

REFINITIV

DELTA REPORT

10-Q

NRP - NATURAL RESOURCE PARTNERS

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 741

█ CHANGES 135

█ DELETIONS 184

█ ADDITIONS 422

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

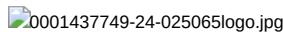
FORM 10-Q

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

For the quarterly period ended **March 31, 2024** June 30, 2024 or

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

Commission file number: 001-31465



NATURAL RESOURCE PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware

35-2164875

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1415 Louisiana Street, Suite 3325

Houston, Texas 77002

(Address of principal executive offices)

(Zip Code)

(713) 751-7507

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units representing limited partner interests	NRP	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of "accelerated filer", "large accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input checked="" type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

NATURAL RESOURCE PARTNERS, L.P.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

NATURAL RESOURCE PARTNERS L.P.
CONSOLIDATED BALANCE SHEETS

(In thousands, except unit data)	March 31,		December 31,		June 30,		December 31,							
	2024		2023		2024		2023							
	(Unaudited)				(Unaudited)									
ASSETS														
Current assets														
Cash and cash equivalents	\$	10,990	\$	11,989	\$	32,340	\$	11,989						
Accounts receivable, net		33,874		41,086		30,624		41,086						
Other current assets, net		3,494		2,218		3,114		2,218						
Total current assets	\$	48,358	\$	55,293	\$	66,078	\$	55,293						
Land		24,008		24,008		24,008		24,008						
Mineral rights, net		390,176		394,483		387,053		394,483						
Intangible assets, net		13,340		13,682		13,143		13,682						
Equity in unconsolidated investment		268,634		276,549		265,935		276,549						
Long-term contract receivable, net		25,632		26,321		24,929		26,321						
Other long-term assets, net		8,034		7,540		8,412		7,540						
Total assets	\$	778,182	\$	797,876	\$	789,558	\$	797,876						
LIABILITIES AND CAPITAL														
Current liabilities														
Accounts payable	\$	1,514	\$	885	\$	933	\$	885						
Accrued liabilities		5,064		12,987		7,225		12,987						
Accrued interest		995		584		319		584						
Current portion of deferred revenue		5,635		4,599		4,449		4,599						
Current portion of long-term debt, net		14,202		30,785		14,214		30,785						
Total current liabilities	\$	27,410	\$	49,840	\$	27,140	\$	49,840						
Deferred revenue		38,348		38,356		40,433		38,356						
Long-term debt, net		174,595		124,273		196,112		124,273						
Other non-current liabilities		6,305		7,172		6,619		7,172						
Total liabilities	\$	246,658	\$	219,641	\$	270,304	\$	219,641						
Commitments and contingencies (see Note 13)														
Class A Convertible Preferred Units (71,666 issued and outstanding at March 31, 2024 and December 31, 2023 at \$1,000 par value per unit; liquidation preference of \$1,850 per unit at March 31, 2024 and December 31, 2023) (See Note 3)	\$	47,181	\$	47,181										
Class A Convertible Preferred Units (31,666 and 71,666 issued and outstanding at June 30, 2024 and December 31, 2023, respectively, at \$1,000 par value per unit; liquidation preference of \$1,850 per unit at June 30, 2024 and December 31, 2023) (See Note 3)					\$	20,847	\$	47,181						
Partners' capital														
Common unitholders' interest (12,960,064 and 12,634,642 units issued and outstanding at March 31, 2024 and December 31, 2023, respectively)	\$	474,095	\$	503,076										
Common unitholders' interest (13,049,123 and 12,634,642 units issued and outstanding at June 30, 2024 and December 31, 2023, respectively)					\$	490,877	\$	503,076						
General partner's interest		7,721		8,005		8,568		8,005						
Warrant holders' interest		4,804		23,095		—		23,095						
Accumulated other comprehensive loss		(2,277)		(3,122)		(1,038)		(3,122)						
Total partners' capital	\$	484,343	\$	531,054	\$	498,407	\$	531,054						
Total liabilities and partners' capital	\$	778,182	\$	797,876	\$	789,558	\$	797,876						

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

NATURAL RESOURCE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Uaudited)

(In thousands, except per unit data)	For the Three Months Ended March 31,		For the Three Months Ended June 30,		For the Six Months Ended June 30,			
	2024		2023		2024		2023	
Revenues and other income								
Royalty and other mineral rights	\$ 67,372	\$ 76,271	\$ 54,591	\$ 61,007	\$ 121,963	\$ 137,278		
Transportation and processing services	3,427	3,598	2,661	3,270	6,088	6,868		
Equity in earnings of Sisecam Wyoming	5,450	19,254	3,645	26,978	9,095	46,232		
Gain on asset sales and disposals	165	96	4,643	5	4,808	101		
Total revenues and other income	\$ 76,414	\$ 99,219	\$ 65,540	\$ 91,260	\$ 141,954	\$ 190,479		
Operating expenses								
Operating and maintenance expenses	\$ 5,733	\$ 7,163	\$ 5,872	\$ 7,930	\$ 11,605	\$ 15,093		
Depreciation, depletion and amortization	4,654	4,083	3,324	3,792	7,978	7,875		
General and administrative expenses	6,327	5,845	5,931	5,643	12,258	11,488		
Asset impairments					—	69		69
Total operating expenses	\$ 16,714	\$ 17,091	\$ 15,127	\$ 17,434	\$ 31,841	\$ 34,525		
Income from operations								
	\$ 59,700	\$ 82,128	\$ 50,413	\$ 73,826	\$ 110,113	\$ 155,954		
Interest expense, net								
	\$ (3,487)	\$ (2,853)	\$ (4,349)	\$ (3,492)	\$ (7,836)	\$ (6,345)		
Net income								
Less: income attributable to preferred unitholders	\$ 56,213	\$ 79,275	\$ 46,064	\$ 70,334	\$ 102,277	\$ 149,609		
Less: redemption of preferred units	(2,150)	(6,661)	(1,443)	(4,971)	(3,593)	(11,632)		
	—	(16,228)	(13,666)	(27,618)	(13,666)	(43,846)		
Net income attributable to common unitholders and the general partner	\$ 54,063	\$ 56,386	\$ 30,955	\$ 37,745	\$ 85,018	\$ 94,131		
Net income attributable to common unitholders	\$ 52,982	\$ 55,258	\$ 30,336	\$ 36,990	\$ 83,318	\$ 92,248		
Net income attributable to the general partner	1,081	1,128	619	755	1,700	1,883		
Net income per common unit (see Note 5)								
Basic	\$ 4.13	\$ 4.40	\$ 2.33	\$ 2.93	\$ 6.44	\$ 7.32		
Diluted	3.83	3.44	2.29	2.49	6.17	5.96		
Net income	\$ 56,213	\$ 79,275	\$ 46,064	\$ 70,334	\$ 102,277	\$ 149,609		
Comprehensive income (loss) from unconsolidated investment and other	845	(19,583)	1,239	911	2,084	(18,672)		
Comprehensive income	\$ 57,058	\$ 59,692	\$ 47,303	\$ 71,245	\$ 104,361	\$ 130,937		

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

NATURAL RESOURCE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(Uaudited)

Accumulated	Accumulated
-------------	-------------

(In thousands)	Other						Total				Other						Total			
	Common Unitholders		General	Warrant	Comprehensive	Partners'	Common Unitholders		General	Warrant	Comprehensive	Partners'	Common Unitholders		General	Warrant	Comprehensive	Partners'		
	Units	Amounts	Partner	Holders	Loss	Capital	Units	Amounts	Partner	Holders	Loss	Capital	Units	Amounts	Partner	Holders	Loss	Capital		
Balance at December 31, 2023	12,635	\$ 503,076	\$ 8,005	\$ 23,095	\$ (3,122)	\$ 531,054	12,635	\$ 503,076	\$ 8,005	\$ 23,095	\$ (3,122)	\$ 531,054	—	—	—	—	—	—		
Net income (1)	—	55,089	1,124	—	—	56,213	—	55,089	1,124	—	—	56,213	—	—	—	—	—	—		
Distributions to common unitholders and the general partner	—	(41,342)	(844)	—	—	(42,186)	—	(41,342)	(844)	—	—	(42,186)	—	—	—	—	—	—		
Distributions to preferred unitholders	—	(2,107)	(43)	—	—	(2,150)	—	(2,107)	(43)	—	—	(2,150)	—	—	—	—	—	—		
Issuance of unit-based awards	126	—	—	—	—	—	126	—	—	—	—	—	—	—	—	—	—	—		
Unit-based awards amortization and vesting, net	—	(3,971)	—	—	—	(3,971)	—	(3,971)	—	—	—	(3,971)	—	—	—	—	—	—		
Capital contribution	—	—	227	—	—	227	—	—	227	—	—	227	—	—	—	—	—	227		
Warrant settlements	199	(36,650)	(748)	(18,291)	—	(55,689)	199	(36,650)	(748)	(18,291)	—	(55,689)	—	—	—	—	—	—		
Comprehensive income from unconsolidated investment and other	—	—	—	—	845	845	—	—	—	—	—	—	845	845	—	—	—	—		
Balance at March 31, 2024	12,960	\$ 474,095	\$ 7,721	\$ 4,804	\$ (2,277)	\$ 484,343	12,960	\$ 474,095	\$ 7,721	\$ 4,804	\$ (2,277)	\$ 484,343	—	45,142	922	—	—	46,064		
Net income (2)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Redemption of preferred units	—	—	—	—	—	—	—	(13,393)	(273)	—	—	—	—	—	—	—	—	(13,666)		
Distributions to common unitholders and the general partner	—	—	—	—	—	—	—	(9,787)	(200)	—	—	—	—	—	—	—	—	(9,987)		
Distributions to preferred unitholders	—	—	—	—	—	—	—	(2,590)	(53)	—	—	—	—	—	—	—	—	(2,643)		
Unit-based awards amortization and vesting	—	—	—	—	—	—	—	2,502	—	—	—	—	—	—	—	—	—	2,502		
Capital contribution	—	—	—	—	—	—	—	—	555	—	—	—	—	—	—	—	—	555		
Warrant settlements	—	—	—	—	89	(5,092)	(104)	(4,804)	—	—	—	—	—	—	—	—	—	(10,000)		

Comprehensive income from unconsolidated investment and other	—	—	—	—	—	1,239	1,239
Balance at June 30, 2024	13,049	\$ 490,877	\$ 8,568	\$ —	\$ (1,038)	\$ 498,407	

(1) Net income includes \$2.15 million of income attributable to preferred unitholders that accumulated during the period, of which \$2.11 million is allocated to the common unitholders and \$0.04 million is allocated to the general partner.

(2) Net income includes \$1.44 million of income attributable to preferred unitholders that accumulated during the period, of which \$1.41 million is allocated to the common unitholders and \$0.03 million is allocated to the general partner.

(In thousands)	Accumulated						Accumulated					
	Common Unitholders			Other		Total	Common Unitholders			Other		Total
	Units	Amounts	General	Warrant	Comprehensive	Partners'	Units	Amounts	General	Warrant	Comprehensive	Partners'
Balance at December 31, 2022	12,506	\$ 404,799	\$ 5,977	\$ 47,964	\$ 18,717	\$ 477,457	12,506	\$ 404,799	\$ 5,977	\$ 47,964	\$ 18,717	\$ 477,457
Net income (1)	—	77,690	1,585	—	—	79,275	—	77,690	1,585	—	—	79,275
Redemption of preferred units	—	(15,904)	(324)	—	—	(16,228)	—	(15,904)	(324)	—	—	(16,228)
Distributions to common unitholders and the general partner	—	(40,082)	(818)	—	—	(40,900)	—	(40,082)	(818)	—	—	(40,900)
Distributions to preferred unitholders	—	(7,924)	(162)	—	—	(8,086)	—	(7,924)	(162)	—	—	(8,086)
Issuance of unit-based awards	129	—	—	—	—	—	129	—	—	—	—	—
Unit-based awards amortization and vesting, net	—	(1,178)	—	—	—	(1,178)	—	(1,178)	—	—	—	(1,178)
Capital contribution	—	—	142	—	—	142	—	—	142	—	—	142
Comprehensive loss from unconsolidated investment and other	—	—	—	—	(19,583)	(19,583)	—	—	—	—	(19,583)	(19,583)
Balance at March 31, 2023	12,635	\$ 417,401	\$ 6,400	\$ 47,964	\$ (866)	\$ 470,899	12,635	\$ 417,401	\$ 6,400	\$ 47,964	\$ (866)	\$ 470,899
Net income (2)	—	68,927	1,407	—	—	—	—	68,927	1,407	—	—	70,334
Redemption of preferred units	—	(27,065)	(553)	—	—	—	—	(27,065)	(553)	—	—	(27,618)
Distributions to common unitholders and the general partner	—	(9,476)	(193)	—	—	—	—	(9,476)	(193)	—	—	(9,669)

Distributions to preferred unitholders	—	(7,248)	(148)	—	—	(7,396)
Unit-based awards amortization and vesting	—	2,299	—	—	—	2,299
Comprehensive income from unconsolidated investment and other	—	—	—	—	911	911
Balance at June 30, 2023	12,635	\$ 444,838	\$ 6,913	\$ 47,964	\$ 45	\$ 499,760

(1) Net income includes \$6.66 million of income attributable to preferred unitholders that accumulated during the period, of which \$6.53 million is allocated to the common unitholders and \$0.13 million is allocated to the general partner.

(2) Net income includes \$4.97 million of income attributable to preferred unitholders that accumulated during the period, of which \$4.87 million is allocated to the common unitholders and \$0.10 million is allocated to the general partner.

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

NATURAL RESOURCE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Uaudited)

(In thousands)

Cash flows from operating activities

Net income

	For the Three Months Ended March 31,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 56,213	\$ 79,275	\$ 102,277	\$ 149,609
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation, depletion and amortization	4,654	4,083	7,978	7,875
Distributions from unconsolidated investment	14,210	10,780	21,794	43,130
Equity earnings from unconsolidated investment	(5,450)	(19,254)	(9,095)	(46,232)
Gain on asset sales and disposals	(165)	(96)	(4,808)	(101)
Asset impairments			—	69
Bad debt expense	(813)	(610)	(520)	(808)
Unit-based compensation expense	2,964	2,491	5,876	5,137
Amortization of debt issuance costs and other	(749)	25	(948)	566
Change in operating assets and liabilities:				
Accounts receivable	9,433	7,061	12,351	6,700
Accounts payable	629	(541)	49	(469)
Accrued liabilities	(8,225)	(8,805)	(6,309)	(6,786)
Accrued interest	412	263	(265)	(364)
Deferred revenue	1,028	(154)	1,927	(2,800)
Other items, net	(2,642)	(1,618)	(2,179)	(1,276)
Net cash provided by operating activities	\$ 71,499	\$ 72,900	\$ 128,128	\$ 154,250
Cash flows from investing activities				
Proceeds from asset sales and disposals	\$ 165	\$ 101	\$ 4,808	\$ 106
Return of long-term contract receivable	647	598	1,306	1,208

Cash flows from investing activities

Proceeds from asset sales and disposals

Return of long-term contract receivable

Capital expenditures	—	(2)	—	(10)
Net cash provided by investing activities	\$ 812	\$ 697	\$ 6,114	\$ 1,304
 Cash flows from financing activities				
Debt borrowings	\$ 89,357	\$ 94,200	\$ 129,850	\$ 165,034
Debt repayments	(55,696)	(89,696)	(74,696)	(151,061)
Distributions to common unitholders and the general partner	(42,186)	(40,900)	(52,173)	(50,569)
Distributions to preferred unitholders	(2,150)	(8,086)	(4,793)	(15,482)
Redemption of preferred units	—	(47,499)	(40,000)	(128,333)
Warrant settlements (see Note 3)	(55,689)	—	(65,689)	—
Other items, net	(6,946)	(3,052)	(6,390)	(3,504)
Net cash used in financing activities	\$ (73,310)	\$ (95,033)	\$ (113,891)	\$ (183,915)
 Net decrease in cash and cash equivalents	\$ (999)	\$ (21,436)		
 Net increase (decrease) in cash and cash equivalents			\$ 20,351	\$ (28,361)
Cash and cash equivalents at beginning of period	11,989	39,091	11,989	39,091
Cash and cash equivalents at end of period	\$ 10,990	\$ 17,655	\$ 32,340	\$ 10,730
 Supplemental cash flow information:				
Cash paid for interest	\$ 2,843	\$ 2,474	\$ 7,666	\$ 6,434

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

NATURAL RESOURCE PARTNERS L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Uaudited)

1. Basis of Presentation

Nature of Business

Natural Resource Partners L.P. (the "Partnership") engages principally in the business of owning, managing and leasing a diversified portfolio of mineral properties in the United States, including interests in coal and other natural resources and owns a non-controlling 49% interest in Sisecam Wyoming LLC ("Sisecam Wyoming"), a trona ore mining and soda ash production business. The Partnership is organized into two operating segments further described in [Note 6. Segment Information](#). The Partnership's operations are conducted through, and its operating assets are owned by, its subsidiaries. The Partnership owns its subsidiaries through one wholly owned operating company, NRP (Operating) LLC ("Opc"). As used in these Notes to Consolidated Financial Statements, the terms "NRP," "we," "us" and "our" refer to Natural Resource Partners L.P. and its subsidiaries, unless otherwise stated or indicated by context.

Principles of Consolidation and Reporting

The accompanying unaudited Consolidated Financial Statements of the Partnership have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and with Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These financial statements should be read in conjunction with the financial statements for the year ended December 31, 2023 and notes thereto included in the Partnership's Annual Report on Form 10-K, which was filed with the SEC on March 7, 2024. Reclassifications have been made to prior year amounts in the Consolidated Financial Statements to conform with current year presentation. These reclassifications had no impact on previously reported total assets, total liabilities, partners' capital, net income, or cash flows from operating, investing or financing activities.

Recently Issued Accounting Standard

In November 2023, the FASB issued ASU No. 2023-07—*Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). The amendments in ASU 2023-07 improve reportable segment disclosure requirements, primarily through enhanced disclosures about segment expenses. The guidance is effective

for annual periods beginning after December 15, 2023 and quarterly periods beginning after December 15, 2024 and will be adopted retrospectively to all prior periods presented in the financial statements. NRP does not expect the adoption of ASU 2023-07 to have a material effect on its Consolidated Financial Statements.

NATURAL RESOURCE PARTNERS L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(Unaudited)

2. Revenues from Contracts with Customers

The following table presents the Partnership's Mineral Rights segment revenues from contracts with customers by major source:

(In thousands)	For the Three Months Ended March 31,		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
	\$ 46,818	\$ 58,023	\$ 39,685	\$ 47,960	\$ 86,503	\$ 105,983
Coal royalty revenues						
Production lease minimum revenues	924	613	412	562	1,336	1,175
Minimum lease straight-line revenues	4,171	4,503	4,126	4,447	8,297	8,950
Carbon neutral initiative revenues	2,161	2,118	2,200	115	4,361	2,233
Property tax revenues	1,892	1,470	1,545	1,470	3,437	2,940
Wheelage revenues	2,672	3,869	2,338	3,284	5,010	7,153
Coal overriding royalty revenues	1,169	188	668	150	1,837	338
Lease amendment revenues	702	851	712	848	1,414	1,699
Aggregates royalty revenues	772	753	730	686	1,502	1,439
Oil and gas royalty revenues	3,640	3,588	1,999	1,214	5,639	4,802
Other revenues	653	295	176	271	829	566
Royalty and other mineral rights revenues	\$ 65,574	\$ 76,271	\$ 54,591	\$ 61,007	\$ 120,165	\$ 137,278
Transportation and processing services revenues	2,836	2,933	2,085	2,641	4,921	5,574
Total Mineral Rights segment revenues from contracts with customers	\$ 68,410	\$ 79,204	\$ 56,676	\$ 63,648	\$ 125,086	\$ 142,852

The following table details the Partnership's Mineral Rights segment receivables and liabilities resulting from contracts with customers:

(In thousands)	March 31, 2024		December 31, 2023		June 30, 2024	December 31, 2023
	2024	2023	2024	2023	2024	2023
Receivables						
Accounts receivable, net	\$ 29,978	\$ 37,206	\$ 26,679	\$ 37,206		
Other current assets, net (1)	2,221	429	2,219	429		
Contract liabilities						
Current portion of deferred revenue	\$ 5,635	\$ 4,599	\$ 4,449	\$ 4,599		
Deferred revenue	38,348	38,356	40,433	38,356		

(1) Other current assets, net includes short-term notes receivables from contracts with customers.

The following table shows the activity related to the Partnership's Mineral Rights segment deferred revenue: revenue resulting from contracts with customers:

(In thousands)	For the Three Months Ended March 31,		For the Six Months Ended June 30,	
	2024	2023	2024	2023

Balance at beginning of period (current and non-current)	\$ 42,955	\$ 46,437	\$ 42,955	\$ 46,437
Increase due to minimums and lease amendment fees	6,979	7,770	11,151	10,810
Recognition of previously deferred revenue	(5,951)	(7,924)	(9,224)	(13,609)
Balance at end of period (current and non-current)	<u>\$ 43,983</u>	<u>\$ 46,283</u>	<u>\$ 44,882</u>	<u>\$ 43,638</u>

The Partnership's non-cancelable annual minimum payments due under the lease terms of its coal and aggregates royalty leases contracts with customers are as follows as of **March 31, June 30, 2024** (in thousands):

Lease Term (1)	Weighted Average Remaining Years	Annual Minimum Payments	Weighted Average Remaining Years	Annual Minimum Payments
0 - 5 years	1.9	\$ 17,362	1.9	\$ 17,448
5 - 10 years	6.3	17,237	5.8	16,149
10+ years	11.8	25,779	11.5	25,779
Total	<u>7.4</u>	<u>\$ 60,378</u>	<u>7.1</u>	<u>\$ 59,376</u>

(1) Lease term does not include renewal periods.

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NATURAL RESOURCE PARTNERS L.P.
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(Unaudited)

3. Class A Convertible Preferred Units and Warrants

On March 2, 2017, NRP issued \$250 million of Class A Convertible Preferred Units representing limited partner interests in NRP (the "preferred units") to certain entities controlled by funds affiliated with The Blackstone Group Inc. (collectively referred to as "Blackstone") and certain affiliates of GoldenTree Asset Management LP (collectively referred to as "GoldenTree") (together the "preferred purchasers") pursuant to a Preferred Unit and Warrant Purchase Agreement. NRP issued 250,000 preferred units to the preferred purchasers at a price of \$1,000 per preferred unit (the "per unit purchase price"), less a 2.5% structuring and origination fee. The preferred units entitle the preferred purchasers to receive cumulative distributions at a rate of 12% of the purchase price per year, up to one half of which NRP may pay in additional preferred units (such additional preferred units, the "PIK units"). The preferred units have a perpetual term, unless converted or redeemed as described below. **As of June 30, 2024, the Partnership has redeemed \$218.3 million of the preferred units and \$31.7 million remain outstanding.**

NRP also issued two tranches of warrants (the "warrants") to purchase common units to the preferred purchasers (warrants to purchase 1.75 million common units with a strike price of \$22.81 and warrants to purchase 2.25 million common units with a strike price of \$34.00). The warrants may be exercised by the holders thereof at any time before the eighth anniversary of the closing date. Upon exercise of the warrants, NRP may, at its option, elect to settle the warrants in common units or cash, each on a net basis. However, in **the first quarter of 2024 the all** remaining warrants were settled and none of the Partnership's warrants remain **outstanding as of April 18, 2024.**

After March 2, 2022 and prior to March 2, 2025, the holders of the preferred units may elect to convert up to 33% of the outstanding preferred units in any 12-month period into common units if the volume weighted average trading price of our common units (the "VWAP") for the 30 trading days immediately prior to date notice is provided is greater than \$51.00. In such case, the number of common units to be issued upon conversion would be equal to the per unit purchase price plus the value of any accrued and unpaid distributions divided by an amount equal to a 7.5% discount to the VWAP for the 30 trading days immediately prior to the notice of conversion. Rather than have the preferred units convert to common units in accordance with the provisions of this paragraph, NRP would have the option to elect to redeem the preferred units proposed to be converted for cash at a price equal to the per unit purchase price plus the value of any accrued and unpaid distributions.

On or after March 2, 2025, the holders of the preferred units may elect to convert the preferred units to common units at a conversion rate equal to the Liquidation Value divided by an amount equal to a 10% discount to the VWAP for the 30 trading days immediately prior to the notice of conversion. The "liquidation value" will be an amount equal to the greater of: (1) (a) the per unit purchase price multiplied by (i) prior to March 2, 2020, 1.50, (ii) on or after March 2, 2020 and prior to March 2, 2021, 1.70 and (iii) on or after March 2, 2021, 1.85, less (b)(i) all preferred unit distributions previously made by NRP and (ii) all cash payments previously made in respect of redemption of any PIK units; and (2) the per unit purchase price plus the value of all accrued and unpaid distributions.

To the extent the holders of the preferred units have not elected to convert their preferred units before March 2, 2029, NRP has the right to force conversion of the preferred units at a price equal to the liquidation value divided by an amount equal to a 10% discount to the VWAP for the 30 trading days immediately prior to the notice of conversion.

In addition, NRP has the ability to redeem at any time (subject to compliance with its debt agreements) all or any portion of the preferred units and any outstanding PIK units for cash. The redemption price for each outstanding PIK unit is \$1,000 plus the value of any accrued and unpaid distributions per PIK unit. The redemption price for each preferred unit is the liquidation value divided by the number of outstanding preferred units. The preferred units are redeemable at the option of the preferred purchasers only upon a change in control.

The terms of the preferred units contain certain restrictions on NRP's ability to pay distributions on its common units. To the extent that either (i) NRP's consolidated Leverage Ratio, as defined in the Partnership's Fifth Amended and Restated Partnership Agreement dated March 2, 2017 (the "Restated Partnership Agreement"), is greater than 3.25x, or (ii) the ratio of NRP's Distributable Cash Flow (as defined in the Restated Partnership Agreement) to cash distributions made or proposed to be made is less than 1.2x (in each case, with respect to the most recently completed four-quarter period), NRP may not increase the quarterly distribution above \$0.45 per quarter without the approval of the holders of a majority of the outstanding preferred units. In addition, if at any time after January 1, 2022, any PIK units are outstanding, NRP may not make distributions on its common units until it has redeemed all PIK units for cash.

The holders of the preferred units have the right to vote with holders of NRP's common units on an as-converted basis and have other customary approval rights with respect to changes of the terms of the preferred units. In addition, pursuant to the Restated Partnership Agreement, Blackstone had certain approval rights over certain matters as identified in the Restated Partnership Agreement. GoldenTree has limited approval rights that expanded when Blackstone's ownership fell below the minimum preferred unit threshold (as defined below). These approval rights are not transferrable without NRP's consent and terminate at such time that Blackstone (together with their affiliates) or GoldenTree (together with their affiliates), as applicable, no longer own at least 20% of the total number of preferred units issued on the closing date, together with all PIK units that have been issued but not redeemed (the "minimum preferred unit threshold").

At the closing, pursuant to the Board Rights Agreement, the Preferred Purchasers received certain board appointment and observation rights, and Blackstone appointed one director and one observer to the Board of Directors. However, in 2023, we repurchased all of Blackstone's preferred units which were subsequently retired and no longer remain outstanding, and all rights of Blackstone related thereto ceased as a result. In connection with the repurchase, Blackstone's board designee resigned from the Board of Directors. GoldenTree did not exercise its one-time option pursuant to the Board Rights Agreement to appoint either a director or an observer to the Board of Directors within 30 days of receipt of notice that Blackstone (and their affiliates) no longer own the Minimum Preferred Unit Threshold and GoldenTree no longer has the right to appoint either a director or an observer to the Board of Directors.

NRP also entered into a registration rights agreement (the "preferred unit and warrant registration rights agreement") with the preferred purchasers, pursuant to which NRP is required to file (i) a shelf registration statement to register the common units issuable upon exercise of the warrants and to cause such registration statement to become effective not later than 90 days following the closing date and (ii) a shelf registration statement to register the common units issuable upon conversion of the preferred units and to cause such registration statement to become effective not later than the earlier of the fifth anniversary of the closing date or 90 days following the first issuance of any common units upon conversion of preferred units. In addition, the preferred unit and warrant registration rights agreement gives the preferred purchasers piggyback registration and demand underwritten offering rights under certain circumstances. The shelf registration statement to register the common units issuable upon exercise of the warrants became effective on April 20, 2017. The shelf registration statement to register the common units issuable upon exercise of the preferred units became effective on February 11, 2022.

NATURAL RESOURCE PARTNERS L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(Unaudited)

Accounting for the Preferred Units and Warrants

Classification

The preferred units are accounted for as temporary equity on NRP's Consolidated Balance Sheets due to certain contingent redemption rights that may be exercised at the election of preferred purchasers. The warrants are accounted for as equity on NRP's Consolidated Balance Sheets.

Initial Measurement

The net transaction price was allocated to the preferred units and warrants based on their relative fair values at inception date. NRP allocated the transaction issuance costs to the preferred units and warrants primarily on a pro-rata basis based on their relative inception date allocated values.

Subsequent Measurement

Preferred Units

Subsequent adjustment of the preferred units will not occur until NRP has determined that the conversion or redemption of all or a portion of the preferred units is probable of occurring. Once conversion or redemption becomes probable of occurring, the carrying amount of the preferred units will be accreted to their redemption value over the period from the date the feature is probable of occurring to the date the preferred units can first be converted or redeemed.

During the three months ended March 31, 2023, the Partnership received a notice from holders of the **Class A Preferred Units** preferred units exercising their right to either convert or redeem, at the election of NRP, an aggregate of 47,499 **Class A Preferred Units** preferred units. The Partnership chose to redeem the preferred units for \$47.5 million in cash rather than issuing converting them into common units. During the three months ended June 30, 2023 the Partnership received a notice from holders of the preferred units exercising their right to either convert or redeem, at the election of NRP, an aggregate of 35,834 preferred units. The Partnership chose to redeem the preferred units for \$35.8 million in cash rather than converting them into common units. During the three months ended June 30, 2023 the Partnership executed a negotiated transaction with holders of the preferred units pursuant to which it repurchased an aggregate of 45,000 preferred units for \$45.0 million in cash. On May 8, 2024, the Partnership executed a negotiated transaction with holders of the preferred units pursuant to which the Partnership repurchased an aggregate of 40,000 preferred units for \$40.0 million in cash. As a result of the 2024 negotiated transaction, holders of the remaining preferred units waived their right to convert up to 33% of the outstanding preferred units for six months from the date of the negotiated transaction. Following these redemptions and repurchases, the subject preferred units were retired and no longer remain outstanding. Of the originally issued 250,000 **Class A Preferred Units**, preferred units, 31,666 and 71,666 **Class A Preferred Units** preferred units remained outstanding as of March 31, June 30, 2024 and December 31, 2023, respectively. These preferred units had a \$20.8 million and \$47.2 million carrying value included in class A convertible preferred units on the Partnership's Consolidated Balance Sheets at March 31, June 30, 2024 and December 31, 2023, respectively.

Warrants

Subsequent adjustment of the warrants will not occur until the warrants are exercised, at which time, NRP may, at its option, elect to settle the warrants in common units or cash, each on a net basis. The net basis will be equal to the difference between the Partnership's common unit price and the strike price of the warrant. Once warrant exercise occurs, the difference between the carrying amount of the warrants and the net settlement amount will be allocated on a pro-rata basis to the common unitholders and general partner. As of June 30, 2024, all warrants have been settled and none remain outstanding.

During the three and sixmonths ended March 31, June 30, 2024, the Partnership settled a total of 1,219,665 320,335 and 1,540,000 warrants to purchase common units with a strike price of \$34.00, \$34.00, respectively. On January 29, 2024 (the "January 2024 exercise date"), holders of the Partnership's warrants exercised 462,165 warrants at a strike price of \$34.00. The Partnership settled the warrants on a net basis with \$10.0 million in cash and 198,767 common units. The 15-day VWAP ending on the business day prior to the January 2024 exercise date was \$97.62. On February 7, 2024 (the "February 7, 2024 exercise date"), holders of the Partnership's warrants exercised 128,750 warrants at a strike price of \$34.00. The Partnership settled the warrants on a net basis with \$8.0 million in cash. The 15-day VWAP ending on the business day prior to the February 7, 2024 exercise date was \$96.29. On February 8, 2024 (the "February 8, 2024 exercise date"), holders of the Partnership's warrants exercised 128,750 warrants at a strike price of \$34.00. The 15-day VWAP ending on the business day prior to the February 8, 2024 exercise date was \$95.63. The Partnership settled these warrants on a net basis with \$7.9 million in cash. On February 14, 2024 (the "February 14, 2024 exercise date"), holders of the Partnership's warrants exercised 500,000 warrants at a strike price of \$34.00. The 15-day VWAP ending on the business day prior to the February 14, 2024 exercise date was \$93.47. The Partnership settled these warrants on a net basis with \$29.7 million in cash. In April 2024 (the "April 2024 exercise date"), holders of the Partnership's warrants exercised 320,335 warrants at a strike price of \$34.00. The Partnership settled the warrants on a net basis with \$10.0 million in cash and 89,059 common units. The 15-day VWAP ending on the business day prior to the April 2024 exercise date was \$90.33. Of the originally issued 4,000,000 warrants, 320,335 no warrants remain outstanding as of June 30, 2024 and 1,540,000 warrants to purchase common units with a strike price of \$34.00 remained were outstanding as of March 31, 2024 and December 31, 2023 respectively. These warrants had a carrying value of \$4.8 million and \$23.1 million included in warrant holders' interest within partners' capital on the Partnership's Consolidated Balance Sheets at March 31, 2024 and December 31, 2023 respectively. In the first quarter of 2024, the remaining 320,335 warrants were settled and none of the Partnership's warrants remain outstanding as of April 18, 2024. See [Note 17. Subsequent Events](#) for more information.

Embedded Features

Certain embedded features within the preferred unit and warrant purchase agreement are accounted for at fair value and are remeasured each quarter. See [Note 10. Fair Value Measurements](#) for further information regarding valuation of these embedded derivatives.

4. Common and Preferred Unit Distributions

The Partnership makes cash distributions to common and preferred unitholders on a quarterly basis, subject to approval by the Board of Directors of GP Natural Resource Partners LLC (the "Board of Directors"). NRP recognizes both common unit and preferred unit distributions on the date the distribution is declared.

Distributions made on the common units and the general partner's general partner ("GP") interest are made on a pro-rata basis in accordance with their relative percentage interests in the Partnership. The general partner is entitled to receive 2% of such distributions.

Income available to common unitholders and the general partner is reduced by preferred unit distributions that accumulated during the period. NRP reduced net income available to common unitholders and the general partner by \$2.2 million \$1.4 million and \$6.7 million \$5.0 million during the three months ended March 31, June 30, 2024 and 2023, respectively, and \$3.6 million and \$11.6 million during the six months ended June 30, 2024 and 2023, respectively, as a result of accumulated preferred unit distributions earned during the period. Of the \$1.4 million in accumulated preferred unit distributions earned during the three months ended June 30, 2024, \$0.5 million was paid in May 2024 in connection with the preferred units that were redeemed in May 2024. Of the \$6.7 million in accumulated preferred unit distributions earned during the three months ended March 31, 2023, \$0.6 million was paid in February 2023 in connection with the preferred units that were redeemed in February 2023. Of the \$5.0 million in accumulated preferred unit distributions earned during June 30, 2023, \$0.4 million was paid in May 2023 and \$0.9 million was paid in June 2023 in connection with the preferred units that were redeemed during those months. Income available to common unitholders and the general partner is also reduced by the difference between the fair value of the consideration paid upon redemption and the carrying value of the preferred units. As such, NRP reduced net income available to common unitholders and the general partner by \$16.2 \$13.7 million during the three and six months ended March 31, 2023, June 30, 2024, and \$27.6 million and \$43.8 million during the three and six months ended June 30, 2023, respectively.

The following table shows the cash distributions declared and paid to common and preferred unitholders during the three six months ended March 31, June 30, 2024 and 2023, respectively:

Month Paid	Common Units					Preferred Units					Common Units					Preferred Units				
	Period Covered by Distribution	Distribution per Unit	Total Distribution (1) (In thousands)		Distribution per Unit	Total Distribution (In thousands)		Period Covered by Distribution	Distribution per Unit	Total Distribution (1) (In thousands)		Distribution per Unit	Total Distribution (In thousands)							
2024																				
	October 1 -							October 1 -												
February	December 31, 2023	\$ 0.75	\$ 9,918		\$ 30.00	\$ 2,150		December 31, 2023	\$ 0.75	\$ 9,918		\$ 30.00	\$ 2,150							
March (2)	Special Distribution	2.44	32,268		—	—		Special Distribution	2.44	32,268		—	—							
	May							January 1 -												
								March 31, 2024	0.75	9,987		30.00	2,150							
	May (3)							April 1 - May 8, 2024	—	—		12.33	493							
2023																				
	October 1 -							October 1 -												
February	December 31, 2022	\$ 0.75	\$ 9,571		\$ 30.00	\$ 7,500		December 31, 2022	\$ 0.75	\$ 9,571		\$ 30.00	\$ 7,500							
February (3)	January 1 - February 8, 2023	—	—		12.33	586														
March (4)	Special Distribution	2.43	31,329		—	—														
February (4)								January 1 - February 8, 2023	—	—		12.33	586							
March (5)								Special Distribution	2.43	31,329		—	—							

May	January 1 - March 31, 2023	0.75	9,669	30.00	6,075
May (6)	April 1 - May 5, 2023	—	—	11.33	406
June (7)	April 1 - June 2, 2023	—	—	20.33	915

(1) Totals include the amount paid to NRP's general partner in accordance with the general partner's 2% general partner interest.

(2) Special distribution was made to help cover unitholder tax liabilities associated with owning NRP's common units during 2023.

(3) Relates to accrued distribution paid upon the redemption of 40,000 preferred units in May 2024.

(4) Relates to accrued distribution paid upon the redemption of 47,499 preferred units in February 2023.

(45) Special distribution was made to help cover unitholder tax liabilities associated with owning NRP's common units during 2022.

(6) Relates to accrued distribution paid upon the redemption of 35,834 preferred units in May 2023.

(7) Relates to accrued distribution paid upon redemption of 45,000 preferred units in June 2023.

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5. Net Income Per Common Unit

Basic net income per common unit is computed by dividing net income, after considering income attributable to preferred unitholders, the difference between the fair value of the consideration paid upon redemption and the carrying value of the preferred units, and the general partner's general partner interest, by the weighted average number of common units outstanding. Diluted net income per common unit includes the effect of NRP's preferred units, warrants, and unvested unit-based awards if the inclusion of these items is dilutive.

The dilutive effect of the preferred units is calculated using the if-converted method. Under the if-converted method, the preferred units are assumed to be converted at the beginning of the period, and the resulting common units are included in the denominator of the diluted net income per unit calculation for the period being presented. Distributions declared in the period and undeclared distributions on the preferred units that accumulated during the period are added back to the numerator for purposes of the if-converted calculation. The calculation of diluted net income per common unit for the three six months ended March 31, June 30, 2024 and the three and six months ended June 30, 2023 includes the assumed conversion of the remaining preferred units. The calculation of diluted net income per common unit for the three months ended March 31, June 30, 2024 does not include the assumed conversion of the remaining preferred units as the inclusion of these units would be anti-dilutive. The calculation of diluted net income per common units for the three and six months ended June 30, 2024 and 2023 does not include the assumed conversion of the preferred units that were redeemed during the three and six months ended March 31, June 30, 2024 and 2023 as the inclusion of these units would be anti-dilutive.

The dilutive effect of the warrants is calculated using the treasury stock method, which assumes that the proceeds from the exercise of these instruments are used to purchase common units at the average market price for the period. The calculation of diluted net income per common unit for the three and six months ended March 31, June 30, 2024 includes the net settlement of the warrants to purchase 320,335 common units with a strike price of \$34.00 for the period during which they were outstanding. The calculation of diluted net income per common unit for the three and six months ended March 31, June 30, 2023 includes the net settlement of warrants to purchase 752,500 common units at a strike price of \$22.81 and the net settlement of warrants to purchase 2,250,000 million common units with a strike price of \$34.00.

The following table reconciles the numerator and denominator of the basic and diluted net income per common unit computations and calculates basic and diluted net income per common unit:

(In thousands, except per unit data)	For the Three Months Ended March 31,		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Basic net income per common unit						

Net income attributable to common unitholders	\$ 52,982	\$ 55,258	\$ 30,336	\$ 36,990	\$ 83,318	\$ 92,248
Weighted average common units—basic	12,832	12,570	13,032	12,635	12,932	12,603
Basic net income per common unit	\$ 4.13	\$ 4.40	\$ 2.33	\$ 2.93	\$ 6.44	\$ 7.32
Diluted net income per common unit						
Weighted average common units—basic	12,832	12,570	13,032	12,635	12,932	12,603
Plus: dilutive effect of preferred units	775	3,778	—	2,420	563	3,099
Plus: dilutive effect of warrants	521	1,255	35	1,139	278	1,197
Plus: dilutive effect of unvested unit-based awards	265	209	200	122	233	165
Weighted average common units—diluted	14,393	17,812	13,267	16,316	14,006	17,064
Net income	\$ 56,213	\$ 79,275	\$ 46,064	\$ 70,334	\$ 102,277	\$ 149,609
Less: income attributable to preferred unitholders	—	(586)	(1,443)	(1,321)	(493)	(1,907)
Less: redemption of preferred units	—	(16,228)	(13,666)	(27,618)	(13,666)	(43,846)
Diluted net income attributable to common unitholders and the general partner	\$ 56,213	\$ 62,461	\$ 30,955	\$ 41,395	\$ 88,118	\$ 103,856
Less: diluted net income attributable to the general partner	(1,124)	(1,249)	(619)	(828)	(1,762)	(2,077)
Diluted net income attributable to common unitholders	\$ 55,089	\$ 61,212	\$ 30,336	\$ 40,567	\$ 86,356	\$ 101,779
Diluted net income per common unit	\$ 3.83	\$ 3.44	\$ 2.29	\$ 2.49	\$ 6.17	\$ 5.96

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6. Segment Information

The Partnership's segments are strategic business units that offer distinct products and services to different customers in different geographies within the U.S. and that are managed accordingly. NRP has the following two operating segments:

Mineral Rights—consists of mineral interests and other subsurface rights across the United States. NRP's ownership provides critical inputs for the manufacturing of steel, electricity and basic building materials, as well as opportunities for carbon sequestration and renewable energy. The Partnership is working to strategically redefine its business as a key player in the transitional energy economy in the years to come.

Soda Ash—consists of the Partnership's 49% non-controlling equity interest in Sisecam Wyoming, a trona ore mining operation and soda ash refinery in the Green River Basin of Wyoming. Sisecam Wyoming mines trona and processes it into soda ash that is sold both domestically and internationally to the glass and chemicals industries.

Direct segment costs and certain other costs incurred at the corporate level that are identifiable and that benefit the Partnership's segments are allocated to the operating segments accordingly. These allocated costs generally include salaries and benefits, insurance, property taxes, legal, royalty, information technology and shared facilities services and are included in operating and maintenance expenses on the Partnership's Consolidated Statements of Comprehensive Income.

Corporate and Financing includes functional corporate departments that do not earn revenues. Costs incurred by these departments include interest and financing, corporate headquarters and overhead, centralized treasury, legal and accounting and other corporate-level activity not specifically allocated to a segment and are included in general and administrative expenses on the Partnership's Consolidated Statements of Comprehensive Income.

The following table summarizes certain financial information for each of the Partnership's business segments:

(In thousands)	Operating Segments				Operating Segments				Operating Segments					
	Mineral Rights		Soda Ash		Corporate and Financing		Total	Mineral Rights		Soda Ash		Corporate and Financing		Total
	Mineral Rights	Soda Ash	Corporate and Financing	Total	Mineral Rights	Soda Ash	Corporate and Financing	Total	Mineral Rights	Soda Ash	Corporate and Financing	Total		

For the Three Months Ended March 31, 2024									
For the Three Months Ended June 30, 2024									
Revenues	\$ 70,799	\$ 5,450	\$ —	\$ 76,249	\$ 57,252	\$ —	\$ —	\$ —	\$ 57,252
Equity in earnings of Sisecam Wyoming						—	3,645	—	3,645
Gain on asset sales and disposals	165	—	—	165	4,643	—	—	—	4,643
Operating and maintenance expenses	5,671	62	—	5,733	5,846	26	—	—	5,872
Depreciation, depletion and amortization	4,649	—	5	4,654	3,320	—	4	—	3,324
General and administrative expenses	—	—	6,327	6,327	—	—	5,931	—	5,931
Interest expense, net	—	—	3,487	3,487	—	—	4,349	—	4,349
Net income (loss)	60,644	5,388	(9,819)	56,213	52,729	3,619	(10,284)	—	46,064
For the Three Months Ended March 31, 2023									
For the Three Months Ended June 30, 2023									
Revenues	\$ 79,869	\$ 19,254	\$ —	\$ 99,123	\$ 64,277	\$ —	\$ —	\$ —	\$ 64,277
Equity in earnings of Sisecam Wyoming						—	26,978	—	26,978
Gain on asset sales and disposals						5	—	—	5
Operating and maintenance expenses						7,916	14	—	7,930
Depreciation, depletion and amortization						3,787	—	5	3,792
General and administrative expenses						—	—	5,643	5,643
Asset impairments						69	—	—	69
Interest expense, net						—	—	3,492	3,492
Net income (loss)						52,510	26,964	(9,140)	70,334
For the Six Months Ended June 30, 2024									
Revenues						\$ 128,051	\$ —	\$ —	\$ 128,051
Equity in earnings of Sisecam Wyoming						—	9,095	—	9,095
Gain on asset sales and disposals	96	—	—	96	4,808	—	—	—	4,808
Operating and maintenance expenses	7,005	158	—	7,163	11,517	88	—	—	11,605
Depreciation, depletion and amortization	4,079	—	4	4,083	7,969	—	9	—	7,978
General and administrative expenses	—	—	5,845	5,845	—	—	12,258	—	12,258
Interest expense, net	—	—	2,853	2,853	—	—	7,836	—	7,836
Net income (loss)	68,881	19,096	(8,702)	79,275	113,373	9,007	(20,103)	—	102,277
For the Six Months Ended June 30, 2023									
Revenues						\$ 144,146	\$ —	\$ —	\$ 144,146
Equity in earnings of Sisecam Wyoming						—	46,232	—	46,232
Gain on asset sales and disposals						101	—	—	101
Operating and maintenance expenses						14,921	172	—	15,093
Depreciation, depletion and amortization						7,866	—	9	7,875
General and administrative expenses						—	—	11,488	11,488
Asset impairments						69	—	—	69
Interest expense, net						—	—	6,345	6,345
Net income (loss)						121,391	46,060	(17,842)	149,609

7. Equity Investment

The Partnership accounts for its 49% investment in Sisecam Wyoming using the equity method of accounting. Activity related to this investment is as follows:

(In thousands)	For the Three Months Ended March 31,		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024		2023		2024	2023
	2024	2023	2024	2023	2024	2023
Balance at beginning of period	\$ 276,549	\$ 306,470	\$ 268,634	\$ 295,361	\$ 276,549	\$ 306,470
Income allocation to NRP's equity interests (1)	6,646	20,364	4,757	28,212	11,403	48,576
Amortization of basis difference	(1,196)	(1,110)	(1,111)	(1,234)	(2,307)	(2,344)
Other comprehensive income (loss)	845	(19,583)	1,239	911	2,084	(18,672)
Distributions	(14,210)	(10,780)	(7,584)	(32,350)	(21,794)	(43,130)
Balance at end of period	\$ 268,634	\$ 295,361	\$ 265,935	\$ 290,900	\$ 265,935	\$ 290,900

(1) Amounts reclassified into income out of accumulated other comprehensive loss were \$1.6 million \$1.4 million and \$(20.6) million \$2.3 million for the three months ended March 31, June 30, 2024 and 2023, respectively and \$3.0 million and \$(18.3) million for the six months ended June 30, 2024 and 2023, respectively.

The following table represents summarized financial information for Sisecam Wyoming as derived from their respective unaudited financial statements for the three and six months ended March 31, June 30, 2024 and 2023:

(In thousands)	For the Three Months Ended March 31,		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024		2023		2024	2023
	2024	2023	2024	2023	2024	2023
Net sales	\$ 130,431	\$ 207,128	\$ 146,979	\$ 201,365	\$ 277,410	\$ 408,493
Gross profit	21,133	49,055	17,475	64,554	38,608	113,609
Net income	13,563	41,560	9,709	57,574	23,272	99,134

8. Mineral Rights, Net

The Partnership's mineral rights consist of the following:

(In thousands)	March 31, 2024			December 31, 2023			June 30, 2024			December 31, 2023		
	Carrying Value	Accumulated Depletion	Net Book Value	Carrying Value	Accumulated Depletion	Net Book Value	Carrying Value	Accumulated Depletion	Net Book Value	Carrying Value	Accumulated Depletion	Net Book Value
Coal properties	\$ 661,256	\$ (289,570)	\$ 371,686	\$ 661,256	\$ (285,470)	\$ 375,786	\$ 661,256	\$ (292,497)	\$ 368,759	\$ 661,256	\$ (285,470)	\$ 375,786
Aggregates properties	8,655	(3,848)	4,807	8,655	(3,761)	4,894	8,655	(3,924)	4,731	8,655	(3,761)	4,894
Oil and gas royalty properties	12,354	(10,203)	2,151	12,354	(10,082)	2,272	12,354	(10,323)	2,031	12,354	(10,082)	2,272
Other	13,143	(1,611)	11,532	13,143	(1,612)	11,531	13,143	(1,611)	11,532	13,143	(1,612)	11,531
Total mineral rights, net	\$ 695,408	\$ (305,232)	\$ 390,176	\$ 695,408	\$ (300,925)	\$ 394,483	\$ 695,408	\$ (308,355)	\$ 387,053	\$ 695,408	\$ (300,925)	\$ 394,483

Depletion expense related to the Partnership's mineral rights is included in depreciation, depletion and amortization on its Consolidated Statements of Comprehensive Income and totaled \$4.3 \$3.1 million and \$3.9 \$3.6 million for the three months ended March 31, June 30, 2024 and 2023, respectively and \$7.4 million and \$7.5 million for the six months ended June 30, 2024 and 2023, respectively.

During the three and six months ended June 30, 2024, the Partnership recorded a gain of \$4.6 million and \$4.8 million, respectively, included in gain on asset sales and disposals on the Consolidated Statements of Comprehensive Income primarily related to a coal property condemnation in the second quarter of 2024. During the three and six months ended June 30, 2023, the Partnership had immaterial gains on asset sales and disposals.

The Partnership has developed procedures to evaluate its long-lived assets for possible impairment periodically or whenever events or changes in circumstances indicate an asset's net book value may not be recoverable. Potential events or circumstances include, but are not limited to, specific events such as a reduction in economically recoverable reserves or production ceasing on a property for an extended period. This analysis is based on historic, current and future performance and considers both quantitative and qualitative information. As a result of the Partnership's analyses, NRP had no impairment expense during the three and six months ended **March 31, June 30, 2024** and recorded immaterial impairment expenses during the three and six months ended **June 30, 2023**.

NATURAL RESOURCE PARTNERS L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(Unaudited)

9. Debt, Net

The Partnership's debt consists of the following:

(In thousands)	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	\$ 146,191	\$ 95,834	\$ 167,684	\$ 95,834
Opco Credit Facility	\$ 146,191	\$ 95,834	\$ 167,684	\$ 95,834
Opco Senior Notes				
5.82% with semi-annual interest payments in March and September, with annual principal payments in March, due March 2024	\$ —	\$ 12,685		
8.92% with semi-annual interest payments in March and September, with annual principal payments in March, due March 2024	—	4,012		
5.03% with semi-annual interest payments in June and December, with annual principal payments in December, due December 2026	34,262	34,262		
5.18% with semi-annual interest payments in June and December, with annual principal payments in December, due December 2026	8,732	8,732		
5.82% with semi-annual interest payments in March and September, with annual principal payments in March, due March 2024			\$ —	\$ 12,685
8.92% with semi-annual interest payments in March and September, with annual principal payments in March, due March 2024			—	4,012
5.03% with semi-annual interest payments in June and December, with annual principal payments in December, due December 2026			34,262	34,262
5.18% with semi-annual interest payments in June and December, with annual principal payments in December, due December 2026			8,732	8,732
Total Opco Senior Notes	\$ 42,994	\$ 59,691	\$ 42,994	\$ 59,691
Total debt at face value	\$ 189,185	\$ 155,525	\$ 210,678	\$ 155,525
Net unamortized debt issuance costs	(388)	(467)	(352)	(467)
Total debt, net	\$ 188,797	\$ 155,058	\$ 210,326	\$ 155,058
Less: current portion of long-term debt	(14,202)	(30,785)	(14,214)	(30,785)
Total long-term debt, net	\$ 174,595	\$ 124,273	\$ 196,112	\$ 124,273

Opco Debt

All of Opco's debt is guaranteed by its wholly owned subsidiaries and is secured by certain of the assets of Opco and its wholly owned subsidiaries, other than BRP LLC and NRP Trona LLC. As of **March 31, June 30, 2024** and December 31, 2023, Opco was in compliance with the terms of the financial covenants contained in its debt agreements.

Opco Credit Facility

In May 2023, the Partnership entered into the Sixth Amendment (the "Sixth Amendment") to the Opco Credit Facility (the "Opco Credit Facility"). The Sixth Amendment maintained the term of the Opco Credit Facility until August 2027. Lender commitments under the Opco Credit Facility increased from \$130.0 million to \$155.0 million, with the ability to expand such commitments to \$200.0 million with the addition of future commitments. In February 2024, the Partnership exercised its option under the Opco Credit

Facility to increase the total aggregate commitment under the Opcos Credit Facility twice, initially by \$30.0 million from \$155.0 million to \$185.0 million and subsequently by \$15.0 million from \$185.0 million to \$200.0 million. These increases in the total aggregate commitment were made pursuant to an accordion feature of the Opcos Credit Facility. In connection with the initial increase, a new lender joined the lending group with a commitment of \$30.0 million. The Opcos Credit Facility continues to operate under its existing terms and conditions in all material respects. The Sixth Amendment also includes modifications to Opcos ability to declare and make certain restricted payments. The Opcos Credit Facility contains financial covenants requiring Opcos to maintain:

- A leverage ratio of consolidated indebtedness to EBITDDA (in each case as defined in the Opcos Credit Facility) not to exceed 3.0x As of 3.0x; June 30, 2024, provided, this ratio was 0.7x; and
- an interest coverage ratio of consolidated EBITDDA to the sum of consolidated interest expense and consolidated lease expense (in each case as defined in the Opcos Credit Facility) of not less than 3.5 to 1.0. As of June 30, 2024, this ratio was 16.8x.

As of December 31, 2023, the Partnership had \$95.8 million in borrowings outstanding under the Opcos Credit Facility and \$59.2 million of available borrowing capacity. During the three six months ended March 31, June 30, 2024, the Partnership borrowed \$89.4 million \$129.9 million and repaid \$39.0 million, \$58.0 million, resulting in \$146.2 \$167.7 million in borrowings outstanding under the Opcos Credit Facility and \$53.8 \$32.3 million of available borrowing capacity as of March 31, 2024. June 30, 2024. During the three six months ended March 31, June 30, 2023, the Partnership borrowed \$94.2 million \$165.0 million and repaid \$73.0 million \$132.0 million on the Opcos Credit Facility. The weighted average interest rate for the borrowings outstanding under the Opcos Credit Facility for the three and six months ended March June 30, 2024 was 8.92% and 8.93%, respectively. The weighted average interest rate for the borrowings outstanding under the Opcos Credit Facility for the 31, 2024 three and 2023 six months ended June 30, 2023 was 8.94% 8.61% and 8.14% 8.44%, respectively.

The Opcos Credit Facility is collateralized and secured by liens on certain of Opcos assets with carrying values of \$312.4 million \$309.6 million and \$316.3 million classified as mineral rights, net and other long-term assets, net and \$25.6 \$24.9 million and \$26.3 million classified as long-term contract receivable, net on the Partnerships Consolidated Balance Sheets as of March 31, June 30, 2024 and December 31, 2023, respectively.

Opcos Senior Notes

Opcos has issued several series of private placement senior notes (the "Opcos Senior Notes") with various interest rates and principal due dates. As of March 31, June 30, 2024, only the 5.03% and 5.18% Opcos Senior Notes, both due December 2026, remain outstanding. These Opcos Senior Notes have principal due annually in December and interest due semi-annually in June and December. As of June 30, 2024 and December 31, 2023, the Opcos Senior Notes had cumulative principal balances of \$43.0 million and \$59.7 million, respectively. Opcos made mandatory principal payments of \$16.7 and \$19.1 million during the three six months ended March 31, June 30, 2024 and 2023, respectively.

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NATURAL RESOURCE PARTNERS L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(Unaudited)

10. Fair Value Measurements

Fair Value of Financial Assets and Liabilities

The Partnerships financial assets and liabilities consist of cash and cash equivalents, a contract receivable and debt. The carrying amounts reported on the Consolidated Balance Sheets for cash and cash equivalents approximate fair value due to their short-term nature. The Partnership uses available market data and valuation methodologies to estimate the fair value of its debt and contract receivable.

The following table shows the carrying value and estimated fair value of the Partnerships debt and contract receivable:

(In thousands)	March 31, 2024					December 31, 2023					June 30, 2024					December 31, 2023				
	Fair Value	Carrying		Estimated		Carrying		Estimated		Fair Value	Carrying		Estimated		Carrying		Estimated			
		Hierarchy Level	Value	Fair Value	Value	Fair Value	Value	Fair Value	Value		Hierarchy Level	Value	Fair Value	Value	Fair Value	Value	Fair Value	Value	Fair Value	
Debt:																				
Opcos Senior Notes (1)		3	\$ 42,606	\$ 39,971	\$ 59,224	\$ 56,533						3	\$ 42,642	\$ 40,724	\$ 59,224	\$ 56,533				

Opco Credit Facility (2)	3	146,191	146,191	95,834	95,384	3	167,684	167,684	95,834	95,384
Assets:										
Contract receivable, net (current and long-term) (3)	3	\$ 28,309	\$ 24,071	\$ 28,946	\$ 24,492	3	\$ 27,659	\$ 23,655	\$ 28,946	\$ 24,492

(1) The fair value of the Opco Senior Notes was estimated by management utilizing the present value replacement method incorporating the interest rate of the Opco Credit Facility.

(2) The fair value of the Opco Credit Facility approximates the outstanding borrowing amount because the interest rates are variable and reflective of market rates and the terms of the credit facility allow the Partnership to repay the debt at any time without penalty.

(3) The fair value of the Partnership's contract receivable is determined based on the present value of future cash flow projections related to the underlying asset at a discount rate of 15% at **March 31, June 30, 2024** and December 31, 2023.

NRP has embedded derivatives in the preferred units related to certain conversion options, redemption features and the change of control provision that are accounted for separately from the preferred units as assets and liabilities at fair value on the Partnership's Consolidated Balance Sheets. Level 3 valuation of the embedded derivatives are based on numerous factors including the likelihood of the event occurring. The embedded derivatives are revalued quarterly and changes in their fair value would be recorded in other expenses, net on the Partnership's Consolidated Statements of Comprehensive Income. The embedded derivatives had zero value as of **March 31, June 30, 2024** and December 31, 2023.

11. Related Party Transactions

Affiliates of our General Partner

The Partnership's general partner does not receive any management fee or other compensation for its management of NRP. However, in accordance with the partnership agreement, the general partner and its affiliates are reimbursed for services provided to the Partnership and for expenses incurred on the Partnership's behalf. Employees of Quintana Minerals Corporation ("QMC") and Western Pocahontas Properties Limited Partnership ("WPPLP"), affiliates of the Partnership, provide their services to manage the Partnership's business. QMC and WPPLP charge the Partnership the portion of their employee salary and benefits costs related to their employee services provided to NRP. These QMC and WPPLP employee management service costs are presented as operating and maintenance expenses and general and administrative expenses on the Partnership's Consolidated Statements of Comprehensive Income. NRP also reimburses overhead costs incurred by its affiliates, **including Quintana Infrastructure Development ("QID")**, and other related parties, to manage the Partnership's business. These overhead costs include certain rent, information technology, administration of employee benefits and other corporate services incurred by or on behalf of the Partnership's general partner and its affiliates and are presented as operating and maintenance expenses and general and administrative expenses on the Partnership's Consolidated Statements of Comprehensive Income.

Direct **Related party** general and administrative expenses charged to the Partnership by QMC, WPPLP and QID are included on the Partnership's Consolidated Statement of Comprehensive Income **are** as follows:

(In thousands)	For the Three Months Ended March 31,		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024		2023		2024	2023
	\$ 1,766	\$ 1,719	\$ 1,703	\$ 1,712	\$ 3,469	\$ 3,431
Operating and maintenance expenses						
General and administrative expenses	1,303	1,320	1,297	1,253	2,821	2,573

The Partnership had accounts payable to **QMC** **related parties** of **\$0.4** **\$0.6** million on its Consolidated Balance Sheets at both **March 31, June 30, 2024** and December 31, 2023 **and**. The Partnership had other current assets of **\$0.4** **0.1** million and **\$0.2** million of accounts payable on its Consolidated Balance Sheets related to **WPPLP** a related party **prepaid expense** at both **March 31, June 30, 2024** and December 31, **2023** **2023**, respectively.

As a result of its office lease with WPPLP, the Partnership has a right-of-use asset and lease liability of **\$3.4** and **\$3.5** million included in other long-term assets, net and other non-current liabilities, respectively on its Consolidated Balance Sheets at both **March 31, June 30, 2024** and December 31, **2023**, respectively.

During the three months ended **March 31, June 30, 2024** and 2023, the Partnership recognized **\$0.03** **\$0.01** million and **\$2.0** million, respectively, in operating and maintenance expenses on its Consolidated Statements of Comprehensive Income related to an overriding royalty agreement with WPPLP. These amounts were **\$0.04** and **\$4.0**

million during the six months ended June 30, 2024 and 2023, respectively. At June 30, 2024 and December 31, 2023 the Partnership had \$0.6 million and \$0.0 million, respectively, of other long-term assets, net on its Consolidated Balance Sheets related to a prepaid royalty for this agreement.

NATURAL RESOURCE PARTNERS L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(Unaudited)

12. Major Customers

Revenues from customers that exceeded 10 percent of total revenues for any of the periods presented below are as follows:

(In thousands)	For the Three Months Ended March 31,				For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2024		2023		2024		2023		2024		2023	
	Revenues	Percent	Revenues	Percent	Revenues	Percent	Revenues	Percent	Revenues	Percent	Revenues	Percent
Alpha Metallurgical Resources, Inc. (1)	\$ 20,902	27%	\$ 24,218	24%	\$ 17,887	31%	\$ 19,685	22%	\$ 38,789	30%	\$ 43,903	23%
Foresight Energy Resources LLC ("Foresight") (1)	\$ 12,846	17%	\$ 12,529	13%	\$ 9,736	17%	\$ 12,324	14%	\$ 22,582	18%	\$ 24,853	13%
Hatfield Metallurgical Holdings, LLC (1)					\$ 7,452	13%	\$ 7,346	8%	\$ 14,201	11%	\$ 16,070	8%

(1) Revenues from Alpha Metallurgical Resources, Inc., Foresight and Hatfield Metallurgical Holdings, LLC are included within the Partnership's Mineral Rights segment.

13. Commitments and Contingencies

NRN is involved, from time to time, in various legal proceedings arising in the ordinary course of business. While the ultimate results of these proceedings cannot be predicted with certainty, Partnership management believes these ordinary course matters will not have a material effect on the Partnership's financial position, liquidity or operations.

14. Unit-Based Compensation

During the three six months ended March 31, June 30, 2024 and 2023, the Partnership granted service, performance and market-based awards under its 2017 Long-Term Incentive Plan. The Partnership's service and performance-based awards are valued using the closing price of NRP's common units as of the grant date while the Partnership's market-based awards are valued using a Monte Carlo simulation. The grant date fair value of these awards granted during the three months ended March 31, June 30, 2024 and 2023 was \$0.0 million and \$0.1 million, respectively. The grant date fair value of these awards granted during six months ended June 30, 2024 and 2023 was \$6.7 million and \$15.9 million, respectively, which included a grant date fair value of \$2.5 and \$2.8 million for the market-based awards valued using a Monte Carlo simulation during the three six months ended March 31, June 30, 2024 and 2023, respectively. Total unit-based compensation expense associated with these awards was \$3.0 million and \$2.5 million for the three months ended March 31, June 30, 2024 and 2023, respectively, and \$5.9 million and \$5.1 million for the six months ended June 30, 2024 and 2023, respectively, respectively, and is included in general and administrative expenses and operating and maintenance expenses on the Partnership's Consolidated Statements of Comprehensive Income. The unamortized cost associated with unvested outstanding awards as of March 31, June 30, 2024 is \$17.5 million, \$14.9 million, which is to be recognized over a weighted average period of 2.01.8 years. The unamortized cost associated with unvested outstanding awards as of December 31, 2023 was \$13.3 million.

A summary of the unit activity in the outstanding grants during 2024 is as follows:

(In thousands)	Common Units	Weighted Average Grant Date Fair Value per Common Unit	Weighted Average Grant Date Fair Value per Common Unit	
			Common Units	Weighted Average Grant Date Fair Value per Common Unit
Outstanding at January 1, 2024	483	\$ 46.21	483	\$ 46.21
Granted	65	\$ 103.50	65	\$ 103.50
Fully vested and issued	(197)	\$ 38.76	(197)	\$ 38.76
Outstanding at March 31, 2024	351	\$ 60.91		
Forfeitures			(1)	\$ 90.70
Outstanding at June 30, 2024	350	\$ 60.81		

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NATURAL RESOURCE PARTNERS L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(Unaudited)

15. Financing Transaction

The Partnership owns rail loadout and associated infrastructure at the Sugar Camp mine in the Illinois Basin operated by a subsidiary of Foresight. The infrastructure at the Sugar Camp mine is leased to a subsidiary of Foresight and is accounted for as a financing transaction (the "Sugar Camp lease"). The Sugar Camp lease expires in 2032 with renewal options for up to 80 additional years. Minimum payments are \$5.0 million per year through the end of the lease term. The Partnership is also entitled to variable payments in the form of throughput fees based on the amount of coal transported and processed utilizing the Partnership's assets. In the event the Sugar Camp lease is renewed beyond 2032, payments become a fixed ten thousand dollars per year for the remainder of the renewed term.

16. Credit Losses

The Partnership is exposed to credit losses through collection of its short-term trade receivables resulting from contracts with customers and a long-term receivable resulting from a financing transaction with a customer. The Partnership records an allowance for current expected credit losses on these receivables based on the loss-rate method. NRP assessed the likelihood of collection of its receivables utilizing historical loss rates, current market conditions, industry and macroeconomic factors, reasonable and supportable forecasts and facts or circumstances of individual customers and properties. Examples of these facts or circumstances include, but are not limited to, contract disputes or renegotiations with the customer and evaluation of short and long-term economic viability of the contracted property. For its long-term contract receivable, management reverts to the historical loss experience immediately after the reasonable and supportable forecast period ends.

As of **March 31, June 30, 2024** and December 31, 2023, NRP had the following current expected credit loss ("CECL") allowance related to its receivables and long-term contract receivable:

(In thousands)	March 31, 2024			December 31, 2023			June 30, 2024			December 31, 2023		
	Gross		CECL Allowance	Gross		CECL Allowance	Gross		CECL Allowance	Gross		CECL Allowance
Receivables	\$ 40,992	\$ (4,896)	\$ 36,096	\$ 47,170	\$ (5,655)	\$ 41,515	\$ 37,745	\$ (4,903)	\$ 32,842	\$ 47,170	\$ (5,655)	\$ 41,515
Long-term contract receivable	26,552	(920)	25,632	27,265	(944)	26,321	25,823	(894)	24,929	27,265	(944)	26,321
Total	\$ 67,544	\$ (5,816)	\$ 61,728	\$ 74,435	\$ (6,599)	\$ 67,836	\$ 63,568	\$ (5,797)	\$ 57,771	\$ 74,435	\$ (6,599)	\$ 67,836

NRP recorded reversals of **\$0.8 million** and **\$0.6 million** of operating and maintenance expenses on its Consolidated Statements of Comprehensive Income related to the change in the CECL allowance during the three months ended **March 31, June 30, 2024** and 2023, respectively, and reversals of **\$0.8 million** during the six months ended **June 30, 2024** and **2023**, respectively. The Partnership wrote off **\$0.3 million** of receivables during the three and six months ended June 30, 2024.

NRP has procedures in place to monitor its ongoing credit exposure through timely review of counterparty balances against contract terms and due dates, account and financing receivable reconciliation, bankruptcy monitoring, lessee audits and dispute resolution. The Partnership may employ legal counsel or collection specialists to pursue recovery of defaulted receivables.

17. Subsequent Events

The following represents material events that have occurred subsequent to **March 31, June 30, 2024** through the time of the Partnership's filing of its Quarterly Report on Form 10-Q with the SEC:

Common Unit and Preferred Unit Distributions

In **May August 2024**, the Board of Directors declared a distribution of \$0.75 per common unit with respect to the **first second** quarter of 2024. The Board of Directors also declared a **\$2.15 million \$0.95 million** cash distribution on NRP's outstanding preferred units with respect to the **first second** quarter of 2024.

Warrant Exercise

On April 16, 2024 (the "exercise date"), holders of the Partnership's warrants exercised 320,335 warrants with a strike price of \$34.00. On April 18, 2024, the Partnership settled the warrants on a net basis with \$10.0 million in cash and 89,059 common units. The 15-day VWAP ending on the business day prior to the exercise date was \$90.33. Of the originally issued 4.0 million warrants, none of the Partnership's warrants remain outstanding after this exercise. As a result of this exercise, warrant holders' interest on the Partnership's Statement of Partners' Capital decreased by \$4.8 million during April 2024.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following review of operations for the three **and six** month periods ended **March 31, 2024 June 30, 2024** and 2023 should be read in conjunction with our Consolidated Financial Statements and the Notes to Consolidated Financial Statements included in this Form 10-Q and with the Consolidated Financial Statements, Notes to Consolidated Financial Statements and Management's Discussion and Analysis included in the Natural Resource Partners L.P. Annual Report on Form 10-K for the year ended December 31, 2023.

As used herein, unless the context otherwise requires: "we," "our," "us" and the "Partnership" refer to Natural Resource Partners L.P. and, where the context requires, our subsidiaries. References to "NRP" and "Natural Resource Partners" refer to Natural Resource Partners L.P. only, and not to NRP (Operating) LLC or any of Natural Resource Partners L.P.'s subsidiaries. References to "Opcos" refer to NRP (Operating) LLC, a wholly owned subsidiary of NRP, and its subsidiaries.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Statements included in this 10-Q may constitute forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements which are also forward-looking statements. Such forward-looking statements include, among other things, statements regarding: future distributions on our common and preferred units; our business strategy; our liquidity and access to capital and financing sources; our financial strategy; prices of and demand for coal, trona and soda ash, and other natural resources; estimated revenues, expenses and results of operations; projected future performance by our lessees; Sisecam Wyoming LLC's ("Sisecam Wyoming's") trona mining and soda ash refinery operations; distributions from our soda ash joint venture; the impact of governmental policies, laws and regulations, as well as regulatory and legal proceedings involving us, and of scheduled or potential regulatory or legal changes; and global and U.S. economic conditions.

These forward-looking statements speak only as of the date hereof and are made based upon our current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. You should not put undue reliance on any forward-looking statements. See "[Item 1A. Risk Factors](#)" included in this Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2023 for important factors that could cause our actual results of operations or our actual financial condition to differ.

NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that we define as net income (loss) less equity earnings from unconsolidated investment; plus total distributions from unconsolidated investment, interest expense, net, debt modification expense, loss on extinguishment of debt, depreciation, depletion and amortization and asset impairments. Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income or loss, net income or loss attributable to partners, operating income or loss, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP as measures of operating performance, liquidity or ability to service debt obligations. There are significant limitations to using Adjusted EBITDA as a measure of performance, including the inability to analyze the effect of certain recurring items that materially affect our net income, the lack of comparability of results of operations of different companies and the different methods of calculating Adjusted EBITDA reported by different companies. In addition, Adjusted EBITDA presented below is not calculated or presented on the same basis as Consolidated EBITDA as defined in our partnership agreement or Consolidated EBITDDA as defined in Opcos debt agreements. For a description of Opcos debt agreements, see [Note 9. Debt, Net](#) in the Notes to Consolidated Financial Statements included herein as well as in "Item 8. Financial Statements and Supplementary Data—Note 11. Debt, Net" in our Annual Report on Form 10-K for the year ended December 31, 2023. Adjusted EBITDA is a supplemental performance measure used by our management and by external users of our financial statements, such as investors, commercial banks, research analysts and others to assess the financial performance of our assets without regard to financing methods, capital structure or historical cost basis.

Distributable Cash Flow

Distributable cash flow ("DCF") represents net cash provided by (used in) operating activities plus distributions from unconsolidated investment in excess of cumulative earnings, proceeds from asset sales and disposals, including sales of discontinued operations, and return of long-term contract receivable; less maintenance capital expenditures. DCF is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing or financing activities. DCF may not be calculated the same for us as for other companies. In addition, DCF presented below is not calculated or presented on the same basis as distributable cash flow as defined in our partnership agreement, which is used as a metric to determine whether we are able to increase quarterly distributions to our common unitholders. DCF is a supplemental liquidity measure used by our management and by external users of our financial statements, such as investors, commercial banks, research analysts and others to assess our ability to make cash distributions and repay debt.

Free Cash Flow

Free cash flow ("FCF") represents net cash provided by (used in) operating activities plus distributions from unconsolidated investment in excess of cumulative earnings and return of long-term contract receivable; less maintenance and expansion capital expenditures and cash flow used in acquisition costs classified as investing or financing activities. FCF is calculated before mandatory debt repayments. FCF is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing or financing activities. FCF may not be calculated the same for us as for other companies. FCF is a supplemental liquidity measure used by our management and by external users of our financial statements, such as investors, commercial banks, research analysts and others to assess our ability to make cash distributions and repay debt.

Leverage Ratio

Leverage ratio represents the outstanding principal of our debt at the end of the period divided by the last twelve months' Adjusted EBITDA as defined above. We believe that leverage ratio is a useful measure to management and investors to evaluate and monitor our indebtedness relative to our ability to generate income to service such debt and in understanding trends in our overall financial condition. Leverage ratio may not be calculated the same for us as for other companies and is not a substitute for, and should not be used in conjunction with, GAAP financial ratios.

Introduction

The following discussion and analysis presents management's view of our business, financial condition and overall performance. Our discussion and analysis consists of the following subjects:

- Executive Overview
- Results of Operations
- Liquidity and Capital Resources
- Off-Balance Sheet Transactions
- Related Party Transactions
- Summary of Critical Accounting Estimates
- Recent Accounting Standards

Executive Overview

We are a diversified natural resource company engaged principally in the business of owning, managing and leasing a diversified portfolio of mineral properties in the United States, including interests in coal and other natural resources and own a non-controlling 49% interest in Sisecam Wyoming, a trona ore mining and soda ash production business. Our common units trade on the New York Stock Exchange under the symbol "NRP." Our business is organized into two operating segments:

Mineral Rights—consists of approximately 13 million acres of mineral interests and other subsurface rights across the United States. If combined in a single tract, our ownership would cover roughly 20,000 square miles. Our ownership provides critical inputs for the manufacturing of steel, electricity and basic building materials, as well as opportunities for carbon sequestration and renewable energy. We are working to strategically redefine our business as a key player in the transitional energy economy in the years to come.

Soda Ash—consists of our 49% non-controlling equity interest in Sisecam Wyoming, a trona ore mining and soda ash production business located in the Green River Basin of Wyoming. Sisecam Wyoming mines the trona and processes it into soda ash that is sold both domestically and internationally into the glass and chemicals industries.

Corporate and Financing includes functional corporate departments that do not earn revenues. Costs incurred by these departments include interest and financing, corporate headquarters and overhead, centralized treasury, legal and accounting and other corporate-level activity not specifically allocated to a segment.

Our financial results by segment for the **three six** months ended **March 31, 2024** **June 30, 2024** are as follows:

(In thousands)	Operating Segments				Operating Segments			
	Mineral Rights	Soda Ash	Corporate and Financing	Total	Mineral Rights	Soda Ash	Corporate and Financing	Total
Revenues and other income	\$ 70,964	\$ 5,450	\$ —	\$ 76,414	\$ 132,859	\$ 9,095	\$ —	\$ 141,954
Net income (loss)	\$ 60,644	\$ 5,388	\$ (9,819)	\$ 56,213	\$ 113,373	\$ 9,007	\$ (20,103)	\$ 102,277
Adjusted EBITDA (1)	\$ 65,293	\$ 14,148	\$ (6,327)	\$ 73,114	\$ 121,342	\$ 21,706	\$ (12,258)	\$ 130,790
Cash flow provided by (used in) continuing operations								
Operating activities	\$ 69,749	\$ 14,148	\$ (12,398)	\$ 71,499	\$ 125,983	\$ 21,705	\$ (19,560)	\$ 128,128
Investing activities	\$ 812	\$ —	\$ —	\$ 812	\$ 6,114	\$ —	\$ —	\$ 6,114
Financing activities	\$ (1,086)	\$ —	\$ (72,224)	\$ (73,310)	\$ (1,086)	\$ —	\$ (112,805)	\$ (113,891)
Distributable cash flow (1)	\$ 70,561	\$ 14,148	\$ (12,398)	\$ 72,311	\$ 132,097	\$ 21,705	\$ (19,560)	\$ 134,242
Free cash flow (1)	\$ 70,396	\$ 14,148	\$ (12,398)	\$ 72,146	\$ 127,289	\$ 21,705	\$ (19,560)	\$ 129,434

(1) See "Results of Operations" below for reconciliations to the most comparable GAAP financial measures.

Current Results/Market Commentary

Financial Results and Quarterly Distributions

We generated **\$71.5 million** **\$128.1 million** of operating cash flow and **\$72.1** **\$129.4 million** of free cash flow during the **three six** months ended **March 31, 2024** **June 30, 2024**, and ended the quarter with **\$64.8** **\$64.7 million** of liquidity consisting of **\$11.0** **\$32.3 million** of cash and cash equivalents and **\$53.8** **\$32.3 million** of borrowing capacity under our Opco Credit Facility. As of **March 31, 2024** **June 30, 2024** our leverage ratio was **0.6** **0.7 x**.

In January and February 2024, holders of our warrants to purchase common units (the "warrants") exercised a total of 1,219,665 warrants with a strike price of \$34.00. We settled these warrants on a net basis with a total of \$55.7 million in cash and 198,767 common units. On April 16, 2024, holders of our warrants exercised the remaining 320,335 warrants with a strike price of \$34.00. On April 18, 2024, we settled these warrants on a net basis with \$10.0 million in cash and 89,059 common units. Following these transactions, of the originally issued 4.0 million warrants, no warrants remain outstanding.

In February 2024, we exercised our option under the Opco Credit Facility to increase the total aggregate commitment under the Opco Credit Facility twice, initially by \$30.0 million from \$155.0 million to \$185.0 million and subsequently by \$15.0 million from \$185.0 million to \$200.0 million. These increases in the total aggregate commitment were made pursuant to an accordion feature of the Opco Credit Facility. In connection with the initial increase of \$30.0 million, a new lender joined the lending group. The Opco Credit Facility continues to operate under its existing terms and conditions in all material respects.

In March the first quarter of 2024, holders of our warrants to purchase common units (the "warrants") exercised a total of 1,219,665 warrants with a strike price of \$34.00. We settled these warrants on a net basis with a total of \$55.7 million in cash and 198,767 common units. In the second quarter of 2024, holders of our warrants exercised the remaining 320,335 warrants with a strike price of \$34.00. We settled these warrants on a net basis with \$10.0 million in cash and 89,059 common units. Following these transactions, of the originally issued 4.0 million warrants, no warrants remain outstanding.

In May 2024, we executed a negotiated transaction with holders of our Class A Preferred Units ("preferred units") pursuant to which we repurchased an aggregate of 40,000 preferred units for \$40.0 million in cash. Of the originally issued 250,000 preferred units, after giving effect to this redemption and all prior redemptions, 31,666 preferred units remain outstanding.

In February 2024, we paid a cash distribution of \$0.75 per common unit of NRP with respect to the fourth quarter of 2023 as well as a \$2.15 million cash distribution on the preferred units with respect to the fourth quarter of 2023. Additionally, we paid a special cash distribution of \$2.44 per common unit of NRP in March 2024 to help cover unitholder tax liabilities associated with owning NRP's common units in 2023. In May 2024, we paid a cash distribution of \$0.75 per common unit of NRP with respect to the first quarter of 2024 as well as a \$2.15 million cash distribution on the preferred units with respect to the first quarter of 2024. Future distributions on our common and preferred units will be determined on a quarterly basis by the Board of Directors. The Board of Directors considers numerous factors each quarter in determining cash distributions, including profitability, cash flow, debt service obligations, market conditions and outlook, estimated unitholder income tax liability and the level of cash reserves that the Board of Directors determines is necessary for future operating and capital needs.

Mineral Rights Business Segment

Revenues and other income during the three six months ended March 31, 2024 June 30, 2024 decreased \$9.0 \$11.4 million, or 11% 8%, as compared to the prior year period primarily due to lower metallurgical coal sales prices, partially offset by a \$4.7 million increase in gain on asset sales and disposals primarily related to a coal property condemnation and a \$2.1 million increase in carbon neutral initiative revenues. Cash provided by operating activities and free cash flow during the three six months ended March 31, 2024 June 30, 2024 decreased by \$4.1 \$2.9 million and \$2.8 million, respectively, primarily due to the lower revenues metallurgical coal sales prices as compared to the prior year period.

Metallurgical and thermal coal prices declined continued to decline during the first second quarter of 2024 due to weakened steel demand primarily as a result of the decline in China's construction industry and slower than expected recovery of the construction market in Europe. While metallurgical prices were significantly lower than the record highs seen in 2022, but above they remain elevated as compared to historical norms. We expect continued ongoing price volatility for both metallurgical and thermal coal as global softening in steel demand impacts metallurgical prices and mild coal while weather, high inventory levels, low natural gas prices, inventory levels, and scheduled shutdowns of thermal coal plants weaken impact thermal coal demand. However, limitations coal. Limitations on operators' ability to increase production due to limited access to capital and labor shortages, and as well as inflationary pressures, should are expected to provide ongoing price support for metallurgical and thermal coal for the foreseeable future, above historical norms.

We continue to explore carbon neutral revenue opportunities across our large asset portfolio, including the sequestration of carbon dioxide underground and in standing forests, the generation of electricity using geothermal, solar and wind energy, and lithium production. While the timing and likelihood of additional cash flows from these activities is uncertain, we believe our large ownership footprint throughout the United States provides additional opportunities to create value in this regard with minimal capital investment by us. Our carbon neutral revenue opportunities include the sequestration of carbon dioxide underground and in standing forests, the generation of electricity using geothermal, solar, and wind energy, and lithium production.

Soda Ash Business Segment

Revenues and other income during the three six months ended March 31, 2024 June 30, 2024 decreased \$13.8 \$37.1 million, or 72% 80%, as compared to the prior year period primarily due to lower sales prices and volumes driven by new supply from China. Cash provided by operating activities and free cash flow during the three six months ended March 31, 2024 increased \$3.5 June 30, 2024 decreased \$21.2 million as compared to the prior year period primarily due to a higher distribution lower total distributions received from Sisecam Wyoming in the first quarter of 2024 relating to results in the fourth quarter of 2023, six months ended June 30, 2024.

Global soda ash prices were continue to be significantly lower than the record setting prices seen in the first quarter of 2024 compared to the prior previous year period primarily due to an influx of new supply from China. We believe lower international soda ash prices will persist remain throughout the remainder of the year and into next year as the market contends with slower global growth and absorbs the additional supply.

Results of Operations

First Second Quarter of 2024 and 2023 Compared

Revenues and Other Income

The following table includes our revenues and other income by operating segment:

Operating Segment (In thousands)	For the Three Months Ended March 31,				For the Three Months Ended June 30,			
			Percentage				Percentage	
	2024	2023	Decrease	Change	2024	2023	Decrease	Change
Mineral Rights	\$ 70,964	\$ 79,965	\$ (9,001)	(11)%	\$ 61,895	\$ 64,282	\$ (2,387)	(4)%
Soda Ash	5,450	19,254	(13,804)	(72)%	3,645	26,978	(23,333)	(86)%
Total	\$ 76,414	\$ 99,219	\$ (22,805)	(23)%	\$ 65,540	\$ 91,260	\$ (25,720)	(28)%

The changes in revenues and other income are discussed for each of the operating segments below:

Mineral Rights

The following table presents coal sales volumes, coal royalty revenue per ton and coal royalty revenues by major coal producing region, the significant categories of other revenues and other income:

(In thousands, except per ton data)	For the Three Months Ended March 31,				For the Three Months Ended June 30,			
			Increase				Increase	
	2024	2023	(Decrease)	Change	2024	2023	(Decrease)	Change
Coal sales volumes (tons)								
Appalachia								
Northern	117	379	(262)	(69)%	129	390	(261)	(67)%
Central	3,714	3,609	105	3%	3,456	3,352	104	3%
Southern	570	582	(12)	(2)%	709	693	16	2%
Total Appalachia	4,401	4,570	(169)	(4)%	4,294	4,435	(141)	(3)%
Illinois Basin	2,033	1,310	723	55%	1,342	1,631	(289)	(18)%
Northern Powder River Basin	949	1,085	(136)	(13)%	567	881	(314)	(36)%
Gulf Coast	265	58	207	357%	435	139	296	213%
Total coal sales volumes	7,648	7,023	625	9%	6,638	7,086	(448)	(6)%
Coal royalty revenue per ton								
Appalachia								
Northern	\$ 1.86	\$ 9.86	\$ (8.00)	(81)%	\$ 4.74	\$ 6.87	\$ (2.13)	(31)%
Central	8.08	9.92	(1.84)	(19)%	7.34	8.49	(1.15)	(14)%
Southern	11.58	14.94	(3.36)	(22)%	10.19	10.85	(0.66)	(6)%
Illinois Basin	2.56	3.57	(1.01)	(28)%	2.47	3.15	(0.68)	(22)%
Northern Powder River Basin	4.85	4.68	0.17	4%	4.99	4.62	0.37	8%
Gulf Coast	0.75	0.57	0.18	32%	0.77	0.71	0.06	8%
Combined average coal royalty revenue per ton	6.12	8.26	(2.14)	(26)%	5.98	6.77	(0.79)	(12)%
Coal royalty revenues								
Appalachia								
Northern	\$ 218	\$ 3,737	\$ (3,519)	(94)%	\$ 612	\$ 2,681	\$ (2,069)	(77)%
Central	29,992	35,806	(5,814)	(16)%	25,378	28,445	(3,067)	(11)%
Southern	6,602	8,697	(2,095)	(24)%	7,226	7,521	(295)	(4)%
Total Appalachia	36,812	48,240	(11,428)	(24)%	33,216	38,647	(5,431)	(14)%
Illinois Basin	5,211	4,675	536	11%	3,312	5,141	(1,829)	(36)%
Northern Powder River Basin	4,599	5,075	(476)	(9)%	2,831	4,066	(1,235)	(30)%
Gulf Coast	200	33	167	506%	336	98	238	243%

Unadjusted coal royalty revenues	46,822	58,023	(11,201)	(19)%	39,695	47,952	(8,257)	(17)%
Coal royalty adjustment for minimum leases	(4)	—	(4)	(100)%	(10)	8	(18)	(225)%
Total coal royalty revenues	\$ 46,818	\$ 58,023	\$ (11,205)	(19)%	\$ 39,685	\$ 47,960	\$ (8,275)	(17)%
Other revenues								
Production lease minimum revenues	\$ 924	\$ 613	\$ 311	51%	\$ 412	\$ 562	\$ (150)	(27)%
Minimum lease straight-line revenues	4,171	4,503	(332)	(7)%	4,126	4,447	(321)	(7)%
Carbon neutral initiative revenues	2,161	2,118	43	2%	2,200	115	2,085	1,813%
Wheelage revenues	2,672	3,869	(1,197)	(31)%	2,338	3,284	(946)	(29)%
Property tax revenues	1,892	1,470	422	29%	1,545	1,470	75	5%
Coal overriding royalty revenues	1,169	188	981	522%	668	150	518	345%
Lease amendment revenues	702	851	(149)	(18)%	712	848	(136)	(16)%
Aggregates royalty revenues	772	753	19	3%	730	686	44	6%
Oil and gas royalty revenues	3,640	3,588	52	1%	1,999	1,214	785	65%
Other revenues	2,451	295	2,156	731%	176	271	(95)	(35)%
Total other revenues	\$ 20,554	\$ 18,248	\$ 2,306	13%	\$ 14,906	\$ 13,047	\$ 1,859	14%
Royalty and other mineral rights	\$ 67,372	\$ 76,271	\$ (8,899)	(12)%	\$ 54,591	\$ 61,007	\$ (6,416)	(11)%
Transportation and processing services revenues	3,427	3,598	(171)	(5)%	2,661	3,270	(609)	(19)%
Gain on asset sales and disposals	165	96	69	72%	4,643	5	4,638	92,760%
Total Mineral Rights segment revenues and other income	\$ 70,964	\$ 79,965	\$ (9,001)	(11)%	\$ 61,895	\$ 64,282	\$ (2,387)	(4)%

Coal Royalty Revenues

Approximately 75% of coal royalty revenues and approximately 50% 60% of coal royalty sales volumes were derived from metallurgical coal during the three months ended **March 31, 2024** **June 30, 2024**. Total coal royalty revenues decreased **\$11.2** **\$8.3** million as compared to the prior year quarter primarily due to decreased metallurgical coal sales prices and volumes during the three months ended **March 31, 2024** **June 30, 2024**, as compared to the prior year quarter.

Other Revenues

Other revenues increased \$1.9 million primarily as a result of a non-recurring carbon neutral initiative transaction in the second quarter of 2024.

Gain on Asset Sales and Disposals

Gain on asset sales and disposals increased \$4.6 million during the three months ended June 30, 2024 as compared to the prior year period as a result of a coal property condemnation in the second quarter of 2024.

Soda Ash

Revenues and other income related to our Soda Ash segment decreased **\$13.8 million** **\$23.3 million** as compared to the prior year quarter primarily due to decreased lower sales prices during the three months ended March 31, 2024, as compared to the prior year quarter, driven by new supply from China.

Operating Expenses

The following table presents the significant categories of our consolidated operating and other expenses:

(In thousands)	For the Three Months Ended March 31,			Increase	Percentage	For the Three Months Ended June 30,			Increase	Percentage
	2024	2023	(Decrease)			2024	2023	(Decrease)		
	2024	2023	(Decrease)	Change		2024	2023	(Decrease)	Change	
Operating expenses										
Operating and maintenance expenses	\$ 5,733	\$ 7,163	\$ (1,430)	(20)%	\$ 5,872	\$ 7,930	\$ (2,058)	(26)%		
Depreciation, depletion and amortization	4,654	4,083	571	14%	3,324	3,792	(468)	(12)%		
General and administrative expenses	6,327	5,845	482	8%	5,931	5,643	288	5%		
Asset impairments					—	69	(69)	(100)%		
Total operating expenses	\$ 16,714	\$ 17,091	\$ (377)	(2)%	\$ 15,127	\$ 17,434	\$ (2,307)	(13)%		

Total operating expenses decreased **\$0.4 million** **\$2.3 million** as compared to the prior year quarter primarily due to a decrease in operating and maintenance expenses during the three months ended **March 31, 2024** **June 30, 2024** as compared to the prior year quarter. The decrease in operating and maintenance expenses was primarily due to lower overriding royalty expense from an agreement with Western Pocahontas Properties Limited Partnership ("WPPLP") in the **first** **second** quarter of 2024 as compared to the **first** **second** quarter of 2023. This overriding royalty expense is fully offset by coal royalty revenue we receive from this property.

Interest Expense, Net

Interest expense, net increased **\$0.6 million** **\$0.9 million** primarily due to higher borrowings outstanding on the OpcO Credit Facility during the three months ended **March 31, 2024** **June 30, 2024** as compared to the prior year period.

Adjusted EBITDA (Non-GAAP Financial Measure)

The following table reconciles net income (loss) (the most comparable GAAP financial measure) to Adjusted EBITDA by business segment:

For the Three Months Ended (In thousands)	Operating Segments				Total	Operating Segments				Total
	Mineral Rights	Soda Ash	Corporate and Financing			Mineral Rights	Soda Ash	Corporate and Financing		
March 31, 2024										
June 30, 2024										
Net income (loss)	\$ 60,644	\$ 5,388	\$ (9,819)	\$ 56,213	\$ 52,729	\$ 3,619	\$ (10,284)	\$ 46,064		
Less: equity earnings from unconsolidated investment	—	(5,450)	—	(5,450)	—	(3,645)	—	(3,645)		
Add: total distributions from unconsolidated investment	—	14,210	—	14,210	—	7,584	—	7,584		
Add: interest expense, net	—	—	3,487	3,487	—	—	4,349	4,349		
Add: depreciation, depletion and amortization	4,649	—	5	4,654	3,320	—	4	3,324		
Add: asset impairments					—	—	—	—		
Adjusted EBITDA	<u>\$ 65,293</u>	<u>\$ 14,148</u>	<u>\$ (6,327)</u>	<u>\$ 73,114</u>	<u>\$ 56,049</u>	<u>\$ 7,558</u>	<u>\$ (5,931)</u>	<u>\$ 57,676</u>		
March 31, 2023										
June 30, 2023										
Net income (loss)	\$ 68,881	\$ 19,096	\$ (8,702)	\$ 79,275	\$ 52,510	\$ 26,964	\$ (9,140)	\$ 70,334		
Less: equity earnings from unconsolidated investment	—	(19,254)	—	(19,254)	—	(26,978)	—	(26,978)		
Add: total distributions from unconsolidated investment	—	10,780	—	10,780	—	32,350	—	32,350		
Add: interest expense, net	—	—	2,853	2,853	—	—	3,492	3,492		
Add: depreciation, depletion and amortization	4,079	—	4	4,083	3,787	—	5	3,792		
Add: asset impairments					69	—	—	69		
Adjusted EBITDA	<u>\$ 72,960</u>	<u>\$ 10,622</u>	<u>\$ (5,845)</u>	<u>\$ 77,737</u>	<u>\$ 56,366</u>	<u>\$ 32,336</u>	<u>\$ (5,643)</u>	<u>\$ 83,059</u>		

Net income decreased **\$23.1 million** **\$24.3 million** as compared to the prior year quarter primarily due to the decrease in revenues and other income as discussed above. Adjusted EBITDA decreased **\$4.6 million** **\$25.4 million** as compared to the prior year quarter primarily due to a **\$7.7 million** **\$24.8 million** decrease in Adjusted EBITDA within our Mineral Rights segment primarily as a result of lower revenues and other income, partially offset by a \$3.5 million increase in Adjusted EBITDA within our Soda Ash segment primarily due to driven by a **higher** **lower** distribution received from Sisecam Wyoming in the **first** **second** quarter of 2024 relating to results in the fourth quarter of 2023 **2024**.

Distributable Cash Flow ("DCF") and Free Cash Flow ("FCF") (Non-GAAP Financial Measures)

The following table presents the three major categories of the statement of cash flows by business segment:

Operating Segments	Operating Segments
--------------------	--------------------

For the Three Months Ended (In thousands)	Mineral Rights	Soda Ash	Corporate and Financing	Total	Mineral Rights	Soda Ash	Corporate and Financing	Total
March 31, 2024								
June 30, 2024								
Cash flow provided by (used in)								
Operating activities	\$ 69,749	\$ 14,148	\$ (12,398)	\$ 71,499	\$ 56,234	\$ 7,557	\$ (7,162)	\$ 56,629
Investing activities	812	—	—	812	5,302	—	—	5,302
Financing activities	(1,086)	—	(72,224)	(73,310)	—	—	(40,581)	(40,581)
March 31, 2023								
June 30, 2023								
Cash flow provided by (used in)								
Operating activities	\$ 73,858	\$ 10,617	\$ (11,575)	\$ 72,900	\$ 55,040	\$ 32,326	\$ (6,016)	\$ 81,350
Investing activities	699	—	(2)	697	615	—	(8)	607
Financing activities	(583)	—	(94,450)	(95,033)	—	—	(88,882)	(88,882)

The following table reconciles net cash provided by (used in) operating activities (the most comparable GAAP financial measure) by business segment to DCF and FCF:

For the Three Months Ended (In thousands)	Operating Segments				Operating Segments			
	Mineral Rights	Soda Ash	Corporate and Financing	Total	Mineral Rights	Soda Ash	Corporate and Financing	Total
March 31, 2024								
June 30, 2024								
Net cash provided by (used in) operating activities	\$ 69,749	\$ 14,148	\$ (12,398)	\$ 71,499	\$ 56,234	\$ 7,557	\$ (7,162)	\$ 56,629
Add: proceeds from asset sales and disposals	165	—	—	165	4,643	—	—	4,643
Add: return of long-term contract receivable	647	—	—	647	659	—	—	659
Distributable cash flow	\$ 70,561	\$ 14,148	\$ (12,398)	\$ 72,311	\$ 61,536	\$ 7,557	\$ (7,162)	\$ 61,931
Less: proceeds from asset sales and disposals	(165)	—	—	(165)	(4,643)	—	—	(4,643)
Free cash flow	\$ 70,396	\$ 14,148	\$ (12,398)	\$ 72,146	\$ 56,893	\$ 7,557	\$ (7,162)	\$ 57,288
March 31, 2023								
June 30, 2023								
Net cash provided by (used in) operating activities	\$ 73,858	\$ 10,617	\$ (11,575)	\$ 72,900	\$ 55,040	\$ 32,326	\$ (6,016)	\$ 81,350
Add: proceeds from asset sales and disposals	101	—	—	101	5	—	—	5
Add: return of long-term contract receivable	598	—	—	598	610	—	—	610
Less: maintenance capital expenditures	—	—	(2)	(2)	—	—	(8)	(8)
Distributable cash flow	\$ 74,557	\$ 10,617	\$ (11,577)	\$ 73,597	\$ 55,655	\$ 32,326	\$ (6,024)	\$ 81,957
Less: proceeds from asset sales and disposals	(101)	—	—	(101)	(5)	—	—	(5)
Free cash flow	\$ 74,456	\$ 10,617	\$ (11,577)	\$ 73,496	\$ 55,650	\$ 32,326	\$ (6,024)	\$ 81,952

Operating cash flow, DCF and FCF decreased **\$1.4 million** **\$24.7 million**, **\$1.3 \$20.0 million** and **\$1.4 \$24.7 million**, respectively, as compared to the prior year quarter primarily due to a decrease in cash flow within our Mineral Rights segment, partially offset by an increase in cash flow within our Soda Ash segment quarter. The discussion by segment is as follows:

- Mineral Rights Segment

- Operating cash flow, DCF and FCF decreased \$4.1 million increased \$1.2 million, \$4.0 \$5.9 million and \$4.1 \$1.2 million, respectively, respectively. Operating cash flow and free cash flow increased primarily due to lower metallurgical the timing of cash collections and the carbon neutral initiative transaction identified above, partially offset by weaker coal sales prices during and volumes. Distributable cash flow also increased as a result of a coal property condemnation in the first second quarter of 2024 as compared to the prior year period, 2024.
- Soda Ash Segment
 - Operating cash flow, DCF and FCF increased \$3.5 decreased \$24.8 million as compared to the prior year quarter primarily due to a higher lower distribution received from Sisecam Wyoming in the first second quarter of 2024 relating 2024.
- Corporate and Financing
 - Operating cash flow, DCF and FCF decreased \$1.1 million as compared to results in the fourth prior year quarter of 2023, primarily due to higher cash paid for interest resulting from higher borrowings outstanding on the Opcot Credit Facility during the three months ended June 30, 2024.

First Six Months of 2024 and 2023 Compared

Revenues and Other Income

The following table includes our revenues and other income by operating segment:

Operating Segment (In thousands)	For the Six Months Ended June 30,		Decrease	Percentage Change
	2024	2023		
Mineral Rights	\$ 132,859	\$ 144,247	\$ (11,388)	(8)%
Soda Ash	9,095	46,232	(37,137)	(80)%
Total	\$ 141,954	\$ 190,479	\$ (48,525)	(25)%

The changes in revenues and other income are discussed for each of the operating segments below:

Mineral Rights

The following table presents coal sales volumes, coal royalty revenue per ton and coal royalty revenues by major coal producing region, the significant categories of other revenues and other income:

(In thousands, except per ton data)	For the Six Months Ended June 30,		Increase (Decrease)	Percentage Change
	2024	2023		
Coal sales volumes (tons)				
Appalachia				
Northern	246	769	(523)	(68)%
Central	7,170	6,961	209	3 %
Southern	1,279	1,275	4	0 %
Total Appalachia	8,695	9,005	(310)	(3)%
Illinois Basin	3,375	2,941	434	15 %
Northern Powder River Basin	1,516	1,966	(450)	(23)%
Gulf Coast	700	197	503	255 %
Total coal sales volumes	14,286	14,109	177	1 %
Coal royalty revenue per ton				
Appalachia				
Northern	\$ 3.37	\$ 8.35	\$ (4.98)	(60)%
Central	7.72	9.23	(1.51)	(16)%
Southern	10.81	12.72	(1.91)	(15)%
Illinois Basin	2.53	3.34	(0.81)	(24)%
Northern Powder River Basin	4.90	4.65	0.25	5 %
Gulf Coast	0.77	0.66	0.11	17 %
Combined average coal royalty revenue per ton	6.06	7.51	(1.45)	(19)%
Coal royalty revenues				

Appalachia						
Northern	\$ 830	\$ 6,418	\$ (5,588)			(87)%
Central	55,370	64,251	(8,881)			(14)%
Southern	13,828	16,218	(2,390)			(15)%
Total Appalachia	70,028	86,887	(16,859)			(19)%
Illinois Basin	8,523	9,816	(1,293)			(13)%
Northern Powder River Basin	7,430	9,141	(1,711)			(19)%
Gulf Coast	536	131	405			309 %
Unadjusted coal royalty revenues	86,517	105,975	(19,458)			(18)%
Coal royalty adjustment for minimum leases	(14)	8	(22)			(275)%
Total coal royalty revenues	\$ 86,503	\$ 105,983	\$ (19,480)			(18)%
Other revenues						
Production lease minimum revenues	\$ 1,336	\$ 1,175	\$ 161			14 %
Minimum lease straight-line revenues	8,297	8,950	(653)			(7)%
Carbon neutral initiative revenues	4,361	2,233	2,128			95 %
Wheelage revenues	5,010	7,153	(2,143)			(30)%
Property tax revenues	3,437	2,940	497			17 %
Coal overriding royalty revenues	1,837	338	1,499			443 %
Lease amendment revenues	1,414	1,699	(285)			(17)%
Aggregates royalty revenues	1,502	1,439	63			4 %
Oil and gas royalty revenues	5,639	4,802	837			17 %
Other revenues	2,627	566	2,061			364 %
Total other revenues	\$ 35,460	\$ 31,295	\$ 4,165			13 %
Royalty and other mineral rights	\$ 121,963	\$ 137,278	\$ (15,315)			(11)%
Transportation and processing services revenues	6,088	6,868	(780)			(11)%
Gain on asset sales and disposals	4,808	101	4,707			4,660 %
Total Mineral Rights segment revenues and other income	\$ 132,859	\$ 144,247	\$ (11,388)			(8)%

Coal Royalty Revenues

Approximately 75% of coal royalty revenues and approximately 55% of coal royalty sales volumes were derived from metallurgical coal during the six months ended June 30, 2024. Total coal royalty revenues decreased \$19.5 million as compared to the prior year period primarily due to decreased coal sales prices during the six months ended June 30, 2024, as compared to the prior year period.

Other Revenues

Other revenues increased \$4.2 million primarily driven by a non-recurring carbon neutral initiative transaction in the second quarter of 2024.

Gain on Asset Sales and Disposals

Gain on asset sales and disposals increased \$4.7 million during the six months ended June 30, 2024 as compared to the prior year period as a result of a coal property condemnation in the second quarter of 2024.

Soda Ash

Revenues and other income related to our Soda Ash segment decreased \$37.1 million as compared to the prior year period primarily due to lower sales prices driven by new supply from China.

Operating Expenses

The following table presents the significant categories of our consolidated operating and other expenses:

(In thousands)	For the Six Months Ended June 30,		Increase (Decrease)	Percentage Change
	2024	2023		
Operating expenses				
Operating and maintenance expenses	\$ 11,605	\$ 15,093	\$ (3,488)	(23)%
Depreciation, depletion and amortization	7,978	7,875	103	1 %
General and administrative expenses	12,258	11,488	770	7 %

Asset impairments	—	69	(69)	(100)%
Total operating expenses	\$ 31,841	\$ 34,525	\$ (2,684)	(8)%

Total operating expenses decreased \$2.7 million as compared to the prior year period primarily due to a decrease in operating and maintenance expenses during the six months ended June 30, 2024 as compared to the prior year period. The decrease in operating and maintenance expenses was primarily due to lower overriding royalty expense from an agreement with WPPPL in the first six months of 2024 as compared to the first six months of 2023. This overriding royalty expense is fully offset by coal royalty revenue we receive from this property.

Interest Expense, Net

Interest expense, net increased \$1.5 million primarily due to higher borrowings outstanding on the Opcos Credit Facility during the six months ended June 30, 2024 as compared to the prior year period.

Adjusted EBITDA (Non-GAAP Financial Measure)

The following table reconciles net income (loss) (the most comparable GAAP financial measure) to Adjusted EBITDA by business segment:

For the Six Months Ended (In thousands)	Operating Segments			Corporate and Financing	Total
	Mineral Rights	Soda Ash			
June 30, 2024					
Net income (loss)	\$ 113,373	\$ 9,007	\$ (20,103)	\$ 102,277	
Less: equity earnings from unconsolidated investment	—	(9,095)	—	(9,095)	
Add: total distributions from unconsolidated investment	—	21,794	—	21,794	
Add: interest expense, net	—	—	7,836	7,836	
Add: depreciation, depletion and amortization	7,969	—	9	7,978	
Add: asset impairments	—	—	—	—	
Adjusted EBITDA	\$ 121,342	\$ 21,706	\$ (12,258)	\$ 130,790	
June 30, 2023					
Net income (loss)	\$ 121,391	\$ 46,060	\$ (17,842)	\$ 149,609	
Less: equity earnings from unconsolidated investment	—	(46,232)	—	(46,232)	
Add: total distributions from unconsolidated investment	—	43,130	—	43,130	
Add: interest expense, net	—	—	6,345	6,345	
Add: depreciation, depletion and amortization	7,866	—	9	7,875	
Add: asset impairments	69	—	—	69	
Adjusted EBITDA	\$ 129,326	\$ 42,958	\$ (11,488)	\$ 160,796	

Net income decreased \$47.3 million as compared to the prior year period primarily due to the decrease in revenues and other income as discussed above. Adjusted EBITDA decreased \$30.0 million as compared to the prior year period primarily due to an \$8.0 million decrease in Adjusted EBITDA within our Mineral Rights segment primarily as a result of lower revenues and other income and a \$21.3 million decrease in Adjusted EBITDA within our Soda Ash segment primarily due to lower distributions received from Sisecam Wyoming in the first six months of 2024.

Distributable Cash Flow ("DCF") and Free Cash Flow ("FCF") (Non-GAAP Financial Measures)

The following table presents the three major categories of the statement of cash flows by business segment:

For the Six Months Ended (In thousands)	Operating Segments			Corporate and Financing	Total
	Mineral Rights	Soda Ash			
June 30, 2024					
Cash flow provided by (used in)					
Operating activities	\$ 125,983	\$ 21,705	\$ (19,560)	\$ 128,128	
Investing activities	6,114	—	—	6,114	
Financing activities	(1,086)	—	(112,805)	(113,891)	
June 30, 2023					
Cash flow provided by (used in)					
Operating activities	\$ 128,898	\$ 42,943	\$ (17,591)	\$ 154,250	

Investing activities	1,314	—	(10)	1,304
Financing activities	(583)	—	(183,332)	(183,915)

The following table reconciles net cash provided by (used in) operating activities (the most comparable GAAP financial measure) by business segment to DCF and FCF:

For the Six Months Ended (In thousands)	Operating Segments			Corporate and Financing	Total
	Mineral Rights	Soda Ash			
June 30, 2024					
Net cash provided by (used in) operating activities	\$ 125,983	\$ 21,705	\$ (19,560)	\$ 128,128	
Add: proceeds from asset sales and disposals	4,808	—	—	—	4,808
Add: return of long-term contract receivable	1,306	—	—	—	1,306
Less: maintenance capital expenditures	—	—	—	—	—
Distributable cash flow	\$ 132,097	\$ 21,705	\$ (19,560)	\$ 134,242	
Less: proceeds from asset sales and disposals	(4,808)	—	—	—	(4,808)
Free cash flow	\$ 127,289	\$ 21,705	\$ (19,560)	\$ 129,434	
June 30, 2023					
Net cash provided by (used in) operating activities	\$ 128,898	\$ 42,943	\$ (17,591)	\$ 154,250	
Add: proceeds from asset sales and disposals	106	—	—	—	106
Add: return of long-term contract receivable	1,208	—	—	—	1,208
Less: maintenance capital expenditures	—	—	(10)	—	(10)
Distributable cash flow	\$ 130,212	\$ 42,943	\$ (17,601)	\$ 155,554	
Less: proceeds from asset sales and disposals	(106)	—	—	—	(106)
Free cash flow	\$ 130,106	\$ 42,943	\$ (17,601)	\$ 155,448	

Operating cash flow, DCF and FCF decreased \$26.1 million, \$21.3 million and \$26.0 million, respectively. The discussion by segment is as follows:

- Mineral Rights Segment

- Operating cash flow and FCF decreased \$2.9 million and \$2.8 million, respectively, primarily due to lower coal sales prices during the first six months of 2024 as compared to the prior year period. DCF increased \$1.9 million primarily due to a coal property condemnation in the second quarter of 2024, partially offset by lower coal sales prices.

- Soda Ash Segment

- Operating cash flow, DCF and FCF decreased \$21.2 million as compared to the prior year period primarily due to lower distributions received from Sisecam Wyoming in the first six months of 2024.

- Corporate and Financing Segment

- Operating cash flow, DCF and FCF decreased \$2.0 million as compared to the prior year quarter primarily due to higher cash paid for interest resulting from higher borrowings outstanding on the Opco Credit Facility during the six months ended June 30, 2024.

Liquidity and Capital Resources

Current Liquidity

As of **March 31, 2024** **June 30, 2024**, we had total liquidity of **\$64.8** **\$64.7** million, consisting of **\$11.0** **\$32.3** million of cash and cash equivalents and **\$53.8** **\$32.3** million of borrowing capacity under our Opco Credit Facility. We have debt service obligations, including approximately \$14 million of principal repayments on Opco's senior notes, throughout the remainder of 2024. The following table calculates our leverage ratio as of **March 31, 2024** **June 30, 2024**:

(In thousands)	For the Three Months Ended					For the Three Months Ended				
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	Last 12 Months	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	Last 12 Months
	Net income	\$ 70,334	\$ 63,846	\$ 64,980	\$ 56,213	\$ 255,373	\$ 63,846	\$ 64,980	\$ 56,213	\$ 46,064

Less: equity earnings from unconsolidated investment	(26,978)	(12,401)	(14,764)	(5,450)	(59,593)	(12,401)	(14,764)	(5,450)	(3,645)	(36,260)
Add: total distributions from unconsolidated investment	32,350	23,010	15,338	14,210	84,908	23,010	15,338	14,210	7,584	60,142
Add: interest expense, net	3,492	3,837	3,921	3,487	14,737	3,837	3,921	3,487	4,349	15,594
Add: depreciation, depletion and amortization	3,792	4,594	6,020	4,654	19,060	4,594	6,020	4,654	3,324	18,592
Add: asset impairments	69	63	424	—	556	63	424	—	—	487
Adjusted EBITDA	\$ 83,059	\$ 82,949	\$ 75,919	\$ 73,114	\$ 315,041	\$ 82,949	\$ 75,919	\$ 73,114	\$ 57,676	\$ 289,658
Debt—at March 31, 2024						\$ 189,185				
Debt—at June 30, 2024										\$ 210,678
Leverage Ratio						0.6 x				0.7 x

Cash Flows

Cash flows provided by operating activities decreased \$1.4 \$26.1 million, from \$72.9 \$154.3 million in the ~~three~~six months ended ~~March 31, 2023~~June 30, 2023 to \$71.5 \$128.1 million in the ~~three~~six months ended ~~March 31, 2024~~June 30, 2024, primarily due to decreased cash flow within our Mineral Rights segment, partially offset by increased cash flow within our Soda Ash segment, segments, all discussed above.

Cash flows provided by investing activities increased \$4.8 million from \$1.3 million in the six months ended June 30, 2023 to \$6.1 million in the six months ended June 30, 2024, primarily due to a coal condemnation payment received in the second quarter of 2024.

Cash used in financing activities decreased \$21.7 \$70.0 million, from \$95.0 \$183.9 million used in the ~~three~~six months ended ~~March 31, 2023~~June 30, 2023 to \$73.3 \$113.9 million used in the ~~three~~six months ended ~~March 31, 2024~~June 30, 2024 due to the following:

- \$47.5 88.3 million of decreased cash used for the redemption of preferred units in ~~the first quarter of 2024~~ as compared to 2023;
- \$34.0 76.4 million of decreased repayments on the OpcO Credit Facility in ~~the first quarter of 2024~~ as compared to ~~the first quarter of 2023~~;
- \$5.9 10.7 million decreased distributions to preferred unitholders in ~~the first quarter of 2024~~ as compared to ~~the first quarter of 2023~~ 2023.

These decreases in cash flow used were partially offset by the following:

- \$55.7 65.7 million of cash used for the warrant settlements in ~~the first quarter of 2024~~;
- \$4.8 35.2 million of decreased borrowings on the OpcO Credit Facility in ~~the first quarter of 2024~~ as compared to ~~the first quarter of 2023~~;
- \$3.9 2.9 million of increased cash used for other items, net in ~~the first quarter of 2024~~ as compared to ~~the first quarter of 2023~~;
- \$1.3 1.6 million of increased distributions to common unitholders and the general partner in ~~the first quarter of 2024~~ as compared to ~~the first quarter of 2023~~.

Capital Resources and Obligations

Debt, Net

We had the following debt outstanding as of ~~March 31, 2024~~June 30, 2024 and December 31, 2023:

(In thousands)	March 31,		December 31,	
	2024	2023	2024	2023
Current portion of long-term debt, net	\$ 14,202	\$ 30,785	\$ 14,214	\$ 30,785
Long-term debt, net	174,595	124,273	196,112	124,273
Total debt, net	<u>\$ 188,797</u>	<u>\$ 155,058</u>	<u>\$ 210,326</u>	<u>\$ 155,058</u>

We have been and continue to be in compliance with the terms of the financial covenants contained in our debt agreements. For additional information regarding our debt and the agreements governing our debt, including the covenants contained therein, see [Note 9. Debt, Net](#) to the Consolidated Financial Statements included elsewhere in this

Quarterly Report on Form 10-Q.

Off-Balance Sheet Transactions

We do not have any off-balance sheet arrangements with unconsolidated entities or related parties and accordingly, there are no off-balance sheet risks to our liquidity and capital resources from unconsolidated entities.

Related Party Transactions

The information required set forth under [Note 11. Related Party Transactions](#) to the Consolidated Financial Statements is incorporated herein by reference.

Summary of Critical Accounting Estimates

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and the accompanying notes. There have been no significant changes to our critical accounting estimates from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Accounting Standards

In November 2023, the FASB issued ASU No. 2023-07—*Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). The amendments in ASU 2023-07 improve reportable segment disclosure requirements, primarily through enhanced disclosures about segment expenses. The guidance is effective for annual periods beginning after December 15, 2023 and quarterly periods beginning after December 15, 2024 and will be adopted retrospectively to all prior periods presented in the financial statements. We do not expect the adoption of ASU 2023-07 to have a material effect on our Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk, which includes adverse changes in commodity prices and interest rates as discussed below:

Commodity Price Risk

Our revenues, operating results, financial condition and ability to borrow funds or obtain additional capital depend substantially on prevailing commodity prices. Historically, coal prices have been volatile, with prices fluctuating widely, and are likely to continue to be volatile. Depressed prices in the future would have a negative impact on our future financial results. In particular, substantially lower prices would significantly reduce revenues and could potentially trigger an impairment of our coal properties or a violation of certain financial debt covenants. Because substantially all our reserves are coal, changes in coal prices have a more significant impact on our financial results.

We are dependent upon the effective marketing of the coal mined by our lessees. Our lessees sell the coal under various long-term and short-term contracts as well as on the spot market. Current conditions in the coal industry may make it difficult for our lessees to extend existing contracts or enter into supply contracts with terms of one year or more. Our lessees' failure to negotiate long-term contracts could adversely affect the stability and profitability of our lessees' operations and adversely affect our future financial results. If more coal is sold on the spot market, coal royalty revenues may become more volatile due to fluctuations in spot coal prices.

The market price of soda ash and energy costs directly affects the profitability of Sisecam Wyoming's operations. If the market price for soda ash declines, Sisecam Wyoming's sales revenues will decrease. Historically, the global market and, to a lesser extent, the domestic market for soda ash have been volatile and are likely to remain volatile in the future.

Interest Rate Risk

Our exposure to changes in interest rates results from our borrowings under the Opco Credit Facility, which is subject to variable interest rates based upon SOFR. At March 31, 2024 June 30, 2024, we had \$146.2 million \$167.7 million in borrowings outstanding under the Opco Credit Facility. If interest rates were to increase by 1%, annual interest expense would increase approximately \$1.5 \$1.7 million, assuming the same principal amount remained outstanding during the year.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

NRP carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. This evaluation was performed under the supervision and with the participation of NRP management, including the Chief Executive Officer and Chief Financial Officer of the general partner of the general partner of NRP. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures are effective in providing reasonable assurance that (a) the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (b) such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in the Partnership's Internal Control Over Financial Reporting

There were no material changes in the Partnership's internal control over financial reporting during the first **three six** months of 2024 that materially affected, or were reasonably likely to materially affect, the Partnership's internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are involved in various legal proceedings arising in the ordinary course of business. While the ultimate results of these proceedings cannot be predicted with certainty, we believe these ordinary course matters will not have a material effect on our financial position, liquidity or operations.

ITEM 1A. RISK FACTORS

During the period covered by this report, there were no material changes from the risk factors previously disclosed in Natural Resource Partners L.P.'s Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

<u>Exhibit</u>		<u>Number</u>	<u>Description</u>
3.1	Fifth Amended and Restated Agreement of Limited Partnership of Natural Resource Partners L.P., dated as of March 2, 2017 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed on March 6, 2017).		
3.2	Fifth Amended and Restated Agreement of Limited Partnership of NRP (GP) LP, dated as of December 16, 2011 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed on December 16, 2011).		
3.3	Fifth Amended and Restated Limited Liability Company Agreement of GP Natural Resource Partners LLC, dated as of October 31, 2013 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed on October 31, 2013).		

3.4	Certificate of Limited Partnership of Natural Resource Partners L.P. (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 filed April 19, 2002, File No. 333-86582).
10.1	New Lender Agreement, dated as of February 1, 2024, by and among NRP (Operating) LLC, Zions Bancorporation, N.A. dba Amegy Bank, and Summit Community Bank (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed on February 6, 2024).
10.2	Commitment Increase Agreement dated as of February 14, 2024, by and among NRP (Operating) LLC, Zions Bancorporation, N.A. dba Amegy Bank, and Frost Bank (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed on February 20, 2024).
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley.
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. § 1350.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned and thereunto duly authorized.

NATURAL RESOURCE PARTNERS L.P.

By: NRP (GP) LP, its general partner

By: GP NATURAL RESOURCE

PARTNERS LLC, its general partner

Date: May 7, 2024 August 7, 2024

By: /s/ Corbin J. Robertson, Jr.

Corbin J. Robertson, Jr.

Chairman of the Board and

Chief Executive Officer

(Principal Executive Officer)

Date: May 7, 2024 August 7, 2024

By: /s/ Christopher J. Zolas

Christopher J. Zolas

Chief Financial Officer

(Principal Financial and Accounting Officer)

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Corbin J. Robertson, Jr. certify that:

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- 1 I have reviewed this report on Form 10-Q of Natural Resource Partners L.P.
- 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 our supervision, 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;
 - 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 the 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 control 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 control over financial reporting.

By: /s/ Corbin J. Robertson, Jr.
Corbin J. Robertson, Jr.
Chief Executive Officer

Date: May August 7, 2024

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Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Christopher J. Zolas, certify that:

- 1 I have reviewed this report on Form 10-Q of Natural Resource Partners L.P.

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 our supervision, 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;
- 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 the 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 control 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 control over financial reporting.

By: /s/ Christopher J. Zolas
 Christopher J. Zolas
 Chief Financial Officer

Date: May August 7, 2024

Exhibit 32.1

**CERTIFICATION OF
 CHIEF EXECUTIVE OFFICER
 OF GP NATURAL RESOURCE PARTNERS LLC
 PURSUANT TO 18 U.S.C. § 1350**

In connection with the accompanying report on Form 10-Q for the quarter ended March 31, June 30, 2024 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Corbin J. Robertson, Jr., Chief Executive Officer of GP Natural Resource Partners LLC, the general partner of the general partner of Natural Resource Partners L.P. (the "Company"), hereby certify, to my knowledge, that:

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

By: /s/ Corbin J. Robertson, Jr.
Corbin J. Robertson, Jr.
Chief Executive Officer

Date: May August 7, 2024

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Exhibit 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF GP NATURAL RESOURCE PARTNERS LLC
PURSUANT TO 18 U.S.C. § 1350

In connection with the accompanying report on Form 10-Q for the quarter ended March 31, June 30, 2024 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher J. Zolas, Chief Financial Officer of GP Natural Resource Partners LLC, the general partner of the general partner of Natural Resource Partners L.P. (the "Company"), hereby certify, to my knowledge, that:

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

By: /s/ Christopher J. Zolas
Christopher J. Zolas
Chief Financial Officer

Date: May August 7, 2024

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