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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2017

OR

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

Commission file number: 001-34815

Westmoreland Resource Partners, LP

(Exact name of registrant as specified in its charter)

Delaware	**77-0695453**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9540 South Maroon Circle, Suite 300 Englewood, CO	**80112**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (855) 922-6463

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company.)	Smaller reporting company	☐
		Emerging growth company	☐

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

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

As of August 1, 2017, 1,284,840 common units representing limited partner interests in Westmoreland Resource Partners, LP ("Common Units") were outstanding. The Common Units trade on the New York Stock Exchange under the ticker symbol "WMLP."

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ITEM 1 - *CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)*

WESTMORELAND RESOURCE PARTNERS, LP AND SUBSIDIARIES
Consolidated Balance Sheets (Unaudited)

	June 30, 2017	December 31, 2016
	(In thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 23,096	$ 15,094
Receivables	34,385	37,587
Inventories	17,232	17,559
Assets held for sale	507	934
Other current assets	2,631	5,794
Total current assets	77,851	76,968
Property, plant and equipment:		
Land, mineral rights, property, plant and equipment	364,447	359,748
Less accumulated depreciation, depletion and amortization	(145,260)	(124,130)
Net property, plant and equipment	219,187	235,618
Advanced coal royalties	8,940	8,815
Restricted investments	38,414	37,741
Intangible assets, net of accumulated amortization of $5.2 million and $4.1 million at June 30, 2017 and December 31, 2016, respectively	25,833	27,148
Deposits and other assets	711	617
Total Assets	$ 370,936	$ 386,907
Liabilities and Partners' Capital (Deficit)		
Current liabilities:		
Current installments of long-term debt	$ 4,200	$ 3,819
Accounts payable and accrued expenses:		
Trade	19,955	19,397
Deferred revenue	2,172	3,547
Production taxes	15,919	16,319
Asset retirement obligations	11,570	10,775
Other current liabilities	1,980	3,284
Total current liabilities	55,796	57,141
Long-term debt, less current installments	317,202	313,827
Asset retirement obligations, less current portion	36,655	41,402
Other liabilities	2,142	2,647
Total liabilities	411,795	415,017
Partners' capital (deficit):		
Limited partners (1,284,840 and 1,221,060 units outstanding as of June 30, 2017 and December 31, 2016, respectively)	27,322	28,261
Series A Convertible Units (16,501,695 and 15,656,551 units outstanding as of June 30, 2017 and December 31, 2016, respectively)	(54,306)	(46,103)
Series B Convertible Units (4,512,500 units outstanding as of June 30, 2017 and December 31, 2016)	(45,666)	(43,360)
General partner (35,291 units outstanding as of June 30, 2017 and December 31, 2016)	31,729	33,281
Accumulated other comprehensive income (loss)	62	(189)
Total Westmoreland Resource Partners, LP deficit	(40,859)	(28,110)
Total Liabilities and Partners' Capital	$ 370,936	$ 386,907

See accompanying Notes to Consolidated Financial Statements (Unaudited).

WESTMORELAND RESOURCE PARTNERS, LP AND SUBSIDIARIES
Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(In thousands, except per unit data)			
Revenues	$ 81,051	$ 80,467	$ 155,856	$ 172,949
Costs and expenses:				
Cost of sales	59,812	62,797	119,228	134,161
Depreciation, depletion and amortization	10,110	14,547	20,461	29,812
Selling and administrative	3,714	2,844	7,611	6,112
(Gain) loss on sales of assets	(220)	407	(362)	1,636
Loss on impairment	—	4,163	—	4,701
Total cost and expenses	73,416	84,758	146,938	176,422
Operating income (loss)	7,635	(4,291)	8,918	(3,473)
Other (expense) income:				
Interest expense	(10,653)	(10,247)	(21,132)	(20,095)
Interest income	233	79	439	419
Other income	21	30	65	54
Change in fair value of warrants	412	4	543	(186)
Total other expenses	(9,987)	(10,134)	(20,085)	(19,808)
Net loss	**(2,352)**	**(14,425)**	**(11,167)**	**(23,281)**
Less net loss allocated to general partner	(4)	(23)	(17)	(37)
Net loss allocated to limited partners	$ (2,348)	$ (14,402)	$ (11,150)	$ (23,244)
Net loss	**$ (2,352)**	**$ (14,425)**	**$ (11,167)**	**$ (23,281)**
Unrealized and realized gain on available-for-sale securities	105	290	251	262
Comprehensive loss attributable to the Partnership	**$ (2,247)**	**$ (14,135)**	**$ (10,916)**	**$ (23,019)**
Net loss per common limited partner unit, basic and diluted:	$ (0.07)	$ (0.67)	$ (0.38)	$ (1.08)
Weighted average number of common limited partner units outstanding, basic and diluted:	1,506	5,900	1,479	5,892
Cash distribution paid per limited partner common unit	$ 0.1333	$ 0.2000	$ 0.1333	$ 0.4000
Cash distribution paid per Series A convertible unit	—	0.2000	—	0.2000
Cash distribution paid per general partner unit	0.1333	0.2000	0.1333	0.4000

See accompanying Notes to Consolidated Financial Statements (Unaudited).

WESTMORELAND RESOURCE PARTNERS, LP AND SUBSIDIARIES
Consolidated Statements of Partners' Capital (Deficit) (Unaudited)

	Limited Partners													
	Common		Series A Convertible		Series B Convertible		Liquidation		Total		General Partner		Accumulated Other Comprehensive Income (Loss)	Total Partners' Deficit
	Units	Capital (Deficit)	Units	Deficit	Units	Deficit	Units	Capital	Units	Deficit	Units	Capital		
	(In thousands, except units data)													
Balance at December 31, 2016	**1,221,060**	**$ 28,261**	**15,656,551**	**$ (46,103)**	**4,512,500**	**$ (43,360)**	**856,698**	**$ —**	**22,246,809**	**$ (61,202)**	**35,291**	**$ 33,281**	**$ (189)**	**$ (28,110)**
Net loss	—	(641)	—	(8,203)	—	(2,306)	—	—	—	(11,150)	—	(17)	—	(11,167)
Equity-based compensation	—	81	—	—	—	—	—	—	—	81	—	—	—	81
Issuance of units to LTIP participants	63,780	—	—	—	—	—	—	—	63,780	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	251	251
Distribution for acquisition of Johnson Run (Note 12)	—	—	—	—	—	—	—	—	—	—	—	(1,526)	—	(1,526)
Paid-in-kind Series A convertible unit distribution	—	—	845,144	—	—	—	—	—	845,144	—	—	—	—	—
Cash distribution to unitholders	—	(379)	—	—	—	—	—	—	—	(379)	—	(9)	—	(388)
Balance at June 30, 2017	**1,284,840**	**$ 27,322**	**16,501,695**	**$ (54,306)**	**4,512,500**	**$ (45,666)**	**856,698**	**$ —**	**23,155,733**	**$ (72,650)**	**35,291**	**$ 31,729**	**$ 62**	**$ (40,859)**

See accompanying Notes to Consolidated Financial Statements (Unaudited).

WESTMORELAND RESOURCE PARTNERS, LP AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
	2017	2016
	(In thousands)	
Cash flows from operating activities:		
Net loss	$ (11,167)	$ (23,281)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, depletion and amortization	20,461	29,812
Accretion of asset retirement obligations	2,672	2,779
Equity-based compensation	81	125
Impairment charges	—	4,701
Non-cash interest expense	4,639	4,554
Amortization of deferred financing costs	1,421	1,235
Other	(1,263)	1,825
Changes in operating assets and liabilities:		
Receivables, net	3,202	(2,414)
Inventories	867	4,331
Accounts payable and accrued expenses	2,679	(6,806)
Interest payable	21	(17)
Deferred revenue	(1,375)	—
Other assets and liabilities	2,721	2,071
Asset retirement obligations	(5,219)	(4,745)
Net cash provided by operating activities	19,740	14,170
Cash flows from investing activities:		
Additions to property, plant, equipment and other	(7,054)	(2,529)
Advance royalties payments	(318)	(16)
Change in restricted investments	(440)	(2,720)
Net proceeds from sales of assets	608	354
Net cash used in investing activities	(7,204)	(4,911)
Cash flows from financing activities:		
Repayments of long-term debt	(2,620)	(1,857)
Cash distributions to unitholders	(388)	(5,502)
Acquisition under common control of Johnson Run	(1,526)	—
Net cash used in financing activities	(4,534)	(7,359)
Net increase in cash and cash equivalents	8,002	1,900
Cash and cash equivalents, beginning of the period	15,094	3,710
Cash and cash equivalents, end of the period	$ 23,096	$ 5,610
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 15,174	$ 14,306
Non-cash transactions:		
Accrued purchases of property and equipment	$ 332	$ 1,582
Property, plant and equipment acquired with debt	—	9,259
Asset retirement obligations capitalized in mine development	—	3,400
Market value of common units vested in LTIP	328	86
Market value of Series A convertible units at date of distribution	2,124	3,050

See accompanying Notes to Consolidated Financial Statements (Unaudited).

WESTMORELAND RESOURCE PARTNERS, LP AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts and operations of Westmoreland Resource Partners, LP (the "Partnership") and its consolidated subsidiaries and have been prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP") and require the use of management's estimates. The financial information contained in this Quarterly Report on Form 10-Q ("Quarterly Report") is unaudited, but reflects all adjustments which in the opinion of management are necessary for a fair presentation of the financial information for the periods shown. Such adjustments are of a normal recurring nature. Certain prior-year amounts have been reclassified to conform with the financial statement line items used by Westmoreland Coal Company ("WCC"), the parent of our general partner Westmoreland Resources GP, LLC (the "GP"). The results of operations for the six months ended June 30, 2017 are not necessarily indicative of results to be expected for the year ending December 31, 2017.

These unaudited quarterly consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2016 ("2016 Form 10-K"). There were no changes to our significant accounting policies from those disclosed in the audited consolidated financial statements and notes thereto contained in our 2016 Form 10-K, except as described below.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)* which requires companies leasing assets to recognize on their balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term on contracts longer than one year. The lessee is permitted to make an accounting policy election to not recognize lease assets and lease liabilities for short-term leases. How leases are recorded on the balance sheet represents a significant change from previous GAAP guidance as described in Accounting Standards Codification ("ASC") Topic 840, *Leases*. ASU 2016-02 maintains a distinction between finance leases and operating leases similar to the distinction under previous lease guidance for capital leases and operating leases. The impact of leases reported in the Partnership's operating results and statement of cash flows are expected to be similar to previous GAAP.

ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, and early adoption is permitted. Adoption of the new lease accounting standard will require the Partnership to apply the new standard to the earliest period using a modified retrospective approach. The Partnership is currently in the process of evaluating the impact of the new standard, including the evaluation of the impact, if any, on changes to business processes, systems and controls to support recognition and disclosure under the new guidance, however, at this time is unable to determine the impact this standard will have on the financial statements and related disclosures.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This standard is effective for interim and annual periods beginning after December 15, 2017. We are currently evaluating the effect adopting this guidance will have on our consolidated financial statements and footnote disclosures.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* which was issued as a new Topic, ASC Topic 606. The new revenue recognition standard supersedes all existing revenue recognition guidance. Under this ASU, an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2015-14, issued in August 2015, deferred the effective date of ASU 2014-09 to the first quarter of 2018, with early adoption permitted in the first quarter of 2017. The Partnership intends to adopt the amended guidance as of January 1, 2018.

In March, April, May, and December 2016, the FASB issued the following updates, respectively, to provide supplemental adoption guidance and clarification to ASU 2014-09. These standards must be adopted concurrently upon the adoption of ASU 2014-09. We are currently evaluating the potential effects of adopting the provisions of these updates.

- ASU 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*.
- ASU 2016-10, *Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing*.

- ASU 2016-12, *Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients*.
- ASU 2016-19, *Technical Corrections and Improvements*.

We have established an implementation team to execute a multi-phase plan to adopt the requirements of the new standard. The team is in the process of finalizing its conclusions on how the guidance will be applied to a sample of our coal sales contracts comprising greater than half of our consolidated revenues. The team is also evaluating the expanded disclosures required by the new standard and reviewing our system capabilities, processes, and internal controls over financial reporting to ensure the appropriate information will be available for these disclosures.

Under the new standard, companies may use either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients; or (ii) a modified retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). We will be adopting the standard under the full retrospective approach.

2. INVENTORIES

Inventories consisted of the following:

	June 30, 2017	December 31, 2016
	(In thousands)	
Coal stockpiles	$ 5,922	$ 4,518
Materials and supplies	11,360	13,091
Reserve for obsolete inventory	(50)	(50)
Total	$ 17,232	$ 17,559

3. RESTRICTED INVESTMENTS

The Partnership invests certain bond collateral in a limited selection of fixed-income investment options and receives the investment returns on these investments. These investments are not available to meet the Partnership's general cash needs. These investments include available-for-sale securities. Available-for-sale securities are reported at fair value with unrealized gains and losses excluded from earnings and reported in *Accumulated other comprehensive income (loss)*.

The carrying value and estimated fair value of our restricted investments were as follows:

	June 30, 2017	December 31, 2016
	(In thousands)	
Cash and cash equivalents	$ 7,148	$ 8,581
Available-for-sale securities	31,266	29,160
	$ 38,414	$ 37,741

Available-for-Sale Restricted Investments

The cost basis, gross unrealized holding gains and losses and fair value of available-for-sale securities were as follows:

	June 30, 2017	December 31, 2016
	(In thousands)	
Cost basis	$ 31,204	$ 29,349
Gross unrealized holding gains	360	167
Gross unrealized holding losses	(298)	(356)
Fair value	$ 31,266	$ 29,160

4. IMPAIRMENT CHARGES

In April 2016, we entered into an agreement to purchase 1.0 million tons of coal (“purchased coal”) from a third party through December 31, 2017. The purchased coal has been used to fulfill specific customer sales orders under preexisting long-term sales agreements. As a result of the purchased coal agreement, we down-sized our work force and incurred a $0.3 million severance charge for the three months ended June 30, 2016 and an impairment charge on excess equipment of $4.2 million for the three months ended June 30, 2016. Impairment charges for the six months ended June 30, 2016 were $4.7 million. There were no impairment charges incurred for the six months ended June 30, 2017.

5. DEBT AND LINES OF CREDIT

Debt consisted of the following:

	June 30, 2017	December 31, 2016
	(In thousands)	
Term Loan	$ 309,594	$ 306,189
Capital Lease Obligations	15,458	16,351
Other	483	589
Total debt outstanding	325,535	323,129
Less debt issuance costs	(4,133)	(5,483)
Less current installments	(4,200)	(3,819)
Total debt outstanding, less current installments	$ 317,202	$ 313,827

The following table presents remaining aggregate contractual debt maturities of all long-term debt:

	June 30, 2017
	(In thousands)
2017	$ 2,764
2018	313,770
2019	4,105
2020	1,694
2021	1,586
Thereafter	1,616
Total debt	$ 325,535

Covenant Compliance

Our lending arrangements contain, among other terms, events of default and various affirmative and negative covenants, financial covenants and cross-default provisions. Our continuing ability to meet our obligations and comply with these financial covenants depends on our ability to generate adequate cash flows and refinance debt obligations as they become due. Should we be unable to comply with any future debt-related covenant, we will be required to seek a waiver of such covenant to avoid an event of default. Covenant waivers and modifications may be expensive to obtain, or, potentially, unavailable.

We are in compliance with all covenants and conditions under our debt agreements as of June 30, 2017. Our continuing ability to meet our obligations and comply with these financial covenants depends on our ability to generate adequate cash flows. Based on our quarterly projections, we anticipate that we will maintain compliance with the financial covenants and have sufficient liquidity to meet our obligations as they become due within one year after the date of the filing of our Quarterly Report.

Credit Facilities

Term Loan

Pursuant to the financing agreement (“2014 Financing Agreement”), dated as of December 31, 2014, by and among Oxford Mining Company, LLC, the Partnership and each of its subsidiaries, lenders from time to time party thereto, and U.S. Bank National Association, as administrative agent, the term loan of the Partnership (“Term Loan”) matures on December 31, 2018 and pays interest on a quarterly basis at a variable rate equal to the 3-month London Interbank Offered Rate (“LIBOR”) at each period end (1.30% as of June 30, 2017), or floor of 0.75%, plus 8.50% or the reference rate, as defined in the 2014 Financing Agreement. As of June 30, 2017, the cash interest rate is 9.80%. The Term Loan is a primary obligation of Oxford Mining Company, LLC, a wholly owned subsidiary of the Partnership, is guaranteed by the Partnership and its subsidiaries, and is secured by substantially all of the Partnership’s and its subsidiaries’ assets.

The 2014 Financing Agreement also provides for Paid-In-Kind Interest (“PIK Interest”) at a variable rate between 1.00% and 3.00% based on our consolidated total net leverage ratio, as defined in the 2014 Financing Agreement. The rate of PIK Interest is determined on a quarterly basis with the PIK Interest added quarterly to the then-outstanding principal amount of the Term Loan. PIK Interest under the 2014 Financing Agreement was $4.6 million for the six months ended June 30, 2017. The outstanding Term Loan amount as of June 30, 2017 represents the principal balance of $288.9 million, plus PIK Interest of $20.7 million.

During the three and six months ended June 30, 2017, respectively, we paid down $0.9 million and $1.2 million of the Term Loan with proceeds from oil and gas royalties received. The 2014 Financing Agreement requires mandatory prepayment of principal with proceeds from such events.

The 2014 Financing Agreement permits cash distributions, in an aggregate amount not to exceed $15.0 million, if we do not meet the following requirements (“Restricted Distributions”): (i) consolidated total net leverage ratio of greater than 3.75 or fixed charge coverage ratio of less than 1.00 (as such ratios are defined in the 2014 Financing Agreement) and (ii) liquidity of greater than $7.5 million after giving effect to such cash distribution and applying our availability under the Revolver, as defined below. As of June 30, 2017, our consolidated total net leverage ratio is in excess of 3.75, our fixed charge coverage ratio is below 1.00, and we have made $14.6 million in Restricted Distributions.

Revolver

On October 23, 2015, the Partnership and its subsidiaries entered into a loan and security agreement with the lenders party thereto and The PrivateBank and Trust Company, as administrative agent (the "Revolver"), which permits borrowings up to the aggregate principal amount of $15.0 million, subject to borrowing base calculations as defined in the agreement and letters of credit in an aggregate outstanding amount of up to $10.0 million, which reduces availability under the Revolver on a dollar-for-dollar basis. The Revolver contains the same terms as the 2014 Financing Agreement regarding Restricted Distributions. At June 30, 2017, availability under the Revolver was $15.0 million.

Capital Lease Obligations

The Partnership engages in leasing transactions for equipment utilized in its mining operations. During the six months ended June 30, 2017, the Partnership did not enter into any new capital leases.

6. DISTRIBUTIONS OF AVAILABLE CASH

We distribute 100% of our available cash within 45 days after the end of each quarter to unitholders of record and to our GP, subject to the conditions and limitations within the 2014 Financing Agreement and the loan and security agreement governing the Revolver. Available cash is determined at the end of each quarter and is generally defined in the Partnership’s Fourth Amended and Restated Agreement of Limited Partnership, as amended (the “Partnership Agreement”), as all cash and cash equivalents on hand at the end of each quarter less reserves established by our GP in its reasonable discretion for future cash requirements. These reserves are retained to provide for the conduct of our business, the payment of debt principal and interest, to provide funds for future distributions for any one or more of the next four quarters, and to comply with applicable law. Our available cash may also include, if our GP so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made subsequent to the end of such quarter.

We made cash distributions as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Limited Partner common units	$ 171	$ 1,147	$ 334	$ 2,289
Series A convertible units	—	3,132	—	3,132
General Partner units	5	7	10	15
Warrants	22	33	44	66

Both our 2014 Financing Agreement and loan and security agreement governing the Revolver restrict us from making cash distributions in excess of $15.0 million in the aggregate when certain ratios and liquidity requirements are not met. As of June 30, 2017, these ratios were not met, and we do not foresee them being met in the near future. As of June 30, 2017, we have made $14.6 million in Restricted Distribution payments. On July 28, 2017, we announced a quarterly cash distribution for the quarter ended June 30, 2017, of $0.1333 per limited partner common unit, general partner unit and warrant with distribution rights. The cash distribution totaling approximately $0.2 million will be paid on August 14, 2017 to all common unitholders and warrant holders of record as of August 7, 2017. Additionally, we declared a paid-in-kind unit distribution of $0.1333 per Series A Convertible Unit. If we are unable to either refinance or modify our Term Loan or meet the required ratios noted in *Note 5. Debt And Lines Of Credit* to the consolidated financial statements (unaudited), we are only permitted to make $0.2 million in additional Restricted Distributions, including any cash distributions to WCC, subsequent to payment of the Second Quarter Distribution.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy, as defined below, gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. For other fair value disclosures, see also *Note 3. Restricted Investments* to the consolidated financial statements (unaudited).

- Level 1, defined as observable inputs such as quoted prices in active markets for identical assets.
- Level 2, defined as observable inputs other than Level 1 prices. These include quoted prices for similar assets or liabilities in an active market, quoted prices for identical assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The book values of cash and cash equivalents, receivables and accounts payable are considered to be representative of their respective fair values because of the immediate short-term maturity of these financial instruments.

In connection with our refinancing in June 2013, certain of the second lien lenders and lender affiliates received warrants entitling them to purchase common units. The warrants are measured at fair value at each balance sheet date. As of June 30, 2017, the fair value of each warrant was $2.09, based on the following: spot price of $2.21 per unit as traded on the New York Stock Exchange, with an exercise price of $0.12 per unit. The fair value of the warrants are a Level 1 measurement.

Long-term debt fair value estimates are based on observed prices for securities with an active trading market when available (Level 2) and otherwise using discount rate estimates based on interest rates (Level 3). As of June 30, 2017, the Partnership valued the Term Loan with Level 3 fair values. The estimated fair values of the Partnership's debt with fixed and variable interest rates are as follows:

	Fixed Interest Rate		Variable Interest Rate	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)		(In thousands)	
June 30, 2017	$ 15,941	$ 15,941	$ 305,461	$ 274,765
December 31, 2016	16,940	16,940	300,706	277,867

8. UNIT-BASED COMPENSATION

We grant employees and non-employee directors restricted common units under our Long-Term Incentive Plan ("LTIP"). We recognized compensation expense from unit-based arrangements shown in the following table:

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
	(In thousands)			
Recognition of fair value of restricted common units over the vesting period	$ 39	$ 63	$ 81	$ 127

A summary of restricted common unit award activity for the six months ended June 30, 2017 is as follows:

	Units	Weighted Average Grant-Date Fair Value	Unamortized Compensation Expense (In thousands)
Unvested balance at December 31, 2016	63,780	$ 3.92	
Granted	82,240	3.04	
Vested	(63,780)	3.92	
Unvested balance at June 30, 2017	82,240	$ 3.04	$ 211

9. COMMITMENTS AND CONTINGENCIES

Coal Sales Contracts

We are committed under long-term contracts to sell coal that meets certain quality requirements at specified prices. Many of these prices are subject to cost pass-through or cost adjustment provisions that mitigate some risk from rising costs. Quantities sold under some of these contracts may vary from year to year within certain limits at the option of the customer or us. As of June 30, 2017, the remaining terms of our long-term contracts range from one to nine years.

Purchase Commitments

In April 2016, we entered into a fixed price agreement to purchase 1.0 million tons of coal from a third party through December 31, 2017. Through June 30, 2017 we have purchased 0.7 million coal tons under the purchase commitment.

From time to time, we purchase coal from third parties in order to meet quality or delivery requirements under our customer contracts. We buy coal on the spot market, and the cost of that coal is dependent upon the market price and quality of the coal.

Litigation

There have been no material changes in our litigation since December 31, 2016. For additional information, refer to *Note 21. Commitments and Contingencie*s to the consolidated financial statements of our 2016 Form 10-K.

Guarantees

Our GP and the Partnership guarantee certain obligations of our subsidiaries. We believe that these guarantees will expire without any liability to the guarantors, and therefore will not have a material adverse effect on our financial position, liquidity or operations.

10. PARTNERS' CAPITAL AND CONVERTIBLE UNITS

Our capital accounts are comprised of approximately 0.16% beneficial general partner interests and 99.84% limited partner interests as of June 30, 2017. Our limited partners have limited rights of ownership as provided for under our Partnership Agreement and the right to participate in our distributions. Our GP manages our operations and participates in our distributions, including certain incentive distributions pursuant to the incentive distribution rights, which are nonvoting limited partner interests held by our GP. Pursuant to our Partnership Agreement, our GP participates in losses and distributions based on its interest. The GP's participation in the allocation of losses and distributions is not limited and therefore, such participation can result in a deficit to its capital account. Allocation of losses and distributions, including distributions for previous transactions between entities under common control, has resulted in a deficit to certain limited partners' capital accounts included in our consolidated balance sheets.

Series A Convertible Units

WCC, the owner of our GP, holds and participates in distributions on our Series A Convertible Units. Series A Convertible Units have the right to share in distributions from us on a pro-rata basis with the common units. All or any portion of each distribution payable in respect to the Series A Convertible Units (the "Series A Convertible Unit Distribution") may, at our Board of Directors' election, be paid in Series A paid-in-kind Units ("Series A PIK Units"). To the extent any portion of the Series A Convertible Unit Distribution is paid in Series A PIK Units for any quarter, the distribution to the holders of incentive distribution rights shall be reduced by that portion of the distribution that is attributable to the payment of those Series A PIK Units. The Series A Convertible Units will convert into common units, on a one-for-one basis, at the earlier of the date on which we first make a regular quarterly cash distribution with respect to any quarter to holders of common units in an amount at least equal to $0.22 per common unit or upon a change of control. The Series A Convertible Units have the same voting rights as if they were outstanding common units and will vote together with the common units as a single class. In addition, the Series A Convertible Units are entitled to vote as a separate class on any matters that materially adversely affect the rights or preferences of the Series A Convertible Units in relation to other classes of partnership interests or as required by law.

Series B Convertible Units

On October 28, 2016, we issued 4,512,500 Series B Convertible Units representing limited partner interests in the Partnership (the "Series B Units") to WCC in exchange for WCC's 4,512,500 common units (the "Exchange"). Upon issuance of the Series B Units in the Exchange, WCC's common units were canceled. The Series B Units do not share in distributions with the common units and are convertible at the option of the holder on a one-for-one basis into common units on the day after the record date for a cash distribution on the common units in which the Partnership is unable to make such a distribution without exceeding its restricted payment basket under the 2014 Financing Agreement. The Series B Units will convert automatically upon a change of control or a dissolution or liquidation of the Partnership. The Series B Units have the same voting rights as if they were outstanding common units and will vote together with the common units as a single class. In addition, the Series B Units are entitled to vote as a separate class on any matters that materially adversely affect the rights or preferences of the Series B Units in relation to other classes of partnership interests or as required by law. Concurrently with the Exchange, we entered into Amendment No. 2 to the Partnership Agreement, which established the terms of the Series B Units.

Liquidation Units

All subordinated units were transferred to WCC in connection with our GP being acquired on December 31, 2014. These units were then converted to liquidation units which have no distribution or voting rights, other than in connection with liquidation. For tax purposes, liquidation units are allocated additional taxable income but no additional taxable loss compared to other unit classes.

Warrants

In June 2013, in connection with a prior credit facility, certain lenders and lender affiliates received warrants entitling them to purchase 166,557 common units at $0.12 per unit. The warrants participate in distributions whether or not exercised.

Outstanding Units

	June 30, 2017	December 31, 2016
Limited partner common units	1,284,840	1,221,060
Series A convertible units	16,501,695	15,656,551
Series B convertible units	4,512,500	4,512,500
Liquidation units	856,698	856,698
Warrants	166,557	166,557
General Partner units	35,291	35,291

Net Income (Loss) Attributable to Limited Partners

Net income (loss) is allocated to the GP and the limited partners in accordance with their respective ownership percentages, after giving effect to distributions and declared distributions on Series A Convertible Units, and General Partner units, including incentive distribution rights. Unvested unit-based payment awards that contain non-forfeitable rights to distributions (whether paid or unpaid) are classified as participating securities and are included in our computation of basic and diluted limited partners' net income (loss) per common unit. Basic and diluted limited partners' net income (loss) per common unit is calculated by dividing limited partners' interest in net income (loss) by the weighted average number of outstanding limited partner units during the period. We determined basic and diluted limited partners' net loss per common unit as follows (in thousands, except per unit amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net loss attributable to the Partnership	$ (2,352)	$ (14,425)	$ (11,167)	$ (23,281)
Less:				
Paid and declared distributions on Series A convertible units	2,200	3,131	4,362	6,262
Series A convertible units share of undistributed loss	(3,510)	(13,591)	(11,739)	(23,126)
Series B convertible units share of undistributed loss	(960)	—	(3,252)	—
Paid and declared distributions on General Partner units	5	8	10	15
General Partner units share of undistributed loss	(7)	(32)	(25)	(54)
Paid and declared distributions on Warrants	22	33	44	66
Net loss available to limited partners	$ (102)	$ (3,974)	$ (567)	$ (6,444)
Weighted average number of common units used in computation of Limited Partners' net loss per common unit (basic and diluted)[1]	1,506	5,900	1,479	5,892
Limited Partners' net loss per common unit (basic and diluted)	$ (0.07)	$ (0.67)	$ (0.38)	$ (1.08)

[1] Reflects the impact of the outstanding common unit warrants for the three and six months ended June 30, 2017 and 2016, respectively.

11. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table reflects the changes in accumulated other comprehensive income (loss) arising from our available-for-sale securities (net of tax):

	Accumulated Other Comprehensive Income (Loss)
	(In thousands)
Balance at December 31, 2016	$ (189)
Other comprehensive income before reclassification	237
Amounts reclassified from accumulated other comprehensive income	14
Balance at June 30, 2017	$ 62

The following table reflects the reclassifications out of accumulated other comprehensive income (loss) for the three and six months ended June 30, 2017:

Details about accumulated other comprehensive income (loss) components	Amount reclassified from accumulated other comprehensive income (loss) Three Months Ended June 30, 2017	Six Months Ended June 30, 2017	Affected line item in the statements where presented
	(In thousands)		
Realized (gains) and losses on available-for-sale securities	$ (16)	$ 14	Other income

12. RELATED PARTY TRANSACTIONS

In 2015, the Partnership and the GP entered into an administrative and operational services agreement (the "Services Agreement"). The Services Agreement is terminable by either party upon 120 days' written notice prior to the end of any fiscal year. Under the terms of the Services Agreement, our GP provides services through its employees, or employees of its affiliates, to us and is reimbursed for all related costs incurred on our behalf. Pursuant to the Services Agreement, the Partnership engaged the GP to continue providing services such as general administrative and management, engineering, operations (including mining operations), geological, corporate development, real property, marketing, and other services to the Partnership. Administrative services include without limitation legal, finance and accounting, treasury, insurance administration and claims processing, risk management, health, safety and environmental, information technology, human resources, credit, payroll, internal audit and tax. Under the Services Agreement the Partnership pays the GP a fixed annual management fee of $2.2 million for certain executive and administrative services and reimburses the GP at cost for other expenses. The current terms of the Services Agreement expires on December 31, 2017, and automatically renews for successive one year periods unless terminated. The primary reimbursements to our GP under the Service Agreement during the three and six months ended June 30, 2017 were for employee-related costs. Reimbursable costs under the Services Agreement totaling $2.5 million and $2.7 million were included in accounts payable as of June 30, 2017 and December 31, 2016, respectively. In December 2016, the Partnership prepaid the GP for the 2017 annual management fee of $2.2 million, of which $1.1 million was included in *Other current assets* at June 30, 2017.

On January 9, 2017, the Partnership acquired surface coal reserves ("Johnson Run") through conveyance of leases and recoupable advance royalty payments from Buckingham Coal Company, LLC, a wholly owned subsidiary of WCC, for $1.7 million.

Finally, we sold coal to a subsidiary of WCC, which generated $8.3 million and $12.1 million in revenues for the three and six months ended June 30, 2017, respectively, and $6.4 million and $14.3 million in revenues for the three and six months ended June 30, 2016, respectively.

13. SEGMENT INFORMATION

We operate in one business segment. We operate surface coal mines in Ohio and Wyoming, selling high-value thermal coal to utilities, industrial customers, municipalities and other coal-related entities primarily in the Midwest and Wyoming. All of our operations have similar economic characteristics including but not limited to coal quality, geology, coal marketing opportunities, mining and transportation methods and regulatory issues. Our operating and executive management makes its decisions based on consolidated reports. Our Ohio operating subsidiaries share customers and a particular customer may receive coal from any one of such Ohio operating subsidiaries. We also lease or sublease coal reserves to others through our Ohio operations in exchange for a per ton royalty rate.

14. SUBSEQUENT EVENTS

On July 1, 2017, Westmoreland Kemmerer, LLC, entered into an amendment to its coal supply agreement with PacifiCorp, the owner of the Naughton Power Plant, to provide additional coal to the plant as a result of PacifiCorp's plan to extend Naughton Unit 3 operations through the end of 2018.

The Partnership has evaluated subsequent events in accordance with ASC 855, *Subsequent Events*, through the filing date of its Quarterly Report, and determined that no events have occurred that have not been disclosed elsewhere in the *Notes to the Consolidated Financial Statements (Unaudited)* that would require adjustments to disclosures in the consolidated financial statements (unaudited).

Item 2 - *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements (unaudited) and notes thereto included elsewhere in this Quarterly Report and the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2016 included in our 2016 Form 10-K filed with the United States Securities and Exchange Commission (the "SEC"). This discussion contains forward-looking statements that reflect management's current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements or as a result of certain factors such as those set forth below under "Cautionary Note Regarding Forward-Looking Statements."

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report and other materials we have filed or will file with the SEC (as well as information included in our other written or oral statements) contain or will contain certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on our expectations and assumptions at the time they are made and are not guarantees of future performance. Because forward looking statements relate to the future, they involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as "expects," "intends," "anticipates," "believes," "estimates," "guides," "provides guidance," "provides outlook" and other similar expressions or future or conditional verbs such as "may," "will," "should," "would," "could," and "might" are intended to identify such forward-looking statements. Readers of this Quarterly Report should not rely solely on the forward-looking statements and should consider all uncertainties and risks discussed in the "Risk Factors" section and throughout this Quarterly Report. The statements are only as of the date they are made, and the Partnership undertakes no obligation to update any forward-looking statement. Possible events or factors that could cause results or performance to differ materially from those expressed in our forward-looking statements include but are not limited to the following:

- Our substantial level of indebtedness and our ability to adhere to financial covenants related to our borrowing arrangements;
- The effect of consummating financing, acquisition and/or disposition transactions;
- Seasonal variations and inclement weather which may cause fluctuations in our operating results, profitability, cash flow and working capital needs related to our operating segments;
- The effect of legal and administrative proceedings, settlements, investigations and claims, including any related to citations and orders issued by regulatory authorities, and the availability of related insurance coverage;
- Existing and future legislation and regulation affecting both our coal mining operations and our customers' coal usage, governmental policies and taxes, including those aimed at reducing emissions of elements such as mercury, sulfur dioxides, nitrogen oxides, particulate matter or greenhouse gases;
- The effect of the Environmental Protection Agency's inquiries and regulations on the operations of the power plants to which we provide coal;
- Inaccuracies in our estimates of our coal reserves;
- Our potential inability to expand or continue current coal operations due to limitations in obtaining bonding capacity for new mining permits, and/or increases in our mining costs as a result of increased bonding expenses;
- The effect of prolonged maintenance or unplanned outages at our operations or those of our major power generating customers;
- The inability to control costs and/or recognize favorable tax credits;
- Competition within our industry and with producers of competing energy sources;
- Our relationships with, and other conditions affecting, our customers, including how power prices affect our customers' decision to run their plants;
- The availability and costs of key supplies or commodities, such as diesel fuel, steel and explosives;
- Potential title defects or loss of leasehold interests in our properties, which could result in unanticipated costs or an inability to mine the properties;
- The inability to renew our mineral leases or material changes in lease royalties;
- Our ability to pay our quarterly distributions which substantially depends upon our future operating performance (which may be affected by prevailing economic conditions in the coal industry), debt covenants, and financial, business and other factors, some of which are beyond our control (see additional information in our discussion below under *Cash Distributions*);
- Our potential need to recognize additional impairment and/or restructuring expenses associated with our operations, as well as any changes to previously identified impairment or restructuring expense estimates; and

- Other factors that are described under the heading “Risk Factors” found in our reports filed with the SEC, including our Annual Reports on Form 10-K and our Quarterly Reports on Form 10-Q.

Overview

We sell the majority of our coal under multi-year agreements to electric generation companies. These contracts often contain price escalation and adjustment provisions, pursuant to which the price for our coal may be periodically revised in line with broad economic indicators such as the consumer price index, commodity-specific indices such as the PPI-light fuel oils index, and/or changes in our actual costs. For our contracts that are not cost-protected in nature, we have exposure to inflation and price risk for supplies used in the normal course of production, such as diesel fuel and explosives. We manage these items through strategic sourcing contracts in normal quantities with our suppliers and may use derivatives from time to time.

Recent Trends and Activities

One of the major factors affecting the volume of coal that we sell in any given period is the demand for coal-generated electric power, as well as the specific demand for coal by our customers. Numerous factors affect the demand for electric power and the specific demands of customers including weather patterns, the presence of hydro- or wind-generated energy in our particular energy grids, environmental and legal challenges, political influences, energy policies, economic conditions, power plant outages and other factors discussed herein. During the three and six month periods ended June 30, 2017, our financial results were impacted by several more specific trends and activities, which are described below.

- ***Coal Pricing.*** Our operations in Ohio are exposed to changes in the price of coal on the open market. In recent quarters, the price of coal has been volatile and has generally been pressured by reduced demand, political pressures, and the price of competing products, such as natural gas, that are used in electric power generation. While approximately 72% of our coal tons are sold under supply contracts that are more than one year in duration, terms can vary significantly and may have pricing provisions that may increase or decrease the price of our coal based on broad economic indicators. Recent pricing pressure has resulted in depressed revenues, net income and adjusted EBITDA in recent quarters. Whether pricing and volume softness in this region persists in future periods is dependent upon fluctuations in market demand in the region.

- ***Weather.*** During the first six months of 2017, we experienced unfavorable weather patterns in the markets in which we operate. In particular, during the first quarter, our operations in Wyoming experienced unusually high amounts of precipitation, which restricted our ability to supply coal and lowered our coal tons sold and our revenues in the first quarter of 2017. While some of this decline in revenues was offset in the second quarter by customers seeking to replenish stockpiles, a trend that we believe will continue throughout the year, weather conditions are inherently unpredictable and could have positive or negative impacts on operating conditions in future periods.

- ***Key contract renewals.*** During the second quarter of 2017, we amended our coal supply agreement with PacifiCorp to sell additional tons of coal during 2018 in response to PacifiCorp's plan to operate Unit 3 at its Naughton generating station through the end of 2018. While this amendment will result in more cash and more revenues from this agreement through 2018, it will also result in revenue recognition being deferred into later periods when lower priced coal tons are sold. Accordingly, 2017 revenues from this contract are expected to be lower than previously expected as more revenues will be deferred into 2018.

- ***Cost Reduction Activities.*** Since 2016, we and our parent affiliate, WCC, have sought to reduce costs throughout our organizations. Cost reduction activities during 2016 resulted in disciplined capital expenditure decisions, lower inventory costs, reduced headcount and a decreased reliance on outside services. These factors, in turn, have resulted in lower depreciation, cost of coal revenues and selling and administrative expenses in the 2017 periods as compared to 2016 periods. Cost reduction activities are ongoing.

Results of Operations

Three Months Ended June 30, 2017 Compared to Three Months Ended June 30, 2016

Summary Financial Data	Three Months Ended June 30,		Increase / (Decrease)	
	2017	2016	$	%
	(In millions)			
Revenues	$ 81.1	$ 80.5	$ 0.6	0.7%
Operating income (loss)	$ 7.6	$ (4.3)	$ 11.9	*
Net loss	$ (2.4)	$ (14.4)	$ 12.0	83.3%
Tons sold - millions of equivalent tons	1.9	1.7	0.2	11.8%
Adjusted EBITDA[1]	$ 18.9	$ 16.3	$ 2.6	16.0%

[1]Adjusted EBITDA, a non-GAAP measure, is defined and reconciled to net loss at the end of this "Results of Operations" section.
*Not meaningful

Second quarter 2017 results were driven by increased sales volumes compared to the year-ago second quarter and the impact of ongoing cost reduction efforts, partially offset by lower coal pricing. This resulted in an improvement in net loss of $12.0 million during the second quarter of 2017 compared with the second quarter of 2016.

Revenues

Total revenues increased 0.7% and coal tons sold increased 11.8% in the 2017 second quarter compared with the second quarter of 2016. This increase was driven by increased sales volume from the Kemmerer mine as customers sought to replenish stockpiles after the first quarter 2017 delay in coal deliveries. This increase was partially offset by pressured volumes and pricing in our Ohio market.

Operating income

Operating income increased to $7.6 million in the second quarter of 2017 compared to an operating loss of $4.3 million in the second quarter of 2016. Operating income during the quarter was impacted by the following:

- Depreciation, depletion and amortization ("DD&A") expense decreased $4.4 million during the three months ended June 30, 2017 compared to the same period in 2016 as a result of a smaller and aging fleet of equipment at our Ohio operations as well as our cost reduction activities described earlier.
- During the second quarter of 2016, we incurred an impairment charge of $4.2 million related to the write-down of excess equipment. No such impairment charge was taken in 2017.
- Cost of coal revenues (excluding DD&A expense) decreased $3.0 million, or 4.8%, during the second quarter of 2017 compared to the same period in 2016 as a result of cost reduction activities described earlier, offset by an increase in coal tons sold.

Adjusted EBITDA

Adjusted EBITDA increased to $18.9 million compared to $16.3 million in the three months ended June 30, 2017 and 2016, respectively. This increase was largely driven by increased sales volume and the decline in cost of coal revenues, as discussed previously.

Six Months Ended June 30, 2017 Compared to Six Months Ended June 30, 2016

Summary Financial Data	**Six Months Ended June 30,**		**Increase / (Decrease)**	
	2017	**2016**	**$**	**%**
		(In millions)		
Revenues	$ 155.9	$ 172.9	$ (17.0)	(9.8)%
Operating income (loss)	$ 8.9	$ (3.5)	$ 12.4	*
Net loss	$ (11.2)	$ (23.3)	$ 12.1	51.9 %
Tons sold - millions of equivalent tons	3.6	3.7	(0.1)	(2.7)%
Adjusted EBITDA[1]	$ 31.8	$ 35.6	$ (3.8)	(10.7)%

[1]Adjusted EBITDA, a non-GAAP measure, is defined and reconciled to net loss at the end of this “Results of Operations” section.
*Not meaningful

Financial results for the first six months of 2017 reflected lower coal sales and volumes as a result of ongoing pricing and volume pressure in Ohio. These revenue declines were offset by the impact of ongoing cost savings measures, as discussed in “Recent Trends and Activities.” Net loss for the first six months of 2017 of $11.2 million reflected a $12.1 million improvement compared with the net loss of $23.3 million in the same period in 2016.

Revenues

In the first six months of 2017, total revenues declined $17.0 million, or 9.8%, compared with the same period in 2016. This decline was driven by ongoing price and volume pressures in our Ohio market.

Operating income

During the six months ended June 30, 2017, we generated operating income of $8.9 million, as compared to an operating loss of $3.5 million during the six months ended June 30, 2016. This improvement was driven by cost savings measures, offset by the $17.0 million revenues decline, as described previously. Specifically, the improvement in operating income was impacted by the following:

- Cost of coal revenues (excluding DD&A expense) decreased $14.9 million, or 11.1%, in the first six months of 2017 compared to the same period in 2016. This decline was driven primarily by lower coal tons sold during the 2017 period.
- DD&A expense decreased $9.4 million during the first six months of 2017 compared to the same period in 2016. This decline was largely the result of a smaller and aging fleet of equipment at our Ohio operations as well as our cost reduction activities described earlier.
- During the first six months of 2016, we incurred an impairment charge of $4.7 million related to the write-down of excess equipment. No such impairment charge was taken in 2017.

Net loss and Adjusted EBITDA

Net loss improved $12.1 million from $23.3 million during the six months ended June 30, 2016 to $11.2 million during the six months ended June 30, 2017, driven primarily by the $12.4 million improvement in operating income. Adjusted EBITDA declined $3.8 million to $31.8 million in the six months ended June 30, 2017 compared to the same period a year ago. The change in adjusted EBITDA was not commensurate with the change in operating income (loss) due to the fact that the decreases in DD&A expense and impairment charges described above do not impact adjusted EBITDA.

Non-GAAP Financial Measures

Adjusted EBITDA

EBITDA and adjusted EBITDA are supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. EBITDA and adjusted EBITDA are key metrics used by us to assess our operating performance, and we believe that EBITDA and adjusted EBITDA are useful to an investor in evaluating our operating performance because these measures:

- are used widely by investors to measure a company's operating performance without regard to items excluded from the calculation of such terms, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;
- are used by rating agencies, lenders and other parties to evaluate our creditworthiness; and
- help investors to more meaningfully evaluate and compare the results of our operations from period to period by removing the effect of our capital structure and asset base from our operating results.

Neither EBITDA nor adjusted EBITDA is a measure calculated in accordance with GAAP. The items excluded from EBITDA and adjusted EBITDA are significant in assessing our operating results. EBITDA and adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, analysis of our results as reported under GAAP. For example, EBITDA and adjusted EBITDA:

- do not reflect our cash expenditures or future requirements for capital and major maintenance expenditures or contractual commitments;
- do not reflect changes in, or cash requirements for, our working capital needs; and
- do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on certain of our debt obligations.

In addition, although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and adjusted EBITDA do not reflect any cash requirements for such replacements. Other companies in our industry and in other industries may calculate EBITDA and adjusted EBITDA differently from the way that we do, limiting their usefulness as comparative measures. Because of these limitations, EBITDA and adjusted EBITDA should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA and adjusted EBITDA only as supplemental data.

Distributable Cash Flow

Distributable cash flow represents adjusted EBITDA less cash changes in deferred revenue, cash reclamation and mine closure expenditures, reserve replacement and maintenance capital expenditures, and cash interest expense (net of interest income). Cash interest expense represents the portion of our interest expense accrued and paid in cash during the reporting periods presented or that we will pay in cash in future periods as the obligations become due. Other maintenance capital expenditures represent expenditures for coal reserve replacement, and for plant, equipment and mine development. Cash reclamation expenditures represent the reduction to our reclamation and mine closure costs resulting from cash payments. Earnings attributable to the noncontrolling interest are not available for distribution to our unitholders and accordingly are deducted.

Distributable cash flow should not be considered as an alternative to net income (loss) attributable to our unitholders, income from operations, cash flows from operating activities or any other measure of performance presented in accordance with GAAP. Although distributable cash flow is not a measure of performance calculated in accordance with GAAP, we believe distributable cash flow is useful to investors because this measurement is used by many analysts and others in the industry as a performance measurement tool to evaluate our operating and financial performance, facilitating comparison with the performance of other publicly traded limited partnerships.

The tables below show how we calculated EBITDA, adjusted EBITDA and distributable cash flow and reconcile EBITDA, adjusted EBITDA and distributable cash flow to net loss, the most directly comparable GAAP financial measure.

Reconciliation of EBITDA, Adjusted EBITDA and Distributable Cash Flow to Net Loss

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(In thousands)			
Reconciliation of EBITDA, Adjusted EBITDA and Distributable Cash Flow to Net Loss				
Net loss	$ (2,352)	$ (14,425)	$ (11,167)	$ (23,281)
Interest expense, net of interest income	10,420	10,168	20,693	19,676
Depreciation, depletion and amortization	10,110	14,547	20,461	29,812
Accretion of ARO	1,337	1,404	2,672	2,779
EBITDA	**19,515**	**11,694**	**32,659**	**28,986**
Impairment charges	—	4,163	—	4,701
Loss (gain) on sale of assets	(220)	407	(362)	1,636
Share-based compensation	39	63	81	127
Other non-cash and non-recurring costs[1]	(433)	(34)	(608)	132
Adjusted EBITDA	**18,901**	**16,293**	**31,770**	**35,582**
Deferred revenue	(3,821)	(3,572)	(1,375)	—
Reclamation and mine closure costs	(3,334)	(3,736)	(5,207)	(5,624)
Maintenance capital expenditures and other capitalized items	(3,903)	(1,783)	(7,054)	(3,328)
Cash interest expense, net of interest income	(7,513)	(7,179)	(14,735)	(13,891)
Distributable Cash Flow	**$ 330**	**$ 23**	**$ 3,399**	**$ 12,739**

[1] Includes non-cash activity from the change in fair value of investments and warrants.

Liquidity and Capital Resources

Liquidity

We had the following cash and cash equivalents and availability under our Revolver at June 30, 2017 and December 31, 2016:

	June 30, 2017	December 31, 2016
	(In millions)	
Cash and cash equivalents	$ 23.1	$ 15.1
Availability under the Revolver	15.0	15.0
Total	$ 38.1	$ 30.1

We anticipate that our cash from operations, cash on hand and available borrowing capacity will be sufficient to meet our investing, financing, and working capital requirements for the foreseeable future.

Our business is capital intensive and requires substantial capital expenditures for, among other things, purchasing, maintaining and upgrading equipment used in developing and mining our coal, and acquiring reserves. Our principal liquidity needs are to finance current operations, replace reserves, fund capital expenditures, including costs of acquisitions from time to time, service our debt and pay quarterly cash distributions to our unitholders. Our primary sources of liquidity to meet these needs have been cash generated by our operations, borrowings under the 2014 Financing Agreement, and availability under our Revolver.

Our ability to satisfy our working capital requirements, meet debt service obligations and fund planned capital expenditures substantially depends upon our future operating performance, which may be affected by prevailing economic conditions in the coal industry. To the extent our future operating cash flow or access to financing sources and the costs thereof are materially different than expected, our future liquidity may be adversely affected.

Debt Obligations

See *Note 5. Debt And Lines Of Credit* to the consolidated financial statements (unaudited) for a description of our debt and available lines of credit.

As of June 30, 2017, the outstanding balance on our Term Loan was $309.6 million. This amount represents the principal balance of $288.9 million, plus PIK Interest of $20.7 million as of June 30, 2017. As of June 30, 2017, our Term Loan had a cash interest rate of 9.80%, consisting of the LIBOR (1.30%) plus 8.50%. The Term Loan matures on December 31, 2018. Additionally, as of June 30, 2017, we had not drawn on our Revolver and our borrowing availability was $15.0 million. The Revolver matures on December 31, 2017.

We are in compliance with all covenants and conditions under our debt agreements as of June 30, 2017. Our continuing ability to meet our obligations and comply with these financial covenants depends on our ability to generate adequate cash flows. Based on our quarterly projections, we anticipate that we will maintain compliance with the financial covenants and have sufficient liquidity to meet our obligations as they become due within one year after the date of the filing of this Quarterly Report.

In light of the upcoming maturities of our Term Loan and Revolver, and although we are and expect to continue to maintain compliance with our covenants, we and our parent affiliate, WCC, proactively engaged financial advisors to assess the capital structures of our respective companies. These advisors, together with management and our board of directors, will advise us on options to optimizing the overall capital structure of the combined organizations and provide greater financial flexibility and liquidity.

Cash Distributions

Our Partnership Agreement requires that we distribute all of our available cash quarterly subject to certain restrictions under our 2014 Financing Agreement and the loan and security agreement governing the Revolver, described further below. Under our Partnership Agreement, available cash is determined at the end of each quarter and generally defined as cash generated from our business in excess of the amount of cash reserves established by our GP to provide for the conduct of our business, to comply with applicable law, to make payments related to any of our debt instruments or other agreements, or to provide for future distributions to our unitholders for any one or more of the next four quarters. Our available cash may also include, if our GP so determines, all or any portion of the cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made subsequent to the end of such quarter.

Both our 2014 Financing Agreement and loan and security agreement governing the Revolver restrict us from making cash distributions in excess of $15.0 million in the aggregate when certain ratios and liquidity requirements are not met, see *Note 5. Debt And Lines Of Credit* to the consolidated financial statements (unaudited). As of June 30, 2017, these ratios were not met, and we do not foresee them being met in the near future.

As of June 30, 2017, we have distributed $14.6 million in cash that counts toward the $15.0 million in aggregate Restricted Distribution payments. On July 28, 2017, we announced a quarterly cash distribution for the quarter ended June 30, 2017, of $0.1333 per limited partner common unit, general partner unit and warrant with distribution rights and a distribution of Series A PIK Units in lieu of a cash distribution for holders of Series A Convertible Units ("Second Quarter Distribution"). The Second Quarter Distribution, totaling cash of approximately $0.2 million, will be paid on August 14, 2017 to all common unitholders and warrant holders of record as of August 7, 2017. The Second Quarter Distribution will bring the aggregate remaining permitted Restricted Distributions total to $0.2 million at that time. If we are unable to refinance or modify our Term Loan, we are only permitted to make $0.2 million in additional Restricted Distributions subsequent to payment of the Second Quarter Distribution.

Historical Sources and Uses of Cash

The following table summarizes net cash provided by (used in) operating, investing and financing activities for the six months ended June 30, 2017 and 2016:

	Six Months Ended June 30,	
	2017	2016
	(In thousands)	
Net cash provided by (used in):		
Operating activities	$ 19,740	$ 14,170
Investing activities	(7,204)	(4,911)
Financing activities	(4,534)	(7,359)

We increased our cash balances by $8.0 million during the six months ended June 30, 2017, driven by cash provided by operating activities of $19.7 million, offset primarily by capital expenditures of $7.1 million and repayments of long-term debt of $2.6 million.

Critical Accounting Policies and Estimates

Please refer to the corresponding section in *Part II - Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations* of our 2016 Form 10-K for a discussion of our accounting policies and estimates.

Recent Accounting Pronouncements

See *Note 1. Basis Of Presentation* to the consolidated financial statements (unaudited).

Off-Balance Sheet Arrangements

In the normal course of business, we are a party to certain off-balance sheet arrangements. These arrangements include financial instruments with off-balance sheet risk such as bank letters of credit and performance or surety bonds. We utilize surety bonds and letters of credit issued by financial institutions to third parties to assure the performance of our obligations relating to reclamation, workers' compensation obligations, postretirement medical benefit obligations, and other obligations. These arrangements are not reflected in our consolidated balance sheets, and we do not expect any material adverse effects on our financial condition, results of operations or cash flows to result from these off-balance sheet arrangements.

There have been no material changes to our off-balance sheet arrangements since December 31, 2016. Our off-balance sheet arrangements are discussed in *Part II - Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations* of our 2016 Form 10-K.

Item 3 - *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

There have been no material changes in our market risk since December 31, 2016. For additional information, refer to *Part II - Item 7A - Quantitative and Qualitative Disclosures about Market Risk* of our 2016 Form 10-K.

Item 4 - *CONTROLS AND PROCEDURES*

Changes in Internal Control over Financial Reporting

Beginning January 1, 2017, the Partnership implemented a new enterprise resource planning ("ERP") system which will improve the timeliness and quality of information (including financial information) to all appropriate levels of Partnership personnel. The integration was not in response to any identified deficiency or material weakness in the Partnership's internal control over financial reporting. The integration of the ERP system will likely affect the processes included in our internal controls over financial reporting and will require testing for operating effectiveness.

Also beginning January 1, 2017 and in connection with the implementation of the new ERP system discussed immediately above, the Partnership initiated the centralization of controls from our local office in Coshocton, Ohio to the Partnership's corporate offices in Englewood, CO. The centralization was not in response to any identified deficiency or material weakness in the Partnership's internal controls over financial reporting. The centralization will be completed throughout 2017 and will affect the processes that constitute our internal controls over financial reporting. The centralized control framework will require testing for operating effectiveness.

PART II - OTHER INFORMATION

Item 1 - *LEGAL PROCEEDINGS*

We are subject, from time-to-time, to various proceedings, lawsuits, disputes, and claims (“Actions”) arising in the ordinary course of our business. Many of these Actions raise complex factual and legal issues and are subject to uncertainties. We cannot predict with assurance the outcome of Actions brought against us. Accordingly, adverse developments, settlements, or resolutions may occur and may result in a negative impact on income in the quarter of such development, settlement, or resolution. However, we do not believe that the outcome of any current Action would have a material adverse effect on our financial results. See *Note 9. Commitments And Contingencies* to the consolidated financial statements (unaudited) for a description of any pending legal proceedings, which information is incorporated herein by reference.

Item 1A - *RISK FACTORS*

We have disclosed under the heading “Risk Factors” in our 2016 Form 10-K, the risk factors that we believe materially affect our business, financial condition or results of operations. There are no material changes from the risk factors previously disclosed, except for the additional risk factor identified below. You should carefully consider the risk factors set forth in the 2016 Form 10-K and the other information set forth elsewhere in this Quarterly Report. You should be aware that these risk factors and other information may not describe every risk that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and or operating results.

Our unitholders may be required to pay taxes on income from us even if the unitholders do not receive any cash distributions from us.

Because a unitholder is treated as a partner to whom we allocate taxable income, which could be different in amount than the cash we distribute, a unitholder’s allocable share of our taxable income (including cancellation of indebtedness income, if any, or related to the disposition of our assets, if any) is taxable to it, which may require the payment of federal income taxes and, in some cases, state and local income taxes on its share of our taxable income even if it receives no cash distributions from us. Our unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the tax liability that results from that income.

Item 4 - *MINE SAFETY DISCLOSURES*

On July 21, 2010, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). Section 1503(a) of the Dodd-Frank Act contains reporting requirements regarding mine safety. Mine safety violations or other regulatory matters, as required by Section 1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K, are included as Exhibit 95.1 to this Quarterly Report.

Item 6 - *EXHIBITS*

The exhibits listed in the Exhibit Index are incorporated herein by reference.

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 thereunto duly authorized.

WESTMORELAND RESOURCE PARTNERS, LP

By: WESTMORELAND RESOURCES GP, LLC, its general partner

Date: August 4, 2017

By: */s/ Nathan M. Troup*

Nathan M. Troup

Interim Chief Financial Officer

(Principal Financial Officer and A Duly Authorized Officer)

EXHIBIT INDEX

Those exhibits marked with a (*) refer to management contracts or compensatory plans or arrangements. Portions of the exhibits marked with a (†) are the subject of a Confidential Treatment Request under 5 U.S. § 552(b)(4) and 17 C.F.R. §§ 200.80(b)(4), 200.83 and 240.24b-2. Omitted material for which confidential treatment has been requested has been filed separately with the SEC.

		Incorporated by Reference				
Exhibit Number	**Exhibit Description**	**Form**	**File Number**	**Exhibit**	**Filing Date**	**Filed Herewith**
10.1	Westmoreland Resource Partners, LP Long Term Incentive Plan*	S-8	333-218014	10.1	05/15/2017	
10.2	Third Amendment to 2017 Coal Supply Agreement, by and between PacifiCorp and Westmoreland Kemmerer, LLC, to be effective as of July 1, 2017†					X
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)					X
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)					X
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350					X
95.1	Mine Safety Disclosure					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Calculation Linkbase Document					X
101.LAB	XBRL Taxonomy Label Linkbase Document					X
101.PRE	XBRL Taxonomy Presentation Linkbase Document					X
101.DEF	XBRL Taxonomy Definition Document					X

Attached as Exhibit 101 to this report are documents formatted in XBRL (Extensible Business Reporting Language). The financial information contained in the XBRL-related document is “unaudited” or “unreviewed.”

Portions of this Exhibit have been redacted pursuant to a request for confidential treatment under Rule 24b-2 of the General Rules and Regulations under the Securities Exchange Act. Omitted information marked "***" in this Exhibit has been filed with the Securities and Exchange Commission together with such request for confidential treatment.***

THIRD AMENDMENT TO COAL SUPPLY AGREEMENT

Between

PACIFICORP

And

WESTMORELAND KEMMERER, LLC
(f/k/a Westmoreland Kemmerer, Inc.)

For Coal Deliveries Beginning January 1, 2017

THIS THIRD AMENDMENT amends the Coal Supply Agreement effective July 1, 2010, for coal deliveries beginning January 1, 2017 ("2017 CSA"), between WESTMORELAND KEMMERER, LLC, a Delaware limited liability company with offices in Englewood, Colorado, formerly Westmoreland Kemmerer, Inc., and successor in interest to Chevron Mining Inc. ("Seller"), and PACIFICORP, an Oregon corporation with offices in Salt Lake City, Utah ("Buyer").

RECITALS

The Parties desire to amend portions of the 2017 CSA.

THEREFORE, in consideration of the mutual benefits and for other good and valuable consideration, the receipt of which is acknowledged, the Parties amend the 2017 CSA as follows:

1. Section 3.02(d) as amended shall be deleted and replaced with the following:

3.02(d) "Annual Maximum.

(1) Except as stated in 3.02(d)(2), Buyer may not request as Requirements (as defined in Section 3.02(f)), and Seller shall not be obligated to deliver, coal in excess of ****** tons in any Contract Year ("Annual Maximum"), subject to the additional delivery of Shortfall Tons as provided in Section 3.04(a) below. The Annual

Maximum for the 2017 Stub Year shall be ****** tons minus the 2016 Stub Year Tons.

(2) Notwithstanding the reductions in Annual Maximum under PacifiCorp's notice dated August 13, 2014 as accepted and agreed by Westmoreland Kemmerer, Inc. dated March 13, 2015, the Annual Maximum shall be ****** tons for Contract Year 2017-2018, the Annual Maximum shall be ****** tons for Contract Year 2018-2019, the Annual Maximum shall be ****** tons for Contract Year 2019-2020, the Annual Maximum shall be ****** tons for Contract Year 2020-2021, and for the 2021 Stub Year the Prorated Annual Maximum shall be ****** tons. Except as amended herein, all other terms set forth in PacifiCorp's notice dated August 13, 2014 will remain in full force and effect."

2. Section 5.02(a) as presently written shall be deleted and replaced with the following:

5.02(a) "Except as stated in 5.02(a)(1), 5.02(a)(2) and 5.02(a)(3), the Base Prices established as of January 1, 2010 shall be ****** per ton up to ****** tons ("Tier 1") and ****** per ton for ****** to ****** tons ("Tier 2"). The Purchase Price effective on January 1, 2017 shall be the Tier 1 and Tier 2 Purchase Prices adjusted as set forth in this Article V and including the effect of any Purchase Price Resets under the 1992 Agreement.

(1) For Contract Year 2018-2019, the Base Prices established as of January 1, 2010 shall be ****** per ton up to ****** tons ("Tier 1") and ****** per ton for ****** to ****** tons ("Tier 2").

(2) For Contract Year 2019-2020 and Contract Year 2020-2021, the Base Prices established as of January 1, 2010 shall be ****** per ton up to ****** tons ("Tier 1") and ****** per ton for ****** to ****** tons ("Tier 2").

(3) For the 2021 Stub Year, the Base Prices established as of January 1, 2010 shall be ****** per ton up to ****** tons ("Tier 1") and ****** per ton for ****** to ****** tons ("Tier 2")."

3. The third, fourth and fifth sentences in Section 3.04(a) Shortfall as amended shall be deleted and replaced with the following: "Except as stated below regarding the 2017 Stub Year and Contract Year 2017-2018, the total Shortfall Tons to be delivered in any Contract Year shall not exceed ****** tons. In the event that the Shortfall Tons in any Contract Year (except the 2017 Stub Year and Contract Year 2017-2018) exceed ****** tons, then such failure shall constitute a breach of this Agreement and Buyer shall have any and all remedies available for such a breach. For the 2017 Stub Year and Contract Year 2017-2018 only, the foregoing sentences shall apply except that the phrase "****** tons" in both sentences shall be replaced with "****** tons"."

4. The first and second sentences in Section 3.05 as amended shall be deleted and replaced with the following: "Except as stated below regarding the 2017 Stub Year and Contract Year 2017-2018, if Buyer's inventory is less than a total of ****** tons then Buyer may provide written notice to seller that Buyer requires a plan to increase inventory of the coal. For the 2017 Stub Year and Contract Year 2017-2018 only, if Buyer's inventory is less than a total of ****** tons then Buyer may provide written notice to Seller that Buyer requires a plan to increase inventory of the coal."

Except as amended herein, all other portions of the 2017 CSA, are in full force and effect.

The Parties have caused this Third Amendment to be executed and to become effective on July 1, 2017.

	Westmoreland Kemmerer, LLC		PACIFICORP
By:	/s/ Joseph E. Micheletti	By:	/s/ Dana Ralston
Its:	Vice President	Its:	VP Coal Generation & Mining
Date:	June 23, 2017	Date:	June 28, 2017

Exhibit 31.1

Certification

I, Kevin A. Paprzycki, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westmoreland Resource Partners, LP;
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;
    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.

Date: August 4, 2017

/s/ Kevin A. Paprzycki

Name: Kevin A. Paprzycki
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification

I, Nathan M. Troup, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westmoreland Resource Partners, LP;
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;
    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.

Date: August 4, 2017

/s/ Nathan M. Troup

Name: Nathan M. Troup

Title: Interim Chief Financial Officer

(Principal Financial Officer and A Duly Authorized Officer)

Exhibit 32

Statement Pursuant to 18 U.S.C. § 1350

Pursuant to 18 U.S.C. § 1350, each of the undersigned certifies that this Quarterly Report on Form 10-Q for the period ended June 30, 2017, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of Westmoreland Resource Partners, LP.

Date:	August 4, 2017	*|s| Kevin A. Paprzycki*	
		Name:	Kevin A. Paprzycki
		Title:	Chief Executive Officer (Principal Executive Officer)
Date:	August 4, 2017	*/s/ Nathan M. Troup*	
		Name:	Nathan M. Troup
		Title:	Interim Chief Financial Officer (Principal Financial Officer and A Duly Authorized Officer)

A signed original of this written statement required by Section 906 has been provided to Westmoreland Resource Partners, LP and will be retained by Westmoreland Resource Partners, LP and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 95.1

Mine Safety Disclosure

The following disclosures are provided pursuant to Securities and Exchange Commission (SEC) regulations, which require certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate coal mines regulated under the Federal Mine Safety and Health Act of 1977 (the Mine Act).

Mine Safety Information. Whenever the Mine Safety and Health Administration (MSHA) believes that a violation of the Mine Act, any health or safety standard, or any regulation has occurred, it may issue a violation which describes the associated condition or practice and designates a timeframe within which the operator must abate the violation. In some situations, such as when MSHA believes that conditions pose a hazard to miners, MSHA may issue an order removing miners from the area of the mine affected by the condition until hazards are corrected. Whenever MSHA issues a citation or order, it generally proposes a civil penalty, or fine, as a result of the violation that the operator is ordered to pay. Citations and orders can be contested and appealed and, as part of that process, are often reduced in severity and amount, and are sometimes vacated. The number of citations, orders and proposed assessments vary depending on the size and type (underground or surface) of the company and mine.

The table that follows reflects citations and orders issued to us by MSHA during the quarter ended June 30, 2017. The table includes only those mines that were issued orders or citations during the period presented and, commensurate with SEC regulations, does not reflect orders or citations issued to independent contractors working at our mines. Due to timing and other factors, our data may not agree with the mine data retrieval system maintained by MSHA. The proposed assessments for the quarter ended June 30, 2017 were taken from the MSHA system as of July 31, 2017.

Westmoreland Resources Partners, LP

10-Q Safety Statistics

Quarter Ended June 30, 2017

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations (#)(1)	Section 104(b) Orders (#)(2)	Section 104(d) Citations and Orders (#)(3)	Section 110(b)(2) Violations (#)(4)	Section 107(a) Orders (#)(5)	Total Dollar Value of MSHA Assessments Proposed ($)(6)	Total Number of Mining Related Fatalities (#)(7)	Received Notice of Pattern of Violations Under Section (yes/no) (8)	Received Notice of Potential to Have Pattern Under (yes/no) (8)	Legal Actions Pending as of Last Day of Period (#)(9)	Legal Actions Initiated During Period (#)(9)	Legal Actions Resolved During Period (#)(9)
Kemmerer Mine 48-00086	1	—	—	—	—	$ 4,464	—	No	No	3	—	—
Oxford Mine 33-03907	2	—	—	—	—	$ 3,905	—	No	No	—	—	—

(1) Mine Act Section 104(a) citations are for alleged violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal mine safety or health hazard.

(2) Mine Act Section 104(b) orders are for alleged failures to totally abate a citation within the period of time specified in the citation.

(3) Mine Act Section 104(d) citations and orders are for an alleged unwarrantable failure to comply with mandatory health or safety standards.

(4) Total number of flagrant violations issued under Section 110(b)(2) of the Mine Act.

(5) Mine Act Section 107(a) orders are for alleged conditions or practices that could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated and result in orders of immediate withdrawal from the area of the mine affected by the condition.

(6) Total dollar value of MSHA assessments proposed during the quarter ended June 30, 2017.

(7) Total number of mining-related fatalities during the quarter ended June 30, 2017.

(8) Mine Act Section 104(e) written notices are for an alleged pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of a coal mine health or safety hazard, or the potential to have such a pattern.

(9) Any pending legal action before the Federal Mine Safety and Health Review Commission (the "Commission") involving a coal mine owned and operated by us. The number of legal actions pending as of June 30, 2017 that fall into each of the following categories is as follows:

(a) Contests of citations and orders: 0
(b) Contests of proposed penalties: 0
(c) Complaints for compensation: 0
(d) Complaints of discharge, discrimination or interference: 0
(e) Applications for temporary relief: 0
(f) Appeals of judges' decisions or orders to the Federal Mine Safety and Health Review Commission: 0