31, 2015 and recognized an impairment charge of $69,246 in that period.. The Company did not recognize any impairment losses for goodwill or other intangible assets in the year ended December 31, 2014. Currency translation and other relates to the impact of the change in foreign currency exchange rates from international entities on goodwill, an adjustment to the initial FTSI purchase price allocation from exercising an option to acquire an additional mining facility, and an adjustment recorded to goodwill related to the post-acquisition settlement of escrow proceeds. Goodwill on a certain property was originally recorded in the Proppant Solutions segment. When the property transitioned to

(in thousands, except per share data)

Industrial & Recreational Products usage, it was transferred to that segment. In 2015, th e property was idled and returned to the Proppant Solutions segment, where the write-off of goodwill related to that property was recorded.

Information regarding acquired intangible assets as of December 31, 2016 and 2015 is as follows:

	December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net
Acquired technology and patents	$ 60,115	$ -	$ 60,115
Supply agreement	50,700	(15,548)	35,152
Other intangible assets	573	(499)	74
Intangible assets	**$ 111,388**	**$ (16,047)**	**$ 95,341**

	December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net
Acquired technology and patents	$ 56,320	$ -	$ 56,320
Supply agreement	50,700	(11,154)	39,546
Other intangible assets	1,190	(574)	616
Intangible assets	**$ 108,210**	**$ (11,728)**	**$ 96,482**

Acquired technology represents technology acquired in the SSP acquisition. The carrying value of this asset represents its original cost, plus amounts owed to the seller as deferred purchase price. In 2016, the Company determined that it is probable an additional $3,794 will be due to the seller and has been recorded as additional purchase price. Of this additional purchase price, approximately $1,287 was paid during 2016 and the remaining $2,507 was accrued as of December 31, 2016. The Company has also determined that the proper period to begin the amortization of this intangible is January 1, 2017, which is the first period products using the SSP technology will be sold in a full commercial protocol. The Company considered the potential ranges of useful lives and believes a 20-year useful life for the intangible asset is appropriate. The Company's determination of the 20-year useful life of the intangible asset is based upon the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the Company.

The value of a supply agreement with FTSI is based on estimates of discounted future cash flows from sales under the agreement. During 2016, FTSI failed to purchase minimum quantities in accordance with the supply agreement. As a result, the Company considered whether the Proppant Solutions segment asset group, which includes the intangible asset, should be tested for recoverability. The significance of the events or changes in circumstances, however, did not indicate that the carrying amount of the Proppant Solutions segment asset group, that includes the above intangibles, was not recoverable. The supply agreement was previously amortized ratably over the life of the agreement, which was 10 years. However, in May 2015, the supply agreement was amended, extending the maturity date from September 2023 to December 2024. The supply agreement is now being amortized over the amended life.

Estimated future amortization expense related to intangible assets at December 31, 2016 is as follows:

	Amortization
2017	$ 7,463
2018	7,411
2019	7,400
2020	7,400
2021	7,400
Thereafter	58,267
Total	**$ 95,341**

(in thousands, except per share data)

9. Long-Term Debt

At December 31, 2016 and 2015, long-term debt consisted of the following:

	December 31, 2016	December 31, 2015
Term B-1 Loans	$ -	$ 156,134
Term B-2 Loans	719,632	902,402
Extended Term B-1 Loans	117,634	159,878
Industrial Revenue bond	10,000	10,000
Revolving credit facility and other	88	101
Capital leases, net	3,634	9,301
Deferred financing costs, net	(7,975)	(14,710)
	843,013	1,223,106
Less: current portion	(10,707)	(17,385)
Long-term debt including leases	**$ 832,306**	**$ 1,205,721**

ASU 2015-03 dictates that debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The "Deferred financing costs, net" line in the table above is the application of this guidance. For December 31, 2016 and 2015, the Company's Revolving Credit Facility does not have an outstanding balance and, accordingly, its related deferred financing costs are not included in this line.

On September 5, 2013, the Company entered into the Second Amended and Restated Credit Agreement (the "2013 Amended Credit Agreement"). The 2013 Amended Credit Agreement initially contained a revolving credit facility ("Revolving Credit Facility") and two tranches of term loans, a term B-1 facility ("Term B-1 Loans") and a term B-2 facility ("Term B-2 Loans"). The Revolving Credit Facility and the Term B-1 and B-2 Loans are secured by a first priority lien on substantially all of the Company's domestic assets.

On September 30, 2015, the Company entered into an amendment to the 2013 Amended Credit Agreement that modified the Revolving Credit Facility. These modifications consisted primarily of (i) a reduction in the U.S. revolving commitments from $124,000 to $99,000 (while the aggregate Canadian revolving commitment remained at $1,000) and (ii) changes in the financial covenant governing the availability of amounts under the Revolving Credit Facility if, and only if, the Company has drawn, including letters of credit, more than $31,250 on the Revolving Credit Facility. Generally, if the Company's leverage ratio is greater than 4.75:1.00 during the period from the third quarter of 2015 through the fourth quarter of 2016, so long as the stated quarterly adjusted EBITDA thresholds are exceeded, the amount available to borrow under the Revolving Credit Facility is increased from $31,250 to $40,000. Commencing with the end of the first quarter of 2017, the quarterly adjusted EBITDA thresholds are discontinued and the full amount of the revolving commitment ($100,000) is available so long as the Company's leverage ratio does not exceed a revised limit (6.50:1.00 for the first quarter of 2017 declining quarterly to 4.75:1.00 for the fourth quarter of 2017). The Revolving Credit Facility termination date is September 6, 2018.

On April 28, 2016, the Company entered into an amendment to the 2013 Amended Credit Agreement that extended the maturity of certain of the Term B-1 Loans to July 15, 2018 (the "2016 Extended Term Loans"). The Company made a prepayment of accrued interest of $227 and principal of $69,580 on April 28, 2016 to the lenders consenting to the amendment. Accrued interest on the extended remainder of the Term B-1 Loans was due at maturity on July 15, 2018. Accrued interest related to the $16,723 principal payment due on March 17, 2017 was also due on the same date.

On October 17, 2016, the Company repurchased $3,000 of the Extended Term B-1 Loans at 91.5% of par. On November 17, 2016, the Company fully prepaid the $16,766 of the Term B-1 Loans due March 2017 as well as the $69,580 of the 2016 Extended Term Loans. On November 29, 2016, the Company repurchased, at an average of 96.3% of par, $37,867 of the Extended Term B-1 Loans and $175,133 of the Term B-2 Loans. The related gain on the October 2016 debt repurchase and the November 2016 debt repurchase was recorded in operating expense.

(in thousands, except per share data)

As of December 31, 2016, the Term B-2 Loans, Extended Term B-1 Loans, and the Revolving Credit Facility had interest rates of 4.5%, 4.5%, and 4.3%, respectively.

As of December 31, 2016, there was $17,432 available capacity remaining on the Revolving Credit Facility and $13,818 committed to outstanding letters of credit. As of December 31, 2016, the Company has not drawn on the Revolving Credit Facility.

The Company has a $10,000 Industrial Revenue Bond outstanding related to the construction of manufacturing facility in Wisconsin. The bond bears interest, which is payable monthly, at a variable rate. The rate was 0.80% at December 31, 2016. The bond matures on September 1, 2027 and is collateralized by a letter of credit of $10,000.

Maturities of long-term debt are as follows:

	Capital Lease Obligations				
	Lease Payment	Less Interest	Present Value	Other Long-Term Debt	Total Principal Payments
Year Ended:					
2017	$ 2,866	$ 82	$ 2,784	$ 8,006	$ 10,790
2018	685	16	669	8,007	8,676
2019	183	2	181	821,303	821,484
2020	-	-	-	19	19
2021	-	-	-	19	19
Thereafter	-	-	-	10,000	10,000
	$ 3,734	**$ 100**	**$ 3,634**	**$ 847,354**	**$ 850,988**

Information pertaining to assets and related accumulated depreciation in the balance sheet for capital lease items is as follows:

	December 31, 2016	December 31, 2015
Cost	$ 18,350	$ 22,684
Accumulated depreciation	(10,994)	(8,812)
Net book value	**$ 7,356**	**$ 13,872**

10. Earnings (Loss) per Share

The table below shows the computation of basic and diluted earnings per share for the years ended December 31, 2016, 2015, and 2014:

	Year Ended December 31,		
	2016	2015	2014
Numerator:			
Net income (loss) attributable to Fairmount Santrol Holdings Inc.	$ (140,192)	$ (92,135)	$ 170,450
Denominator:			
Basic weighted average shares outstanding	179,429	161,297	157,950
Dilutive effect of employee stock options, RSUs, and PRSUs	-	-	8,327
Diluted weighted average shares outstanding	179,429	161,297	166,277
Earnings (loss) per common share - basic	$ (0.78)	$ (0.57)	$ 1.08
Earnings (loss) per common share - diluted	$ (0.78)	$ (0.57)	$ 1.03

(in thousands, except per share data)

Because the Company experienced a loss in the years ended December 31, 2016 and 2015, the calculation of diluted weighted average shares outstanding is not appropriate because the effect of including these potential common shares would be antidilutive. Th e calculation of diluted weighted average shares outstanding for the year ended December 31, 2014 excludes 715,068 potential common shares because the effect of including these potential common shares would be antidilutive.

As of December 31, 2016, the amount of outstanding options, RSUs, and PRSUs are 13,598, 1,459, and 458, respectively.

11. Derivative Instruments

The Company enters into interest rate swap agreements as a means to partially hedge its variable interest rate risk on debt instruments. The current notional value of these swap agreements is $525,225, which represents approximately 63% of term debt outstanding at December 31, 2016 and effectively fixes the variable rate in a range of 0.83% to 3.115% for the portion of the debt that is hedged. The interest rate swap agreements mature at various dates between March 15, 2017 and September 5, 2019.

The derivative instruments are recorded on the balance sheet at their fair values. Changes in the fair value of derivatives are recorded each period in current earnings or in other comprehensive income, depending on whether a derivative is designated as part of a hedging relationship and, if it is, depending on the type of hedging relationship. For cash flow hedges in which the Company is hedging the variability of cash flows related to a variable-rate liability, the effective portion of the gain or loss on the derivative instrument is reported in other comprehensive income in the periods during which earnings are impacted by the variability of the cash flows of the hedged item. The ineffective portion of all hedges is recognized in current period earnings. As interest expense is accrued on the debt obligation, amounts in accumulated other comprehensive income (loss) related to the interest rate swaps are reclassified into income to obtain a net cost on the debt obligation equal to the effective yield of the fixed rate of each swap. In the event that an interest rate swap is terminated prior to maturity, gains or losses in accumulated other comprehensive income (loss) remain deferred and are reclassified into earnings in the periods in which the hedged forecasted transaction affects earnings.

The Company formally designates and documents instruments at inception that qualify for hedge accounting of underlying exposures in accordance with GAAP. Both at inception and for each reporting period, the Company assesses whether the financial instruments used in hedging transactions are effective in offsetting changes in cash flows of the related underlying exposure.

The following table summarizes the fair values and the respective classification in the Consolidated Balance Sheets as of December 31, 2016 and 2015:

		Assets (Liabilities)	
Interest Rate Swap Agreements	**Balance Sheet Classification**	**December 31, 2016**	**December 31, 2015**
Designated as cash flow hedges	Other long-term liabilities	$ (14,488)	$ (12,107)
Designated as cash flow hedges	Other assets	39	118
		$ (14,449)	**$ (11,989)**

In order to represent the ineffective portion of interest rate swap agreements designated as hedges, the Company recognized in interest expense the following in the years ended December 31, 2016, 2015, and 2014, respectively:

Derivatives in ASC 815-20 Cash Flow Hedging Relationships	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Year Ended December 31, 2016	2015	2014
Interest rate swap agreements	Interest expense (income)	$ (7)	$ (51)	$ 21
		$ (7)	**$ (51)**	**$ 21**

(in thousands, except per share data)

The Company expects $6,821 to be reclassified from accumulated other comprehensive income (loss) into interest expense wi thin the next twelve months.

12. Fair Value Measurements

Financial instruments held by the Company include cash equivalents, accounts receivable, accounts payable, long-term debt (including the current portion thereof) and interest rate swaps. The Company is also liable for contingent consideration from the SSP acquisition that is subject to fair value measurement. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. In determining fair value, the Company utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique.

Based on the examination of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities at fair value will be classified and disclosed in one of the following three categories:

Level 1 Quoted market prices in active markets for identical assets or liabilities

Level 2 Observable market based inputs or unobservable inputs that are corroborated by market data

Level 3 Unobservable inputs that are not corroborated by market data

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying value of cash equivalents, accounts receivable and accounts payable are considered to be representative of their fair values because of their short maturities. The carrying value of the Company's long-term debt (including the current portion thereof) is recognized at amortized cost. The fair value of the Extended Term B-1 Loans and the Term B-2 Loans differs from amortized costs and is valued at prices obtained from a readily-available source for trading non-public debt, which represent quoted prices for identical or similar assets in markets that are not active, and therefore is considered Level 2. The following table presents the fair value as of December 31, 2016 and 2015, respectively, for the Company's long-term debt:

Long-Term Debt Fair Value Measurements	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
December 31, 2016				
Term B-2 Loans	-	699,683	-	699,683
Extended Term B-1 Loans	-	114,308	-	114,308
	$ -	**$ 813,991**	**$ -**	**$ 813,991**
December 31, 2015				
Term B-1 Loans	$ -	$ 106,360	$ -	$ 106,360
Term B-2 Loans	-	443,580	-	443,580
Extended Term B-1 Loans	-	76,922	-	76,922
	$ -	**$ 626,862**	**$ -**	**$ 626,862**

(in thousands, except per share data)

The following table presents the amounts carried at fair value as of December 31, 2016 and 2015 for the Company's other financial instruments. Fair va lue of interest rate swap agreements in based on the present value of the expected future cash flows, considering the risks involved, and using discount rates appropriate for the maturity date. These are determined using Level 2 inputs.

Recurring Fair Value Measurements	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
December 31, 2016				
Interest rate swap agreements	$ -	$ (14,449)	$ -	$ (14,449)
	$ -	**$ (14,449)**	**$ -**	**$ (14,449)**
December 31, 2015				
Interest rate swap agreements	$ -	$ (11,989)	$ -	$ (11,989)
	$ -	**$ (11,989)**	**$ -**	**$ (11,989)**

13. Income Taxes

Income (loss) before provision (benefit) for income taxes includes the following components:

	2016	2015	2014
United States	$ (237,486)	$ (94,746)	$ 238,332
Foreign	(2,080)	877	9,704
Total	**$ (239,566)**	**$ (93,869)**	**$ 248,036**

The components of the provision (benefit) for income taxes are as follows:

	2016	2015	2014
Federal	$ (19,056)	$ (23,515)	$ 30,656
State and local	674	359	3,754
Foreign	907	1,396	5,193
Subtotal	**(17,475)**	**(21,760)**	**39,603**
Change in deferred taxes	(81,966)	19,821	37,810
Total	**$ (99,441)**	**$ (1,939)**	**$ 77,413**

(in thousands, except per share data)

The effective tax rate for 2014 was a provision on income, while 2016 and 2015 were provisions on losses. A reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows:

	2016	2015	2014
U.S. statutory rate	35.0%	35.0%	35.0%
Increase (decrease) resulting from:			
State income taxes, net	1.5	0.2	1.2
Foreign tax rate differential and adjustment	(0.1)	0.1	0.6
U.S. statutory depletion	3.7	9.7	(5.8)
Manufacturers' deduction	(0.1)	(4.0)	(0.9)
Unremitted foreign earnings	0.2	(4.1)	0.0
Goodwill impairment	0.0	(6.2)	0.0
Valuation allowance	(4.4)	(27.6)	0.5
Loss carryback	6.6	0.0	0.0
Other items, net	(0.9)	(1.0)	0.6
Effective rate	**41.5%**	**2.1%**	**31.2%**

The difference between the statutory U.S. tax rate and the Company's effective tax rate in 2016 is principally due to the benefit from a loss carryback; an increase in the valuation allowance primarily related to federal and state net operating loss carryforwards; and tax depletion. The difference between the statutory U.S. tax rate and the Company's effective tax rate in 2015 is due to the accrual of deferred taxes on the cumulative amount of foreign undistributed earnings resulting from a change in the Company's indefinite reinvestment assertion; an increase in the valuation allowance primarily related to U.S. alternative minimum tax credits and U.S. research credits; a goodwill impairment charge for which the Company could not record an income tax benefit; tax depletion; and the manufacturers' deduction. The difference between the statutory U.S. tax rate and the Company's effective tax rate in 2014 is primarily due to tax depletion and nondeductible expenses.

(in thousands, except per share data)

Significant components of deferred tax assets and li abilities as of December 31, 2016 and 2015 are as follows:

	2016	2015
Deferred tax assets		
Accrued liabilities	$ 2,771	$ 1,088
Inventory	775	3,168
Stock compensation	18,784	19,213
Deferred compensation	1,039	1,161
Interest rate derivatives	5,189	4,373
Pension	3,210	3,425
Intangibles	11,401	13,791
Foreign tax credit carryforwards	1,662	1,196
Alternative minimum tax credit carryforwards	6,509	24,463
Research and experimentation tax credit carryforwards	540	971
Net operating loss carryforwards	72,901	965
Other assets	1,985	2,027
Total deferred tax assets before valuation allowance	**126,766**	**75,841**
Valuation allowance	(21,959)	(27,230)
Total deferred tax assets after valuation allowance	**104,807**	**48,611**
Deferred tax liabilities		
Property, plant, and equipment	(107,089)	(131,278)
Unremitted foreign earnings	(905)	(2,553)
Other liabilities	(2,626)	(3,515)
Total deferred tax liabilities	**(110,620)**	**(137,346)**
Net deferred tax assets (liabilities)	**$ (5,813)**	**$ (88,735)**

Total deferred assets before valuation allowance in the table above does not include a deferred tax asset of $4,249 relating to unrealized stock compensation deductions.

As of December 31, 2016 and 2015, the Company had deferred tax assets relating to U.S. alternative minimum tax credit carryforwards of $6,509 and $24,463, respectively, foreign tax credit carryforwards of $1,662 and $1,196, respectively, research and experimentation tax credit carryforwards of $540 and $971, respectively, federal net operating loss carryforwards of $72,119 and $0, respectively, state net operating loss carryforwards of $4,468 and $965, respectively, and foreign net operating loss carryforwards $921 and $0, respectively. The U.S. alternative minimum tax credit carryforwards have an indefinite carryforward period. The foreign tax credit carryforwards will expire in 2024. The research and development tax credit carryforwards and federal net operating loss carryforwards expire between 2034 and 2036. A majority of the state net operating loss carryforwards expire between 2028 and 2036, while the foreign net operating loss carryforwards expire between 2021 and 2036. The Company has provided a valuation allowance to reduce the carrying value of certain of these deferred tax assets, as management has concluded that, based on available evidence, it is more likely than not that the deferred tax assets will not be fully realized.

In 2015, as a result of the economic downturn and the Company's upcoming debt service requirements, the Company withdrew its indefinite reinvestment assertion for foreign subsidiaries' unremitted earnings. In 2016 and 2015, the Company provided deferred taxes of $905 and $2,553, respectively, representing the amount of the expected residual U.S. tax that will be payable upon repatriation of unremitted foreign earnings.

(in thousands, except per share data)

The Company or its subsidiaries file income tax returns in the United States, Canada, China, Mexico, and Denmark. The Company is subject to i ncome tax examinations for its U.S. Federal income taxes for the preceding three fiscal years and, in general, is subject to state and local income tax examinations for the same periods. The Company is currently under examination by the Internal Revenue S ervice for the periods related to 2013 and 2015. The Company has tax years that remain open and subject to examination by tax authorities in the following major taxing jurisdictions: Canada for years after 2011, Mexico for years after 2010, and China and Denmark for years after 2012.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2016	2015	2014
Unrecognized tax benefits balance - January 1	$ 5,200	$ 5,327	$ 3,038
Increases (decreases) for tax positions in prior years	(2,685)	(222)	2,201
Increases (decreases) for tax positions in current year	503	95	88
Unrecognized tax benefits balance - December 31	**$ 3,018**	**$ 5,200**	**$ 5,327**

Interest and penalty amounts previously included in the reconciliation have been removed.

At December 31, 2016 and 2015, the Company had $3,018 and $5,200, respectively, of unrecognized tax benefits. If the $3,018 were recognized, $1,708 would affect the effective tax rate. Interest and penalties are recorded in provision for income taxes. At December 31, 2016 and 2015, the Company had $1,827 and $1,752, respectively, of accrued interest and penalties related to unrecognized tax benefits recorded.

14. Common Stock and Stock-Based Compensation

The Company has a single class of par value $0.01 per share common stock. Each share of common stock has identical rights and privileges and is entitled to one vote per share. The Company has authorized, but not issued, a single class of par value $0.01 per share preferred stock.

The Company has several stock plans that allow for granting of options to acquire common shares to employees and key non-employees. As of December 31, 2013, the plans consisted of the FML Holdings, Inc. Non-Qualified Stock Option Plan (the “1997 Plan”), the Long Term Incentive Compensation Plan (the “2006 Plan”), and the FML Holdings, Inc. Stock Option Plan (the “2010 Plan”). At December 31, 2014, the 1997 Plan, the 2006 Plan, and the 2010 Plan were still in existence, and a new plan, the FMSA Holdings Inc. 2014 Long Term Incentive Plan (the “LTIP”) was added as of September 11, 2014. The LTIP authorized and issued both non-qualified stock options as well as restricted stock units (“RSUs”) and performance restricted stock units (“PRSUs”). The Company modified the LTIP to allow retirement-eligible participants (defined as age 55, plus 10 years of service) to continue to vest in options following retirement, and also allow retired participant to exercise options for up to 10 years from grant date.

For all stock plans, the options are exercisable for a ten year period. Options are exercisable at times determined by the compensation committee of the Company and, as set forth in each individual option agreement. The options may become exercisable over a period of years or become exercisable only if performance or other goals set by the Board are attained, or may be a combination of both. Options may be exercised, in whole or in part, at any time after becoming exercisable, but not later than the date the option expires, which is typically 10 years from the grant date. Options granted after 2009 contain a 7-year vesting period that may be shortened to five years upon attainment of certain Company performance, except for stock issued under the LTIP Plan, which has a 5-year vesting period that may be shortened to three years upon attainment of certain Company performance goals as determined by the compensation committee. The stock plans also contain a change in control provision that provides for immediate vesting upon certain changes of ownership of the company. All options granted prior to 2010 are fully vested. RSUs granted under the LTIP in 2015 vest after a 6-year period and vesting can be accelerated to four years upon attainment of certain Company performance goals as determined by the compensation committee. Options granted under the LTIP in 2016 vest ratably over a 3-year period. RSUs granted under the LTIP in 2016 vest ratably over a

(in thousands, except per share data)

4-year period. PRSUs granted under the LTIP in 2016 cliff vest after a 3-year period and can be accelerated upon at tainment of certain Company performance goals as determined by the compensation committee.

The weighted-average fair value of RSUs granted during the years ended December 31, 2016 and 2015 was $2.42 and $8.80, respectively, based on the closing price of the underlying share as of the grant date. The weighted-average fair value of PRSUs granted during the year ended December 31, 2016 was $2.27. The weighted-average fair value of options granted during the years ended December 31, 2016, 2015, and 2014 was $2.24, $8.79, and $8.49, respectively, based on the Black-Scholes-Merton options-pricing model, with the following assumptions:

	2016	2015	2014
Dividend yield	0.00%	0.00%	0.00%
Expected volatility	97.47%	45.61%	48.72%
Risk-free interest rate	1.26 - 1.47%	1.65 - 2.03%	1.94 - 2.03%
Expected option life	6.0 years	6.5 years	6.5 years

The Company has no current plans to declare a dividend that would require a dividend yield assumption other than zero. For the years ended December 31, 2015 and 2014, expected volatility was based on the volatilities of various comparable companies' common stock. Although the Company has been publicly traded since October 3, 2014, the Company previously did not believe the expected volatility of options could be computed based solely on the price of the Company's common stock. The comparable companies were selected by analyzing public companies in the industry based on various factors including, but not limited to, company size, financial data availability, active trading volume, and capital structure. For the year ended December 31, 2016, the Company concluded two full years of public trading of its common stock and, therefore, expected volatility is based on the price of its common stock. The risk-free interest rate is an interpolated rate from the U.S. constant maturity treasury rate for a term corresponding to the expected option life. However, because the Company has little recent historical data to provide a reasonable basis to estimate the expected life of the options, the Company uses the simplified method, which assumes the expected life is the mid-point between the vesting date and the end of the contractual term.

In determining the underlying value of the Company's stock prior to the commencement of public trading on October 3, 2014, the company used a combination of the guideline company approach and a discounted cash flow analysis. The key assumptions in this estimate include management's projections of future cash flows, the Company-specific cost of capital used as a discount rate, lack of marketability discount, and qualitative factors to compare the Company to comparable guideline companies. Following the Company's IPO on October 3, 2014, the shares were valued at the closing price as of the date of issuance.

(in thousands, except per share data)

The Company recorded $8,870, $4,525, and $16,571 of stock compensation expense related to these options, RSUs, and PRSUs for the years ended December 31, 2016, 2015, and 2014, respectively. The 2016 stock compensation expense includes approximately $2,135 related to the modification of the retirement p rovisions of the LTIP. Stock compensation expense is included in selling, general, and administrative expenses on the Consolidated Statements of Income (Loss) and in additional paid-in capital on the Consolidated Balance Sheets.

Option activity during 2016 is as follows:

	Options	Weighted Average Exercise Price, Options	Restricted Stock Units	Weighted Average Price at RSU Issue Date	Performance Restricted Stock Units	Weighted Average Price at PRSU Issue Date
Outstanding at December 31, 2015	**16,277**	**$ 6.28**	**579**	**$ 10.45**	**-**	**$ -**
Granted	1,740	2.24	1,025	2.42	481	2.27
Exercised	(3,071)	2.10	(14)	8.83	-	-
Forfeited	(633)	8.61	(113)	6.82	(23)	2.04
Expired	(715)	8.81	(18)	6.82	-	-
Outstanding at December 31, 2016	**13,598**	**$ 6.45**	**1,459**	**$ 5.10**	**458**	**$ 2.28**
Exercisable at December 31, 2016	**7,133**	**$ 5.03**	**-**	**$ -**	**-**	**$ -**

Options outstanding as of December 31, 2016 and 2015, respectively, have an aggregate intrinsic value of $80,510 and $4,129 and a weighted average remaining contractual life of 5.6 years and 5.7 years. Options that are exercisable as of December 31, 2016 and 2015, respectively, have an aggregate intrinsic value of $50,492 and $4,129 and a weighted average remaining contractual life of 4.0 years and 4.6 years. The aggregate intrinsic value represents the difference between the fair value of the Company's shares of $11.79 and $2.35 per share at December 31, 2016 and 2015, respectively, and the exercise price of the dilutive options, multiplied by the number of dilutive options outstanding at that date.

The aggregate intrinsic value of stock options exercised during the years ended December 31, 2016, 2015, and 2014 was $17,992, $1,839, and $51,410, respectively.

Net cash proceeds from the exercise of stock options were $6,438, $1,767, and $6,540 in the years ended December 31, 2016, 2015, and 2014, respectively.

There was $6,423, $656, and $16,143 of income tax benefits realized from stock option exercises in the years ended December 31, 2016, 2015, and 2014, respectively.

At December 31, 2016, options to purchase 13,598 common shares were outstanding at a range of exercise prices of $1.43 to $20.52 per share. At December 31, 2015, options to purchase 16,277 common shares were outstanding at a range of exercise prices of $1.43 to $20.52 per share. As of December 31, 2016, $16,735 of unrecognized compensation cost related to non-vested stock options, RSUs, and PRSUs is expected to be recognized over a weighted-average period of approximately 3.2, 3.4, and 2.2 remaining years, respectively. As of December 31, 2015, $17,272 of unrecognized compensation cost related to non-vested stock options and RSUs is expected to be recognized over a weighted-average period of approximately 4.2 remaining years.

On July 26, 2016, the Company completed a public offering of 25,000 shares of its common stock. In addition, the underwriters completed their exercise of an overallotment option on July 28, 2016 to sell an additional 3,750 shares (collectively, the "July 2016 offering"). Cash proceeds received by the Company for the 28,750 shares sold were approximately $161,000, net of underwriting commissions and offering expenses. On October 25, 2016, the Company completed a public offering of 30,250 shares of its common stock (the "October 2016 offering"). Cash proceeds received by the Company for the shares sold were approximately $277,000, net of underwriting commissions and offering expenses.

(in thousands, except per share data)

The Company used a substantial portion of the proceeds from these offerings to pay down or repurchase its Term Loans and the balance will be used fo r general corporate purposes, which include, but are not limited to, working capital, further repayment, redemption or refinancing of debt and leases, capital expenditures, investments in or loans to subsidiaries and joint ventures, and satisfaction of oth er obligations. See Note 9 for further detail.

15. Defined Benefit Plans

The Company maintains two defined benefit pension plans, the Wedron pension plan and the Troy Grove pension plan, covering union employees at certain facilities that provide benefits based upon years of service or a combination of employee earnings and length of service.

The following assumptions were used to determine the Company's obligations under the plans:

	Wedron Pension		Troy Grove Pension	
	2016	**2015**	**2016**	**2015**
Discount rate	4.00%	3.75%	4.25%	4.00%
Long-term rate of return on plan assets	7.40%	7.50%	7.40%	7.50%

The difference in the discount rates used for the Wedron Pension and the Troy Grove Pension is due to the differing characteristics of the two plans, including employee characteristics and plan size. The Company uses a cash flow matching approach to determine its discount rate using each plan's projected cash flows and the BPS&M yield curve.

The long term rate of return on assets is based on management's estimate of future long term rates of return on similar assets and is consistent with historical returns on such assets.

The written investment policy for the pension plans includes a target allocation of about 70% in equities and 30% in fixed income investments. Only high-quality diversified securities similar to stocks and bonds are used. Higher-risk securities or strategies (such as derivatives) are not currently used but could be used incidentally by mutual funds held by the plan. The pension plans' obligations are long-term in nature and the investment policy is therefore focused on the long-term. Goals include achieving gross returns at least equal to relevant indices. Management and the plans' investment advisor regularly review and discuss investment performance, adherence to the written investment policy, and the investment policy itself.

(in thousands, except per share data)

Benefits under the Wedron plan were frozen effective December 31, 2012. Benefit under the Troy Grove plan were frozen effective December 31, 2016. During 2016, the Troy Grove plan was amended to allow unreduced retirement benefits for certain plan participants. The $181 impact of this amendment is recognized in expense in 2016. The plans were underfunded by $2,096 and $2,199 as of December 31, 2016 and 2015, respectively, as shown below:

	2016	2015
Change in benefit obligation		
Benefit obligation at beginning of year	$ 8,812	$ 9,146
Service cost	84	108
Interest cost	348	340
Actuarial (gain) loss	(82)	(525)
Benefit payments	(276)	(257)
Plan amendments	181	-
Benefit obligation at end of year	**$ 9,067**	**$ 8,812**
Change in plan assets		
Fair value of plan assets at beginning of year	$ 6,613	$ 6,897
Actual return on plan assets	558	(90)
Employer contributions	76	63
Benefit payments	(276)	(257)
Fair value of plan assets at end of year	**$ 6,971**	**$ 6,613**
Accrued benefit cost	**$ (2,096)**	**$ (2,199)**

The accrued benefit cost is included in the Consolidated Balance Sheets in other long-term liabilities.

The following relates to the defined benefit plans for the years ended December 31, 2016, 2015, and 2014, respectively:

	Year Ended December 31,		
	2016	2015	2014
Components of net periodic benefit cost			
Service cost	$ 84	$ 108	$ 74
Interest cost	348	340	332
Expected return on plan assets	(480)	(508)	(585)
Amortization of prior service cost	-	16	19
Amortization of net actuarial loss	265	280	159
Curtailment	182	-	-
Net periodic benefit cost	**$ 399**	**$ 236**	**$ (1)**

	Year Ended December 31,		
	2016	2015	2014
Changes in other comprehensive income (loss)			
Net actuarial gain (loss)	$ 158	$ (75)	$ (1,699)
Amortization of prior service cost	-	16	16
Amortization of net actuarial loss	265	280	164
Curtailment	182	-	-
Deferred tax asset	(180)	(124)	569
Other comprehensive income (loss)	**$ 425**	**$ 97**	**$ (950)**

(in thousands, except per share data)

Pension expense for such plans totaled $399 and $236 for the years ended December 31, 2016 and 2015, respectively. Pension income for such plans totaled $1 for the year ended December 31, 2014.
Expected contributions into the plans for the year ended December 31, 2017 are $69.

The net actuarial loss and prior service cost that the Company expects will be amortized from accumulated other comprehensive loss into periodic benefit cost in the year ending December 31, 2016 are $237 and $0, respectively.

Benefits expected to be paid out over the next ten years:

Year Ending	Benefit Payment
2017	$ 356
2018	395
2019	426
2020	458
2021	481
2022-2026	2,653

Fair value measurements for assets held in the benefit plans as of December 31, 2016 are as follows:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Balance at December 31, 2016
Cash	$ 60	$ -	$ -	$ 60
Fixed income	1,860	-	-	1,860
Mutual funds	5,051	-	-	5,051
	$ 6,971	**$ -**	**$ -**	**$ 6,971**

16. Other Benefit Plans

The Company previously participated in a multiemployer defined benefit pension plan. The Company withdrew from the plan in October 2015 and has recorded a liability of $9,283 as of December 31, 2016, which is payable in annual installments until November 2035.

The Company has a defined contribution plan (401(k) Plan) covering substantially all employees. Under the provisions of the 401(k) Plan, the Company matches 50% of the first 5% of each employee's contribution into the 401(k) Plan. Company match contributions were $1,231, $1,191, and $1,179, for the years ended December 31, 2016, 2015, and 2014, respectively. Included in these contributions are Company contributions to the 401(k) Plan for Wedron Silica union members, which were $365, $352, and $315 for the years ended December 31, 2016, 2015, and 2014 respectively.

The Company may, at its discretion, make additional contributions, which are determined in part based on the Company's return on investable assets, to the Plan. There were no discretionary contributions accrued at December 31, 2016. Participant accounts in the 401(k) Plan held 5,947 of common stock shares of the Company as of December 31, 2016. Discretionary contributions accrued at December 31, 2015 were $1,223. Participant accounts in the 401(k) Plan held 6,434 of common stock shares of the Company as of December 31, 2015.

Effective January 1, 1999, the Company adopted a Supplemental Executive Retirement Plan (SERP) for certain employees who participate in the Company's 401(k) Plan and/or the Employee Stock Bonus Plan (ESBP). The purpose of the SERP is to provide an opportunity for the participants of the SERP to defer compensation and to receive their pro rata share of former ESBP contributions. Due to income restrictions imposed by the IRS code, such contributions were formerly made to the ESBP but, in some instances, were forfeited by these employees to the remaining ESBP participant accounts. Accrued Company contributions to the SERP were $0 and $60 for the years ended December 31, 2016 and 2015, respectively.

(in thousands, except per share data)

The Company has deferred compensation agreements with various management employees that provide for supplemental payments upon retirement. These amounts are being accrued for over the estimated employment periods of these individuals.

17. Self-Insured Plans

Certain subsidiaries, located in Illinois and Michigan, are self-insured for workers' compensation up to $1,000 per occurrence and $3,000 in the aggregate. In July 2016, the Company moved the Michigan self-insured plan over to the Company's group captive insurance company. The Company has an accrued liability of $180 and $463 as of December 31, 2016 and 2015, respectively, for anticipated future payments on claims incurred to date. Management believes these amounts are adequate to cover all required payments.

The Company is also self-insured for medical benefits. The Company has an accrued liability of $3,055 and $4,048 as of December 31, 2016 and 2015, respectively, for anticipated future payments on claims incurred to date. Management believes this amount is adequate to cover all required payments.

18. Commitments and Contingencies

The Company has entered into numerous mineral rights agreements, in which payments under the agreements are expensed as incurred. Certain agreements require annual payments while other agreements require payments based upon annual tons mined and others a combination thereof. Total royalty expense associated with these agreements was $1,429, $1,899, and $3,786 for the years ended December 31, 2016, 2015, and 2014, respectively.

The Company leases certain machinery, equipment (including railcars), buildings, and office space under operating lease arrangements. Total rent expense associated with these leases was $63,997, $67,745, and $56,247 for the years ended December 31, 2016, 2015, and 2014, respectively.

Minimum lease payments, primarily for railcars, equipment, and office leases, due under the long-term operating lease obligations are shown below. The table below includes railcar leases, which comprise substantially all of the Company's equipment lease obligations, as well as purchase commitments for guaranteed minimum payments for certain third party terminal operators:

	Equipment	Real Estate	Total
2017	$ 38,943	$ 10,018	$ 48,961
2018	37,113	8,049	45,162
2019	35,674	7,250	42,924
2020	28,395	6,706	35,101
2021	28,249	4,810	33,059
Thereafter	88,183	7,014	95,197
Total	**$ 256,557**	**$ 43,847**	**$ 300,404**

The Company is subject to a contingent consideration arrangement related to the purchase of Self-Suspending Proppant LLC ("SSP"), which was accounted for as an acquisition of a group of assets. The contingent consideration is based on a fixed percentage of the cumulative product margin, less certain adjustments, generated by sales of Propel SSP and other products incorporating SSP technology for the five years commencing on October 1, 2015. The Company entered into an amendmen t to this agreement on December 17, 2015. This amendment (a) extends the period during which the aggregate earnout payments must equal or exceed $45,000 from the two-year period ending October 1, 2017 until the three-year period ending October 1, 2018; an d (b) provides that the aggregate earnout payments during the two-year period ending October 1, 2017 must equal or exceed $15,000 and granted the Seller a security interest in 51% of the equity interests in the Company to secure such $15,000. The amendmen t does not alter the final threshold earnout amount, which continues to be $195,000 (inclusive of the $45,000 payment, if any) by October 1, 2020. The contingent consideration is accrued and capitalized as part of the cost of the SSP assets at the time a payment is probable and reasonably estimable. Accordingly, the Company accrued and capitalized $3,794 in the year ended December 31, 2016.

Certain subsidiaries are defendants in lawsuits in which the alleged injuries are claimed to be silicosis-related and to have resulted, in whole or in part, from exposure to silica-containing products, allegedly including those sold by certain subsidiaries. In the majority of cases, there are numerous other defendants. In accordance with its insurance obligations, the defense of these actions has been tendered to and the cases are being defended by the subsidiaries' insurance carriers. Management believes that the Company's substantial level of existing and available insurance coverage combined with various open indemnities is more than sufficient to cover any exposure to silicosis-related expenses. An estimate of the possible loss, if any, cannot be made at this time.

In December 2015, the Company was notified by the Securities and Exchange Commission (the "SEC") that it was being investigated for possible violations of the Foreign Corrupt Practices Act (the "FCPA") and other securities laws relating to matters concerning certain of the Company's international operations. The Company had previously retained outside legal counsel to investigate the subject matter of the SEC's investigation, and at that time, the Company determined that no further action was necessary. On November 3, 2016, the Company was notified by the SEC that the SEC staff completed this investigation and that the SEC does not intend to pursue enforcement action against the Company.

19. Transactions with Related Parties

The Company had purchases from an affiliated entity for freight, logistic services and consulting services related to its operations in China of $576, $288, and $2,902 in the years ended December 31, 2016, 2015, and 2014, respectively. The Company had purchases from an affiliated entity for material purchases related to its operations in China of $0, $62, and $44 in the years ended December 31, 2016, 2015, and 2014, respectively.

The Company paid management fees of $825 in the year ended December 31, 2014. Concurrent with the Company's initial public offering on October 3, 2014, the Company no longer pays a management fee to American Securities LLC ("American Securities"). However, the Company pays American Securities, in accordance with its policy, for Board of Directors fees and Company-related expenses, including travel and lodging, market research, and other miscellaneous expenses. Fees and expenses paid to American Securities were $323, $374, and $97 in the years ended December 31, 2016, 2015, and 2014, respectively.

20. Segment Reporting

The Company organizes its business into two reportable segments, Proppant Solutions and Industrial & Recreational Products. The reportable segments are consistent with how management views the markets served by the Company and the financial information reviewed by the chief operating decision maker in deciding how to allocate resources and assess performance.

Previously, the segment results were reported based on segment contribution margin, which included selling, general, and administrative expenses directly allocable to an operating segment and excluded certain corporate costs no t associated with the operations of the segment. These corporate costs were separately stated and included costs related to functional areas such as operations management, corporate purchasing, accounting, treasury, information technology, legal and human resources

(in thousands, except per share data)

After evaluation of the Company's comparability to industry peers and practices, the chief operating decision maker changed the method to evaluate the Company's operating segments' performance based on segment gross profit, which does not include any selling, general, and administrative costs or corporate costs. The change to using segment gross profit results in an increase in segment profitability compared to segment contribution margin as allocable selling, general, and administrative costs were charged against segment contribution margin. This change was effective beginning in the three months ended September 30, 2016. All periods presented have been restated accordingly.

	Year Ended December 31,		
	2016	**2015**	**2014**
Revenues			
Proppant Solutions	$ 416,144	$ 710,083	$ 1,232,232
Industrial & Recreational Products	118,869	118,626	124,226
Total revenues	**535,013**	**828,709**	**1,356,458**
Segment gross profit			
Proppant Solutions	26,501	175,226	463,426
Industrial & Recreational Products	48,798	44,638	41,578
Total segment gross profit	**75,299**	**219,864**	**505,004**
Operating expenses excluded from segment gross profit			
Selling, general, and administrative	79,140	85,191	130,798
Depreciation, depletion, and amortization	72,276	66,754	59,379
Goodwill and other asset impairments	93,148	87,476	-
Restructuring charges	1,155	9,221	-
Other operating expense	8,899	1,357	3,163
Interest expense, net	65,367	62,242	60,842
Gain on repurchase of debt, net	(5,110)	-	-
Other non-operating expense (income)	(10)	1,492	2,786
Income (loss) before provision for income taxes	**$ (239,566)**	**$ (93,869)**	**$ 248,036**

Please refer to Note 1 for further detail on the amendments to Note 20. Total assets reported in the Proppant Solutions segment were $860,165, $1,152,110, and $1,271,700 as of December 31, 2016, 2015, and 2014, respectively. Total assets reported in the I&R segment were $103,056, $116,825, and $63,270 as of December 31, 2016, 2015, and 2014, respectively.

The Company's two largest customers, Halliburton and FTSI, accounted for 30% and 12%, 25% and 18%, and 19% and 16% of consolidated net sales in the years ended December 31, 2016, 2015, and 2014, respectively. These customers are part of the Company's Proppant Solutions segment.

21. Restructuring and Other Charges

As a result of challenging conditions in the energy market, the Company began taking actions in early 2015 to adjust its overall operational footprint and reduce costs. The Company's continuing restructuring program primarily consists of workforce reductions and costs to idle or exit facilities. The Company has largely completed these activities, however, a return to a continued sustained downturn in the oil and gas market could reinitiate this restructuring process . A summary of the restructuring and other costs recognized for the years ended December 31, 2016, 2015, and 2014, respectively, is as follows:

(in thousands, except per share data)

	Year Ended December 31,		
	2016	2015	2014
Restructuring charges			
Workforce reduction costs, including one-time severance payments	$ 1,155	$ 1,682	$ -
Other exit costs, including multiemployer pension plan withdrawal liability and additional cash costs to exit facilities	-	7,539	-
Total restructuring charges	**$ 1,155**	**$ 9,221**	**$ -**

As a result of these actions, the Company determined that certain of the impacted facilities in the Proppant Solutions segment would not be necessary for ongoing operations and management made the decision to offer the facilities for sale. The assets and liabilities of these facilities are reclassified in the Consolidated Balance Sheets as assets held-for-sale as of December 31, 2015.

While these restructuring activities primarily were driven by the decline in proppant demand in 2015, certain plants supporting the Industrial & Recreational Products segment have been adversely impacted as well. A summary of the restructuring and other costs by operating segment for the years ended December 31, 2016, 2015, and 2014, respectively, is as follows:

	Year Ended December 31,		
	2016	2015	2014
Restructuring charges			
Proppant Solutions	$ -	$ 1,162	$ -
Industrial & Recreational Products	-	6,377	-
Corporate	1,155	1,682	-
Total restructuring charges	**$ 1,155**	**$ 9,221**	**$ -**

As a result of challenging conditions in the proppant market, the Company has made the decision to sell some of its assets in the Proppant Solutions segment that it views as redundant to its current business requirements. These assets are classified as held-for-sale and have been marked down to their estimated fair values as of December 31, 2015. However, these assets are no longer classified as held-for-sale as of December 31, 2016.

22. Geographic Information

The following tables show total Company revenues and long-lived assets. Revenues are attributed to geographic regions based on the selling location. Long-lived assets are located in the respective geographic regions.

	Year Ended December 31,		
	2016	2015	2014
Revenues			
Domestic	$ 522,870	$ 798,750	$ 1,254,071
International	12,143	29,959	102,387
Total revenues	**$ 535,013**	**$ 828,709**	**$ 1,356,458**

(in thousands, except per share data)

	December 31, 2016	December 31, 2015	December 31, 2014
Long-lived assets			
Domestic	$ 725,280	$ 867,352	$ 832,280
International	2,455	3,645	8,994
Long-lived assets	**$ 727,735**	**$ 870,997**	**$ 841,274**

23. Quarterly Financial Data (Unaudited)

The following tables set forth the Company's unaudited quarterly consolidated statements of operations for each of the last four quarters for the periods ended December 31, 2016 and 2015. This unaudited quarterly information has been prepared on the same basis as the Company's annual audited financial statements and includes all adjustments, consisting only of normal recurring adjustments that are necessary to present fairly the financial information for the fiscal quarters presented.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016:				
Revenues	$ 145,458	$ 114,249	$ 134,775	$ 140,531
Cost of goods sold	118,464	114,129	114,873	112,248
Operating expenses	37,270	134,403	44,363	38,582
Interest expense, net	17,262	16,606	16,175	15,324
Gain on repurchase of debt, net	-	-	-	(5,110)
Other non-operating income	(5)	-	-	(5)
Benefit for income taxes	(15,754)	(63,019)	(20,013)	(655)
Net loss	**(11,779)**	**(87,870)**	**(20,623)**	**(19,853)**
Less: Net income (loss) attributable to the non-controlling interest	(3)	16	2	52
Net loss attributable to Fairmount Santrol Holdings Inc.	**(11,776)**	**(87,886)**	**(20,625)**	**(19,905)**
Loss per share, basic	$ (0.07)	$ (0.54)	$ (0.11)	$ (0.09)
Loss per share, diluted	$ (0.07)	$ (0.54)	$ (0.11)	$ (0.09)
Weighted average number of shares outstanding, basic	161,446	161,647	183,620	212,609
Weighted average number of shares outstanding, diluted	161,446	161,647	183,620	212,609

(in thousands, except per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2015:				
Revenues	$ 301,490	$ 221,323	$ 170,950	$ 134,946
Cost of goods sold	202,548	165,130	131,679	109,488
Operating expenses	41,813	53,835	39,828	114,199
Interest expense, net	15,308	14,894	15,963	16,077
Other non-operating expense	324	-	1,492	-
Provision (benefit) for income taxes	10,617	(26,677)	28,117	(13,996)
Net income (loss)	**30,880**	**14,141**	**(46,129)**	**(90,822)**
Less: Net income attributable to the non-controlling interest	121	4	71	9
Net income (loss) attributable to Fairmount Santrol Holdings Inc.	**30,759**	**14,137**	**(46,200)**	**(90,831)**
Earnings (loss) per share, basic	$ 0.19	$ 0.09	$ (0.29)	$ (0.56)
Earnings (loss) per share, diluted	$ 0.18	$ 0.08	$ (0.29)	$ (0.56)
Weighted average number of shares outstanding, basic	160,949	161,368	161,413	161,433
Weighted average number of shares outstanding, diluted	166,331	166,867	161,413	161,433

Operating expenses include restructuring charges of $1,155 for the three months ended June 30, 2016. Also included in operating expenses is other asset impairments of $76, $90,579, $0, and $2,494 for the three months ended March 31, June 30, September 30, and December 31, 2016, respectively.

Operating expenses include restructuring charges of $324, $8,350, $284, and $263 for the three months ended March 31, June 30, September 30, and December 31, 2015, respectively. Also included in operating expenses is goodwill and other asset impairments of $0, $6,474, $4,169, and $76,833 for the three months ended March 31, June 30, September 30, and December 31, 2015, respectively.

ITEM 9A. CONTROL S AND PROCEDURES

Evaluation of Disclosure of Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended ("the Exchange Act"), is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of our management, including the Chief Executive Officer ("CEO") (principal executive officer) and the Chief Financial Officer ("CFO") (principal financial officer), we carried out an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of December 31, 2016. At the time that our Annual Report on Form 10-K for the year ended December 31, 2016 was filed on March 9, 2017, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2016. Subsequently, our CEO and CFO, reevaluated the effectiveness of our disclosure controls and procedures and concluded that our disclosure controls and procedures were not effective as of December 31, 2016, because of material weaknesses in our internal control over financial reporting as described below.

Management's Report on Internal Control over Financial Reporting (Restated)

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer, we conducted an evaluation of our internal control over financial reporting based on criteria specified in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management has identified the following control deficiencies that constituted material weaknesses in our internal control over financial reporting as of December 31, 2016.

> We did not design and maintain effective controls in the determination of long-lived asset groups for property, plant, and equipment and other intangible assets and the assessment of recoverability in accordance with U.S. GAAP, as our controls were not designed to (i) appropriately identify asset groups, (ii) assess whether events occurred which would indicate the carrying value of the asset groups may not be recoverable, and to the extent such events did occur, (iii) appropriately perform a recoverability assessment.

While these material weaknesses did not result in a material misstatement of our historical financial statements, they did result in the revision of disclosures in Note 8, Goodwill and Other Intangible Assets, of our previously-issued annual financial statements as of December 31, 2016. Additionally, these material weaknesses could result in a misstatement of the property, plant and equipment and other intangible assets account balances and related disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

In Management's Report on Internal Control over Financial Reporting included in our original Annual Report on Form 10-K for the year ended December 31, 2016, filed on March 9, 2017, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that we maintained effective internal control over financial reporting as of December 31, 2016. Our management has subsequently concluded that the material weaknesses described above existed as of December 31, 2016. As a result, we have concluded we did not maintain effective internal control over financial reporting as of December 31, 2016, based on the criteria in " *Internal Control-Integrated Framework* " (2013), issued by the COSO. Accordingly, management has restated its report on internal control over financial reporting.

The effectiveness of our internal control over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report w hich appears herein .

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting for the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Form 10-K/A:

A) The consolidated financial statements of Fairmount Santrol Holdings Inc. and Subsidiaries contained in Part II, Item 8 of the Form 10-K/A:

- Consolidated Statements of Income (Loss) for the years ended December 31, 2016, 2015, and 2014
- Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2016, 2015, and 2014
- Consolidated Balance Sheets as of December 31, 2016 and 2015
- Consolidated Statements of Equity for the years ended December 31, 2016, 2015, and 2014
- Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015, and 2014

B) Schedule II – Valuation and Qualifying Accounts and Reserves for the years ended December 31, 2016, 2015, and 2014, contained on page 48 of this Form 10-K/A

C) The exhibits listed in the Exhibit Index beginning on page 49 of this Form 10-K/A

Fairmount Santrol Holdings Inc. and Subsidiaries
Schedule II – Valuation and Qualifying Accounts and Reserves
Years Ended December 31, 2016, 2015, and 2014
(in thousands)

	Beginning Balance	Charged to Cost and Expenses	Charged to Other Accounts	Deductions	Ending Balance
Allowance for Doubtful Accounts:					
Year ended December 31, 2016	**$ 2,470**	$ 1,851	$ -	$ (1,266)	**$ 3,055**
Year ended December 31, 2015	**4,255**	1,968	-	(3,753)	**2,470**
Year ended December 31, 2014	**796**	3,605	-	(146)	**4,255**
Valuation Allowance for Net Deferred Tax Assets:					
Year ended December 31, 2016	**$ 27,230**	$ -	$ -	$ (5,271)	**$ 21,959**
Year ended December 31, 2015	**1,309**	25,921	-	-	**27,230**
Year ended December 31, 2014	**-**	1,309	-	-	**1,309**

FAIRMOUNT SANTROL HOLDINGS INC.
EXHIBIT INDEX

The following Exhibits are filed with this Form 10-K/A or are incorporated by reference to a prior filing in accordance with Rule 12b-32 under the Securities and Exchange Act of 1934. All Exhibits not so designated are incorporated by reference to a prior filing as indicated.

(x) Filed herewith
(*) Management contract or compensatory plan or arrangement

Exhibit No.	Description
2.1	Interests Purchase Agreement, dated as of April 30, 2013, by and among Fairmount Minerals, Ltd., Soane Energy LLC and Self-Suspending Proppant LLC (incorporated by reference to Exhibit 2.1 on Form S-1, filed on September 18, 2014) .
3.1	Form of Third Amended and Restated Certificate of Incorporation of FMSA Holdings Inc. (incorporated by reference to Exhibit 3.1 on Form S-1, filed on September 18, 2014) .
3.2	Form of Fourth Amended and Restated Bylaws of FMSA Holdings Inc. (incorporated by reference to Exhibit 3.2 on Form S-1, filed on September 18, 2014) .
3.3	Certificate of Amendment of the Third Amended and Restated Certificate of Incorporation of FMSA Holdings Inc., filed July 17, 2015 (incorporated by reference to Exhibit 3.1 on Form 8-K, filed July 21, 2015) .
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 on Form S-1, filed on September 26, 2014) .
10.1	Second Amended and Restated Credit and Guaranty Agreement dated as of September 5, 2013 by and among Fairmount Minerals, Ltd., Fairmount Minerals Holdings, Inc., certain subsidiaries of Fairmount Minerals, Ltd., Lake Shore Sand Company (Ontario) Ltd., the Lenders party thereto from time to time, Barclays Bank PLC, as Administrative Agent, as Collateral Agent and as Revolving Administrative Agent and the other agents referred to therein (incorporated by reference to Exhibit 10.1 on Form S-1, filed on August 22, 2014) .
10.2	Amendment Agreement dated as of September 5, 2013 by and among Fairmount Minerals, Ltd., Fairmount Minerals Holdings, Inc., certain subsidiaries of Fairmount Minerals, Ltd., Lake Shore Sand Company (Ontario) Ltd., the Lenders party thereto from time to time, Barclays Bank PLC, as Administrative Agent and as Collateral Agent and the other agents referred to therein (incorporated by reference to Exhibit 10.2 on Form S-1, filed on August 22, 2014) .
10.3	First Amendment to Second Amended and Restated Credit and Guaranty Agreement dated as of March 27, 2014 by and among Fairmount Minerals, Ltd., Fairmount Minerals Holdings, Inc., certain subsidiaries of Fairmount Minerals, Ltd., Lake Shore Sand Company (Ontario) Ltd., the Lenders party thereto from time to time, Barclays Bank PLC, as Administrative Agent, as Collateral Agent and as Revolving Administrative Agent and the other agents referred to therein (incorporated by reference to Exhibit 10.3 on Form S-1, filed on August 22, 2014) .
10.4	Joinder Agreement, dated as of February 14, 2014 by and among Barclays Bank PLC, Fairmount Minerals, Ltd., as borrower representative and Barclays Bank PLC, as administrative agent (incorporated by reference to Exhibit 10.4 on Form S-1, filed on August 22, 2014) .
10.5	Joinder Agreement, dated as of August 29, 2014 by and among Barclays Bank PLC, Morgan Stanley Bank, N.A., Wells Fargo Bank, National Association, Goldman Sachs Bank USA, Jefferies Finance LLC, Keybank National Association and Royal Bank of Canada (collectively, the "Incremental Revolving Loan Lenders"), Fairmount Santrol Inc., as borrower representative and Barclays Bank PLC, as administrative agent (incorporated by reference to Exhibit 10.5 on Form S-1, filed on September 15, 2014) .

Exhibit No.	Description
10.6	Joinder Agreement, dated as of September 18, 2014 by and among JPMorgan Chase Bank, N.A. (the "Incremental Revolving Loan Lender"), Fairmount Santrol Inc., as borrower representative and Barclay's Bank PLC, as administrative agent (incorporated by reference to Exhibit 10.6 on Form S-1, filed on September 22, 2014) .
10.7	Form of Fourth Amended and Restated Stockholders Agreement (incorporated by reference to Exhibit 10.7 on Form S-1, filed on September 18, 2014) .
10.8*	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.8 on Form S-1, filed on September 18, 2014) .
10.9*	Form of FMSA Holdings Inc. Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 10.9 on Form S-1, filed on September 18, 2014) .
10.10*	Form of Stock Option Agreement for FMSA Holdings Inc. Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 10.9 on Form S-1, filed on September 18, 2014) .
10.11*	Amendment I to the FMSA Holdings Inc. Non-Qualified Stock Option Plan Stock Option Agreement (incorporated by reference to Exhibit 10.10 on Form S-1, filed on September 18, 2014) .
10.12*	Form of FMSA Holdings Inc. Long Term Incentive Compensation Plan (incorporated by reference to Exhibit 10.11 on Form S-1, filed on September 18, 2014) .
10.13*	Form of Stock Option Agreement for FMSA Holdings Inc. Long Term Incentive Compensation Plan (incorporated by reference to Exhibit 10.12 on Form S-1, filed on September 18, 2014) .
10.14*	Amendment I to the FMSA Holdings Inc. Long Term Incentive Compensation Plan Stock Option Agreement (incorporated by reference to Exhibit 10.13 on Form S-1, filed on September 18, 2014) .
10.15*	Form of FMSA Holdings Inc. Stock Option Plan (incorporated by reference to Exhibit 10.14 on Form S-1, filed on September 18, 2014) .
10.16*	Form of Stock Option Agreement for FMSA Holdings Inc. Stock Option Plan (incorporated by reference to Exhibit 10.15 on Form S-1, filed on September 18, 2014) .
10.17*	Amendment I to the FMSA Holdings Inc. Stock Option Agreement (incorporated by reference to Exhibit 10.16 on Form S-1, filed on September 18, 2014) .
10.18*	Form of FMSA Holdings Inc. 2014 Long Term Incentive Plan (incorporated by reference to Exhibit 10.17 on Form S-1, filed on September 18, 2014) .
10.19*	Form of Stock Option Agreement for FMSA Holdings Inc. 2014 Long Term Incentive Plan (incorporated by reference to Exhibit 10.18 on Form S-1, filed on September 18, 2014) .
10.20*	Form of Notice of Grant of Stock Option for FMSA Holdings Inc. 2014 Long Term Incentive Plan (incorporated by reference to Exhibit 10.19 on Form S-1, filed on September 18, 2014) .
10.21*	Form of Restricted Stock Unit Agreement for FMSA Holdings Inc. 2014 Long Term Incentive Plan (incorporated by reference to Exhibit 10.21 on Form S-1, filed on September 18, 2014) .
10.22*	Form of Notice of Grant of Restricted Stock Unit for FMSA Holdings Inc. 2014 Long Term Incentive Plan (incorporated by reference to Exhibit 10.22 on Form S-1, filed on September 18, 2014) .
10.23	Third Amendment to Second Amended and Restated Credit and Guaranty Agreement, dated as of April 30, 2015, among Fairmount Santrol Inc., the signatories thereto, and Barclays Bank plc, as administrative agent (incorporated by reference to Exhibit 10.1 on Form 8-K, filed on May 5, 2015) .

Exhibit No.	Description
10.24	Fourth Amendment to the Second Amended and Restated Credit and Guaranty Agreement, dated as of May 15, 2015, among Fairmount Santrol Inc., the lenders party thereto, and Barclays Bank plc as administrative agent (incorporated by reference to Exhibit 10.1 on Form 8-K, filed on May 20, 2015) .
10.25	Fifth Amendment to Second Amended and Restated Credit and Guaranty Agreement, dated as of September 30, 2015, among Fairmount Santrol Inc., the Revolving Lenders party hereto, and Barclays Bank plc, as administrative agent and revolving administrative agent (incorporated by reference to Exhibit 10.1 on Form 8-K, filed on October 1, 2015) .
10.26*	Form of Executive Change in Control Severance Plan (incorporated by reference to Exhibit 10.1 on Form 8-K, filed on December 16, 2015) .
10.27*	Omnibus Amendment to Outstanding Stock Option Agreements under the FMSA Holdings Inc. 2014 Long Term Incentive Plan (incorporated by reference to Exhibit 10.2 on Form 8-K, filed on December 16, 2015) .
10.28*	Omnibus Amendment to Outstanding Restricted Stock Unit Agreements under the FMSA Holdings Inc. 2014 Long Term Incentive Plan (incorporated by reference to Exhibit 10.3 on Form 8-K, filed on December 16, 2015) .
10.29	Amendment No. 1 to the Interests Purchase Agreement dated April 30, 2013, by and among Fairmount Minerals Ltd. (n/k/a Fairmount Santrol Inc.), Soane Energy LLC and Self-Suspending Proppant LLC, dated December 17, 2015 (incorporated by reference to Exhibit 10.1 on Form 8-K, filed on December 18, 2015) .
10.30	Omnibus Amendment, dated May 20, 2016, to the Interests Purchase Agreement, dated April 30, 2013, by and among Fairmount Minerals, Ltd., Soane Energy LLC, and Self-Suspending Proppant LLC (incorporated by reference to Exhibit 10.3 on Form 10-Q, filed on August 4, 2016) .
10.31	Second Omnibus Amendment, dated September 9, 2016, to the Interests Purchase Agreement, dated April 30, 2013, by and among Fairmount Minerals, Ltd., Soane Energy LLC, and Self-Suspending Proppant LLC (incorporated by reference to the corresponding exhibit on the Original Form 10-K) .
10.32*	Omnibus Amendment to Outstanding Stock Option Agreements under FMSA Holdings Inc. 2006 Long Term Incentive Compensatory Plan (incorporated by reference to Exhibit 10.1 on Form 10-Q, filed on November 3, 2016) .
10.33*	Omnibus Amendment to Outstanding Stock Option Agreements under FMSA Holdings Inc. 2010 Stock Option Plan (incorporated by reference to Exhibit 10.2 on Form 10-Q, filed on November 3, 2016) .
10.34*	Amended and Restated Omnibus Amendment to Outstanding Stock Option Agreements under FMSA Holdings Inc. 2014 Long Term Incentive Plan (incorporated by reference to Exhibit 10.3 on Form 10-Q, filed on November 3, 2016) .
10.35*	Severance Agreement by and between Fairmount Santrol Holdings Inc. and Michael F. Biehl, dated May 6, 2016 (incorporated by reference to Exhibit 10.1 to Form 10-Q, filed on May 10, 2016) .
10.36	Sixth Amendment to Second Amended and Restated Credit and Guaranty Agreement, dated as of April 28, 2016, among Fairmount Santrol Inc., the lenders party thereto, and Barclays Bank plc, as administrative agent (incorporated by reference to Exhibit 10.1 on Form 8-K, filed on May 2, 2016) .
10.37	Amendment No. 1 to the FMSA Holdings Inc. 2014 Long Term Incentive Plan, dated February 1, 2017, by Fairmount Santrol Holdings Inc. (incorporated by reference to the corresponding exhibit on the Original Form 10-K) .
21.1	List of Subsidiaries of Fairmount Santrol Holdings Inc. (incorporated by reference to the corresponding exhibit on the Original Form 10-K) .
23.1(x)	Consent of Independent Registered Public Accounting Firm, PricewaterhouseCoopers LLP .

Exhibit No.	Description
31.1(x)	Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Principal Executive Officer .
31.2(x)	Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Principal Financial Officer .
32.1(x)	Statement Required by 18 U.S.C. Section 1350 by the Principal Executive Officer .
32.2(x)	Statement Required by 18 U.S.C. Section 1350 by the Principal Financial Officer .
95.1	Mine Safety Disclosure Exhibit (incorporated by reference to the corresponding exhibit on the Original Form 10-K) .
99.1	Consent of GZA GeoEnvironmental, Inc. (incorporated by reference to the corresponding exhibit on the Original Form 10-K) .
101.INS(x)	XBRL Instance Document
101.SCH(x)	XBRL Taxonomy Extension Schema Document
101.CAL(x)	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF(x)	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB(x)	XBRL Taxonomy Extension Label Linkbase Document
101.PRE(x)	XBRL Taxonomy Extension Presentation Linkbase Document

SI GNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FAIRMOUNT SANTROL HOLDINGS INC.
(Registrant)

Date: March 1, 2018

/s/ Michael F. Biehl

Michael F. Biehl
Executive Vice President and Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. No. 333-214867) and Form S-8 (Nos. 333-199228 and 333-200355) of Fairmount Santrol Holdings Inc. of our report dated March 9, 2017, except for the effects of the revision discussed in Note 1 to the consolidated financial statements and the matter described in the penultimate paragraph of Management's Report on Internal Control Over Financial Reporting, as to which the date is March 1, 2018 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K/A.

/s/ PricewaterhouseCoopers LLP
Cleveland, Ohio
March 1, 2018

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
(Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002)

I, Jenniffer D. Deckard, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K for Fairmount Santrol Holdings Inc. for the year ended December 31, 2016;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under or supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 1, 2018

By: /s/ Jenniffer D. Deckard
Jenniffer D. Deckard
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
(Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002)

I, Michael F. Biehl, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K for Fairmount Santrol Holdings Inc. for the year ended December 31, 2016;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under or supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 1, 2018

By: /s/ Michael F. Biehl
Michael F. Biehl
Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
(Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002)

In connection with the Amendment No. 1 to the Annual Report on Form 10-K for the year ended December 31, 2016 of Fairmount Santrol Holdings Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report") and pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Jenniffer D. Deckard, President and Chief Executive Officer of the Company, certify, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2018

By: /s/ Jenniffer D. Deckard
Jenniffer D. Deckard
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
(Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002)

In connection with the Amendment No. 1 to the Annual Report on Form 10-K for the year ended December 31, 2016 of Fairmount Santrol Holdings Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report") and pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Michael F. Biehl, Executive Vice President and Chief Financial Officer of the Company, certify, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2018

By: /s/ Michael F. Biehl
Michael F. Biehl
Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)