Risk Factors Comparison 2024-02-27 to 2023-02-24 Form: 10-K

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Our operations and financial results are subject to various risks and uncertainties, including those described below and elsewhere in this Annual Report on Form 10- K. You should carefully consider the risk factors set forth below as well as the other information contained in this Annual Report on Form 10- K in connection with evaluating our business and our securities. The categorization of risks set forth below is meant to help you better understand the risks facing our business and is not intended to limit consideration of the possible effects of these risks to the listed categories, nor is it meant to imply that one category of risks is more material than another. Any adverse effects related to the risks discussed below may, and likely will, adversely affect many aspects of our business. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our stock price, business, results of operations or financial condition. Certain statements in these risk factors are forward- looking statements. Risks Related to Market, Competition, & Sales The global economic environment has recently created market uncertainty and volatility. The global economic environment has recently created market uncertainty and volatility. Global financial conditions remain subject to sudden and rapid destabilization. A slowdown in the financial markets or other economic conditions, including but not limited to, global supply chain issues, inflation, increasing interest rates, fuel and energy costs, business conditions, lack of available credit, the state of the financial markets and tax rates, may adversely affect our business, financial condition and results of operations. **For example, recent inflation, including increases in freight rates, prices for energy and other costs, has adversely impacted us. Sustained inflation could result in higher costs for transportation, material, supplies and labor. Our efforts to recover inflation- based cost increases from our customers may be hampered as a result of the structure of our contracts and the contract bidding process as well as the competitive industries, economic conditions and countries in which we operate. The continued or future occurrence of any of these market trends could have a material adverse effect on our business, financial condition and results of operations.** Our frac sand mining and logistics operations depend on the level of activity in the oil and natural gas industries, which experience substantial volatility. Our operations that produce and transport frac sand are materially dependent on the levels of activity in natural gas and oil exploration, development and production. More specifically, the demand for the frac sand we produce is closely related to the number of natural gas and oil wells completed in geological formations where sand- based proppants are used in fracture treatments. These activity levels are affected by both short ~~-~~ and long- term trends in natural gas and oil prices. In recent years, natural gas and oil prices and, therefore, the level of exploration, development and production activity, have experienced significant volatility. When oil and natural gas prices decrease, exploration and production companies may reduce their exploration, development, production and well completion activities. During such periods, demand for our products and services which supply oil and natural gas wells, including our transportation and logistics solutions, may decline, leading to a decline in the market price of frac sand due to an oversupply of frac sand. When demand for frac sand increases, there may not be a corresponding increase in the prices for our products or our customers may not increase use of our products, which could have a material adverse effect on our business, financial condition and results of operations. Worldwide economic, political and military events, including war, terrorist activity, events in the Middle East and initiatives by the Organization of the Petroleum Exporting Countries (" OPEC "), have contributed, and are likely to continue to contribute, to oil and natural gas price volatility. Additionally, warmer than normal winters in North America and other weather patterns may adversely impact the short- term demand for natural gas and, therefore, demand for our products. Reduction in demand for natural gas to generate electricity could also adversely impact the demand for frac sand. In addition, any future decrease in the rate at which oil and natural gas reserves are discovered or developed, whether due to increased governmental regulation, limitations on exploration and drilling activity, technological innovations that result in new processes for oil and gas production that do not require proppants, or other factors, could adversely affect the demand for our products, even in a stronger natural gas and oil price environment. The continued or future occurrence of any of these risks could have a material adverse effect on our business, financial condition and results of operations. A public health crisis or global outbreak of disease could materially and adversely affect our business, financial condition and results of operations. A public health crisis, including ~~the COVID- 19 pandemic~~ **pandemics** ~~and the emergence and spread of COVID- 19 variants~~ , have previously adversely impacted our business and results of operations. A public health crisis, including a pandemic similar in nature to COVID- 19, could affect our business in a number of ways, including but not limited to: • disruptions or restrictions on our employees' ability to work; • temporary closures or disruptions at our mines and processing plants or the facilities of our customers could reduce demand for our products or affect our ability to timely meet our customers' orders and negatively impact our supply chain; and • the failure of third parties on which we rely, including our customers, contractors, commercial banks, transportation service providers and external business partners, to meet their respective obligations to us, or significant disruptions in their ability to do so, which may be caused by their own financial or operational difficulties. **For instance, the COVID- 19 pandemic negatively affected our business and ongoing global impacts have negatively affected our sales, volumes, operating costs, and financial results to varying degrees and could continue to negatively affect our results of operations, cash flows, and financial position in the future.** The impact of **any future** contagious disease or other adverse public health developments could also exacerbate other risks discussed elsewhere in this section of this report, any of which could have a material adverse effect on us. Our industrial materials operations are subject to the cyclical nature of our customers' businesses. The majority of our industrial products customers are engaged in industries that have historically been cyclical, such as glassmaking, building products, foundry products, and paint. During periods of economic slowdown in one or more of the industries or geographic regions we serve or in the worldwide economy, our customers often reduce their production and capital expenditures by deferring or canceling pending projects, even if such customers are not experiencing financial difficulties. These developments can have an adverse effect on sales of our products and our results of operations. Demand in many of the end markets for our industrial products is driven by cyclical industries, such as construction and automotive. For example, the flat glass market depends on the automotive and commercial and residential construction and remodeling markets; the market for commercial silica used to manufacture building products is driven primarily by demand in the construction markets; the market for foundry silica depends on the rate of automobile, light truck and heavy equipment production as well as construction; and the market for diatomaceous earth, perlite, clay and cellulose is driven by agricultural, food and beverage, chemical industries, filtration, catalyst and absorbent applications. When demand from one of these cyclical industries decreases, demand for the products we sell to customers in that industry may also decrease. When demand from one of these cyclical industries increases, however, there may not be a corresponding increase in the prices for our products or our customers may not increase the use of our products due to factors such as the use of recycled glass in glass production; substitution of our products for other materials; changes in residential and commercial construction demands, driven in part by fluctuating interest rates and demographic shifts; prices, availability and other factors relating to our products; competitors both locally and internationally; and other factors. Weakness in the industries we serve has had, and may have in the future, an adverse effect on sales and our results of operations. A continued or renewed economic downturn in one or more of the industries or geographic regions that we serve, or in the worldwide economy, could cause actual results of operations to differ materially from historical and expected results. Our sales, profitability and operations could be materially affected by weather conditions, seasonality and other factors. Our sales and profitability from period to period are affected by a variety of factors, including weather conditions and seasonal periods. As a result, our results of operations may fluctuate on a quarterly basis and relative to corresponding periods in prior years. For example, we sell more of our products in the second and third quarters in the building products and recreation end markets due to the seasonal rise in construction driven by more favorable weather conditions. Conversely, we sell fewer of our products in the first and fourth quarters in these end markets due to reduced construction and recreational activity largely as a result of adverse weather conditions. These fluctuations in our operating results may render period- to- period comparisons less meaningful, and investors in our securities should not rely on the results of any one period as an indicator of performance in any other period. In addition, severe seasonal or weather conditions **, potentially exacerbated by climate change,** may impact our operations by causing weather- related damage to our facilities and equipment or preventing us from delivering equipment, personnel or products to job sites, any of which could force us to delay or curtail services and potentially breach our contractual obligations or result in a loss of productivity, an increase in operating costs or other losses that may not be covered by applicable insurance policies. Severe weather conditions may also interfere with our customers' operations, which could reduce our customers' demand for our products. If any of these risks were to occur, it could have a material adverse effect on our business, financial condition and results of operations. Moreover, changing weather patterns, due to climate- warming trends and other effects of climate change or other causes, may lead to the increased frequency, severity or unpredictability of extreme weather events, which could intensify these risks. A significant portion of our sales is generated at four of our plants. Any adverse developments at any of those plants or in the end markets those plants serve could have a material adverse effect on our business, financial condition, and results of operations. A significant portion of our sales is generated at our plants located in Ottawa, Illinois; Lamesa, Texas; Lovelock, Nevada; and Crane County, Texas. These plants represented a combined 29 % of our total sales in ~~2022~~ **2023** . Any adverse development at these plants or in the end markets these plants serve, including adverse developments due to catastrophic events or weather, decreased demand for commercial silica products, or a decrease in the availability of transportation services or adverse developments affecting our customers, could have a material adverse effect on our business, financial condition and results of operations. We may be adversely affected by decreased demand for frac sand or the development of effective alternative proppants or new processes to replace hydraulic fracturing. Frac sand is a proppant used in the completion and re- completion of natural gas and oil wells through hydraulic fracturing. Frac sand is the most commonly used proppant and is less expensive than ceramic proppant, which is also used in hydraulic fracturing to stimulate and maintain oil and natural gas production. A significant shift in demand from frac sand to other proppants, such as ceramic proppants, the development and use of other effective alternative proppants, or the development of new alternative energy processes to replace hydraulic fracturing altogether, could cause a decline in demand for the frac sand we produce and could have a material adverse effect on our business, financial condition and results of operations. Our future performance will depend on our ability to succeed in competitive markets, and on our ability to appropriately react to potential fluctuations in demand for and supply of our products. We operate in a highly competitive market that is characterized by a small number of large, national producers and a larger number of small, regional or local producers. Competition in the industry is based on price, consistency and quality of product, site location, distribution capability, customer service, reliability of supply, breadth of product offering and technical support. Because transportation costs are a significant portion of the total cost to customers of commercial silica (in many instances transportation costs can represent more than 50 % of delivered cost), the commercial silica market is typically local, and competition from beyond the local area is limited. Notable exceptions to this are the frac sand and fillers and extenders markets, where certain product characteristics are not available in all deposits and not all plants have the requisite processing capabilities, necessitating that some products be shipped for extended distances. Because the markets for our products are typically local, we also compete with smaller, regional or local producers in addition to the other national producers. There typically is an increasing number of small producers servicing the frac sand market when there is increased demand for hydraulic fracturing services. If demand for hydraulic fracturing services decreases and the supply of frac sand available in the market increases, prices in the frac sand market could continue to materially decrease as less efficient producers exit the market, selling frac sand at below market prices. Furthermore, our competitors may choose to consolidate, which could provide them with greater financial and other resources than us and negatively impact demand for our frac sand products. In addition, oil and natural gas exploration and production companies and other providers of hydraulic fracturing services may acquire their own frac sand reserves, expand their existing frac sand production capacity or otherwise fulfill their own proppant requirements, and existing or new frac sand producers could add to or expand their frac sand production capacity, which would negatively impact demand for our frac sand products. With regards to our international sales and operations, our performance is also subject to currency exchange fluctuations. In addition, our ability to sell and deliver our products to, and collect payment from, our international customers depends on fund transfer and trade restrictions and import / export duties, the ability to import and export goods, and fluctuating policies on tariffs on a number of goods that could impact our operations. These factors and uncertainties may cause our international customers to seek out producers who are not located in the United States to fulfill their commercial silica requirements or may otherwise make it more difficult for us to compete with international producers. If our customers delay or fail to pay a significant amount of our outstanding receivables, it could have a material adverse effect on our business, liquidity, financial condition and results of operations. We bill our customers for our products in arrears and are, therefore, subject to credit risks if our customers delay or fail to pay our invoices. In weak economic environments, we have experienced increased delays or failures due to, among other reasons, a reduction in our customers' cash flow from operations and ability to access the credit markets. In addition, some of our customers have experienced financial difficulties, including insolvency or bankruptcy proceedings, in which cases we have not been able to collect sums owed to us or have received significantly less than expected, and we may be required to refund pre- petition amounts paid to us during a specified period prior to the bankruptcy filing. Furthermore, we may experience longer collection cycles with our international customers due to foreign fund transfer restrictions, and we may have difficulty enforcing agreements and collecting accounts receivable from our international customers through a foreign country' s legal system. If our customers delay or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our business, liquidity financial condition, and results of operations. A large portion of our sales is generated by our top ten customers, and the loss of or a significant reduction in purchases by our largest customers could adversely affect our results of operations. Our ten largest customers accounted for approximately **44 %,** 40 % ~~,~~ **and** 40 ~~% and 34~~ % of total sales during the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. As a result of market conditions, competition or other factors, these customers may not continue to purchase the same levels of our products in the future, if at all. Substantial reductions in purchase volumes across these customers could have a material adverse effect on our business, financial condition and results of operations. Operational Risks Our operations are subject to risks and dangers inherent to mining, some of which are beyond our control, and some of which may not be covered by insurance. Our mining, processing and production facilities are subject to risks normally encountered in the commercial silica and earth minerals industries, many of which are not in our control. In addition to the other risks described in these risk factors, these risks include: • unanticipated ground, grade or water conditions; • unusual or unexpected geological formations or pressures; • pit wall failures, underground roof falls or surface rock falls; • environmental hazards; • physical plant security breaches; • inability to acquire or maintain necessary permits or mining or water rights; • failure to maintain dust controls and meet restrictions on respirable crystalline silica dust; • restrictions on blasting operations; • failures in quality control systems or training programs; • technical difficulties or key equipment failures; • inability to obtain necessary mining or production equipment or replacement parts; • fires, explosions or industrial accidents or other accidents; and • facility shutdowns in response to environmental regulatory actions. Any of these risks could result in damage to, or destruction of, our mining properties or production facilities, personal injury, environmental damage, delays in mining or processing, losses or possible legal liability. Any prolonged downtime or shutdowns at our mining properties or production facilities could have a material adverse effect on our business, financial condition, and results of operations. Not all of these risks are reasonably insurable, and our insurance coverage contains limits, deductibles, exclusions and endorsements. Our insurance coverage may not be sufficient to meet our needs in the event of loss and any such loss may have a material adverse effect on our business, financial condition and results of operations. Diminished access to water may adversely affect our operations. The mining and processing activities in which we engage at a number of our facilities require significant amounts of water, and some of our facilities are located in areas that are water- constrained. We may not be able obtain water rights sufficient to service our current activities or to service any properties we may develop or acquire in the future. Moreover, the amount of water we are entitled to use pursuant to our water rights must be determined by the appropriate regulatory authorities, and these authorities may amend the regulations affecting our water rights, increase the cost of maintaining our water rights or reduce or eliminate our existing water rights, in which case we may be unable to retain these rights. Furthermore, our existing water rights could be disputed. Any such changes in laws, regulations or government policy and related interpretations pertaining to water rights or any successful claim that we lack appropriate water rights may alter our operating costs or the environment in which we do business, which may negatively affect our financial condition and results of operations. Increasing costs, a lack of dependability or availability of transportation services, transload network access or infrastructure or an oversupply of transportation services could have a material adverse effect on our business, financial condition, and results of operations. Because of the relatively low cost of producing commercial silica, transportation and related costs, including freight charges, fuel surcharges, transloading fees, switching fees, railcar lease costs, demurrage costs and storage fees, tend to be a significant component of the total delivered cost of sales. The high relative cost of transportation related expense tends to favor manufacturers located in close proximity to the customer. As a result, if we expand our commercial silica production to new geographic markets, we could need increased transportation services and transload network access and would be subject to higher overall costs for these services. We contract with truck, rail and barge services to move commercial silica from our production facilities to transload sites and our customers, and increased costs under these contracts could adversely affect our results of operations. In addition, we bear the risk of non- delivery under our contracts. Labor disputes, derailments, adverse weather conditions or other environmental events, shortages in the railcar leasing market or changes to rail freight systems could interrupt or limit available transportation services. A significant increase in transportation service rates, a reduction in the dependability or availability of transportation or transload services, or relocation of our customers' businesses to areas farther from our plants or transloads could impair our ability to deliver our products economically to our customers and to expand to new markets. Further, reduced demand for commercial silica sometimes results in railcar over- capacity, requiring us to pay railcar storage fees while, at the same time, continuing to make lease payments for those railcars in storage, which can have a material adverse effect on our business, financial condition and results of operations. Our operations consume large amounts of natural gas, electricity and diesel fuel. An increase in the price or a significant interruption in the supply of these or any other energy sources could have a material adverse effect on our business, financial condition, and results of operations. Energy costs, primarily natural gas and electricity, represented approximately **4 %,** 5 % ~~,~~ **and** 5 % ~~and 4 %~~ of our total sales in **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. Natural gas is the primary fuel source used for drying in the commercial silica production process. In addition, our operations are dependent on earthmoving equipment, railcars and tractor trailers, and diesel fuel costs are a significant component of the operating expense of these vehicles. To the extent that we perform these services with equipment that we own, we are responsible for buying and supplying the diesel fuel needed to operate these vehicles, which currently represents less than 1 % of total cost of sales. To the extent that these services are provided by independent contractors, we may be subject to fuel surcharges that attempt to recoup increased diesel fuel expenses. Our profitability is impacted by the price and availability of these energy sources. The price and supply of diesel fuel and natural gas are unpredictable and can fluctuate significantly based on international political and economic circumstances, as well as other events outside our control, such as changes in supply and demand due to weather conditions, actions by OPEC and other oil and natural gas producers, regional production patterns and environmental concerns. In addition, potential climate change regulations or carbon or emissions taxes could result in higher production costs for energy, which may be passed on to us in whole or in part or could reduce supply. In the past, the price of natural gas has been extremely volatile, and we believe this volatility may continue. In order to manage this risk, we have hedged natural gas prices through the use of derivative financial instruments and may enter into additional hedges in the future. However, these measures carry different risks (including nonperformance by counterparties) and do not in any event entirely eliminate the risk of decreased margins as a result of energy price increases. A significant increase in the price of energy that is not recovered through an increase in the price of our products or covered through our hedging arrangements or an interruption in the supply of the energy sources we use could have a material adverse effect on our business, financial condition and results of operations. Certain of our contracts contain provisions requiring us to deliver products that meet certain specifications. Noncompliance with these contractual obligations may result in penalties or termination of the agreements. In certain instances, we commit to deliver products under penalty of nonperformance. These obligations can require that we deliver products or services that meet certain specifications that a customer may designate. Our inability to meet these contract requirements may permit the counterparty to terminate the agreements, return products that fail to meet a customer' s quality specifications, or require us to pay a fee equal to the difference between the amount contracted for and the amount delivered. Further, we may not be able to sell some of our products developed for one customer to a different customer because the products may be customized to meet specific customer quality specifications, and even if we are able to sell these products to another customer, our margin on these products may be reduced. Moreover, any inability to deliver products or services that meet customer requirements could harm our relationships with these customers and our reputation generally. In such events, our business, financial condition and results of operations may be materially adversely affected. Inaccuracies in our estimates of mineral reserves and resource deposits, or deficiencies in our title to those deposits, could result in our inability to mine the deposits or require us to pay higher than expected costs. We base our mineral reserve and resource estimates on engineering, economic and geological data assembled and analyzed by our mining engineers, which are reviewed periodically by outside firms. However, commercial silica reserve estimates can be imprecise and depend to some extent on statistical inferences drawn from available drilling data, which may prove unreliable. There are numerous uncertainties inherent in estimating quantities and qualities of commercial silica reserves and non- reserve commercial silica deposits and costs to mine recoverable reserves, many of which are beyond our control and any of which could cause actual results to differ materially from our expectations. These uncertainties include: • geological and mining conditions and / or effects from prior mining that may not be fully identified by available data or that may differ from experience; • assumptions regarding the effectiveness of our mining, quality control and training programs; • assumptions concerning future prices of commercial silica products, operating costs, mining technology improvements, development costs and reclamation costs; and • assumptions concerning future effects of regulation, including the issuance of required permits and taxes by governmental agencies. In addition, title to, and the area of, mineral properties and water rights may be disputed. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that we do not have title to one or more of our properties or lack appropriate water rights could cause us to lose any rights to explore, develop and extract any minerals on that property, without compensation for our prior expenditures relating to such property. Any inaccuracy in our estimates related to our mineral reserves and non- reserve mineral deposits, or our title to such deposits, could result in our inability to mine the deposits or require us to pay higher than expected costs. Our business and operations could suffer in the event of cybersecurity breaches, information technology system failures, or network disruptions. We rely on our information technology systems to process transactions, summarize our operating results and manage our business. Our information technology systems are subject to damage or interruption from power outages; computer and telecommunications failures; computer viruses; cyberattack or other security breaches; catastrophic events, such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism; and usage errors by our employees. If our information technology systems are damaged or cease to function properly, we may need to make a significant investment to fix or replace them, and we may suffer loss of critical data and interruptions or delays in our operations. We have ~~been~~ **experienced attempts by unauthorized agents to gain access to our computer systems through the internet, e- mail and** ~~the~~ **other access points** ~~target of cyberattacks~~ , **which generally continue to increase due to evolving threats** and **our expanding information technology footprint.** ~~while~~ **While** to date none of these incidents has had a material impact on us, we expect to continue to be targeted in the future. Our

risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, the current global economic and political environment, the outsourcing of some of our business operations, the ongoing shortage of qualified cybersecurity professionals, and the interconnectivity and interdependence of third parties to our systems. In recognition of these heightened risks, our management team updates our Board of Directors quarterly on material cybersecurity risks which might impact us. **See Item 1C.** ~~Our risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, the current global economic and political environment, the outsourcing of some of our business operations, the ongoing shortage of qualified cybersecurity~~ **Cybersecurity** ~~professionals, and the interconnectivity and interdependence~~ of ~~third parties~~ **this Annual Report on Form 10- K for additional detail regarding the programs, policies and procedures we have in place** to ~~our systems~~ **identify, prevent and detect any unauthorized access** . The systems we employ to detect and prevent cyberattacks may be insufficient to protect us from an incident or to allow us to minimize the magnitude and effects of such incident for a significant period of time. The occurrence of a cyberattack, breach, unauthorized access, misuse, computer virus or other cybersecurity event could jeopardize our systems or result in the unauthorized disclosure, gathering, monitoring, misuse, corruption, loss or destruction of confidential and other information that belongs to us, our customers, our counterparties, third- party service providers or borrowers that is processed and stored in, and transmitted through, our computer systems and networks. Any such event could result in significant losses, loss of customers and business opportunities, reputational damage, litigation, regulatory fines, penalties or intervention, reimbursement or other compensatory costs, or otherwise adversely affect our business, financial condition or results of operations. Mine closures entail substantial costs, and if we close one or more of our mines sooner than anticipated, our results of operations may be adversely affected. We base our assumptions regarding the life of our mines on detailed studies that we perform from time to time, but our studies and assumptions do not always prove to be accurate. If we close any of our mines sooner than expected, sales will decline unless we are able to increase production at any of our other mines, which may not be possible. The closure of an open pit mine may also involve significant fixed closure costs, including accelerated employment legacy costs, severance- related obligations, reclamation and other environmental costs and the costs of terminating long- term obligations, including energy contracts and equipment leases. We accrue for the costs of reclaiming open pits, stockpiles, tailings ponds, roads and other mining support areas over the estimated mining life of our properties. If we were to reduce the estimated life of any of our mines, the fixed mine closure costs could be applied to a shorter period of production, which would increase production costs per ton produced and could materially and adversely affect our business, results of operations and financial condition. Applicable statutes and regulations require that mining property be reclaimed following a mine closure in accordance with specified standards and an approved reclamation plan. The plan addresses matters such as the removal of facilities and equipment, re- grading, prevention of erosion and other forms of water pollution, re- vegetation and post- mining land use. Complying with these plans has had, and will continue to have, a significant effect on our business. Some environmental laws impose substantial penalties for noncompliance with a reclamation plan, and others, such as the CERCLA, impose strict, retroactive and joint and several liability for the remediation of releases of hazardous substances. We may be required to post a surety bond or other form of financial assurance equal to the anticipated cost of reclamation as set forth in the approved reclamation plan. The inability to acquire, maintain or renew such financial assurances could subject us to fines or the revocation of our operating permits. The establishment of the final mine closure reclamation liability is based on permit requirements and requires various estimates and assumptions, principally associated with reclamation costs and production levels. If our accruals for expected reclamation and other costs associated with mine closures for which we will be responsible were later determined to be insufficient, our business, results of operations and financial condition would be adversely affected. Legal & Compliance Risks We are subject to numerous environmental regulations that impose significant costs and liabilities, which could increase under potential future regulations or more stringent enforcement of existing regulations. We are subject to a variety of federal, state and local environmental laws and regulations affecting the mining and mineral processing industry, including, among others, those relating to environmental permitting and licensing, plant and wildlife protection, wetlands protection, air and water emissions, greenhouse gas emissions, water pollution, waste management, remediation of soil and groundwater contamination, land use, reclamation and restoration of properties, hazardous materials and natural resources. These laws and regulations have had, and will continue to have, a significant effect on our business. Some environmental laws impose substantial penalties for noncompliance, and others, such as CERCLA, impose strict, retroactive and joint and several liability for the remediation of releases of hazardous substances. Environmental requirements, and the interpretation and enforcement of these requirements, change frequently and have tended to become more stringent over time. Future environmental laws and regulations could restrict our ability to expand our facilities or extract our mineral deposits or could require us to acquire costly equipment or to incur other significant expenses in connection with our business. The costs associated with complying with such requirements, could have a material adverse effect on our business, financial condition and results of operations. For example, greenhouse gas emissions regulation is becoming more rigorous, and concerns about climate change could cause this trend to continue or intensify. We expect to be required to report annual greenhouse gas emissions from our operations to the EPA, and additional greenhouse gas emission- related requirements are in various stages of development at the international, federal, state, regional and local levels. The U. S. Congress has considered, and may adopt in the future, various legislative proposals to address climate change, including a nationwide limit on greenhouse gas emissions. Any regulation of greenhouse gas emissions, including, for example, through a cap- and- trade system, technology mandate, emissions tax, reporting requirement, new permit requirement or other program, could curtail our operations, significantly increase our operating costs, impair demand for our products or otherwise adversely affect our business, financial condition, reputation and performance. Additionally, various state, local and foreign governments have implemented, or are considering, increased regulatory oversight of hydraulic fracturing through additional permitting requirements, operational restrictions, disclosure requirements and temporary or permanent bans on hydraulic fracturing. A significant portion of our business supplies frac sand to hydraulic fracturing operators in the oil and natural gas industry. Although we do not directly engage in hydraulic fracturing activities, our customers purchase our frac sand for use in their hydraulic fracturing operations. There is significant federal oversight of these operations by the EPA, Bureau of Land Management (" BLM "), and Department of Energy (" DOE "). A number of local municipalities across the United States have also instituted measures resulting in temporary or permanent bans on or otherwise limiting or delaying hydraulic fracturing in their jurisdictions. Additionally, a number of states have enacted legislation or issued regulations that impose various disclosure requirements on hydraulic fracturing operators. Such moratoriums, bans, disclosure obligations, and other regulatory actions could make it more difficult to conduct hydraulic fracturing operations and increase our customers' cost of doing business, which could negatively impact demand for our frac sand products. In addition, heightened political, regulatory and public scrutiny of hydraulic fracturing practices could potentially expose us or our customers to increased legal and regulatory proceedings, and any such proceedings could be time- consuming, costly or result in substantial legal liability or significant reputational harm. Any such developments could have a material adverse effect on our business, financial condition and results of operations, whether directly or indirectly. If we or our customers are not able to obtain and maintain necessary permits, our results of operations could suffer. We hold numerous governmental, environmental, mining and other permits and approvals authorizing operations at each of our facilities. Our future success depends on, among other things, our ability, and the ability of our customers, to obtain and maintain the necessary permits and licenses required to conduct operations. In order to obtain permits and renewals of permits in the future, we may be required to prepare and present data to governmental authorities pertaining to the impact that any proposed exploration or production activities may have on the environment. Compliance with these regulatory requirements is expensive and significantly lengthens the time needed to conduct operations. Additionally, obtaining or renewing required permits is sometimes delayed, conditioned or prevented due to community opposition, opposition from other parties, the location of existing or proposed third- party operations, or other factors beyond our control. The denial of a new or renewed permit essential to our operations, delays in the environmental review and permitting process, significant opposition to a permit by third parties or the imposition of conditions in order to acquire the permit could impair our ability to continue operations at the affected facilities, delay those operations, or involve significant unplanned costs, any of which could adversely affect our business, financial condition and results of operations. We are subject to regulations that impose stringent health and safety standards on numerous aspects of our operations. Multiple aspects of our operations are subject to health and safety standards, including our mining operations, our trucking operations, and employee exposure to crystalline silica. Our mining operations are subject to the Mine Act, as amended by the Mine Improvement and New Emergency Response Act of 2006, which imposes stringent health and safety standards on numerous aspects of mineral extraction and processing operations, including the training of personnel, operating procedures, operating equipment and other matters. Our operating locations are regularly inspected by the MSHA for compliance with the Mine Act. The DOT and various state agencies exercise broad powers over our trucking services, generally governing matters including authorization to engage in motor carrier service, equipment operation, safety, and financial reporting. In addition, our operations must comply with the Fair Labor Standard Act, which governs such matters as wages and overtime, and which is administered by the Department of Labor (" DOL "). We may be audited periodically by the DOT or the DOL to ensure that we are in compliance with these safety, hours- of- service, wage and other rules and regulations. We are also subject to laws and regulations relating to human exposure to crystalline silica. Several federal and state regulatory authorities, including MSHA and OSHA, may continue to propose changes to their regulations regarding workplace exposure to crystalline silica, such as permissible exposure limits, required controls and personal protective equipment. Our failure to comply with existing or new health and safety standards, or changes in such standards or the interpretation or enforcement thereof, could require us or our customers to modify operations or equipment, shut down some or all operating locations, impose significant restrictions on our ability to conduct operations or otherwise have a material adverse effect on our business, financial condition and results of operations. Silica- related health issues and litigation could have a material adverse effect on our business, reputation and results of operations. The inhalation of respirable crystalline silica is associated with the lung disease silicosis. There is evidence of an association between crystalline silica exposure or silicosis and lung cancer and possible association with other diseases, including immune system disorders such as scleroderma. These health risks have been, and may continue to be, a significant issue confronting the commercial silica industry. Concerns over silicosis and other potential adverse health effects, as well as concerns regarding potential liability from the use of silica, may have the effect of discouraging our customers' use of our silica products. The actual or perceived health risks of mining, processing and handling silica could materially and adversely affect silica producers, including us, through reduced use of silica products, the threat of product liability or employee lawsuits, increased scrutiny by federal, state and local regulatory authorities of us and our customers or reduced financing sources available to the commercial silica industry. Since at least 1975, we and / or our predecessors have been named as a defendant, usually among many defendants, in numerous product liability lawsuits brought by or on behalf of current or former employees of our customers alleging damages caused by silica exposure. Almost all of the claims pending against us arise out of the alleged use of our silica products in foundries or as an abrasive blast media, involve various other defendants and have been filed in the States of Texas, Louisiana and Mississippi, although some cases have been brought in many other jurisdictions over the years. For further information about material pending proceedings, see Item 3. Legal Proceedings of this Annual Report on Form 10- K. The silica- related litigation brought against us to date and associated litigation costs, settlements and verdicts have not resulted in a material liability to us to date, and we presently maintain insurance policies where available. However, we continue to have silica exposure claims filed against us, including claims that allege silica exposure for periods or in areas not covered by insurance, and the costs, outcome and impact to us of any pending or future claims is not certain. Any such pending or future claims or inadequacies of our insurance coverage could have a material adverse effect on our business, reputation, financial condition and results of operations. Due to the international nature of parts of our business, we are subject to both U. S. and foreign regulations that could negatively impact our business. In addition to U. S. laws and regulations, we are also subject to regulation in non- U. S. jurisdictions in which we conduct business, including with respect to environmental, employee and other matters. The requirements for compliance with these laws and regulations may be unclear or indeterminate and may involve significant costs, including additional capital expenditures or increased operating expenses, or require changes in business practice, in each case that could result in reduced profitability for our business. Our need to comply with these foreign laws and regulations may provide an advantage to competitors who are not subject to comparable restrictions or may restrict our ability to take advantage of growth opportunities. In addition, because the laws and regulations in different jurisdictions can vary substantially, we may be required to undertake different steps or otherwise experience increased costs or other challenges in order to comply with the laws and regulations in each of the multiple jurisdictions in which we operate. In addition, the United States regulates our international operations through various statutes, including the U. S. Foreign Corrupt Practices Act (" FCPA "). The FCPA and similar anti- bribery laws in other jurisdictions generally prohibit U. S.- based companies and their intermediaries from making improper payments to non- U. S. officials for the purpose of obtaining or retaining business. We operate in parts of the world that experience government corruption to some degree, and, in certain circumstances, compliance with anti- corruption laws may conflict with local customs and practices. Although we maintain policies, procedures and controls and deliver training designed to ensure compliance with anti- corruption laws, such efforts may not be sufficient to protect us from liability under these laws. If we are found to be liable for regulatory violations related to our international operations, we could suffer from criminal or civil penalties or other sanctions, any of which could have a material adverse effect on our business, financial condition, and results of operations. Strategic & General Business Risks We must effectively manage our production capacity so that we can appropriately react to fluctuations in demand for our products. To meet rapidly changing demand in the markets we serve, we must effectively manage our resources and production capacity. During periods of decreasing demand we must be able to appropriately align our cost structure with prevailing market conditions and effectively manage our mining operations. Our ability to rapidly and effectively reduce our cost structure in response to such downturns is limited by the fixed nature of many of our expenses in the near term and by our need to continue to invest in maintaining reserves and production capabilities. Conversely, when upturns occur in the markets we serve, we may have difficulty rapidly and effectively increasing our production capacity or incur substantial costs related to restarting idled facilities or executing other expansion plans. A failure to timely and appropriately adapt our resources, costs and production capacity to changes in our business environment could have a material adverse effect on our business, financial condition, and results of operations. If we cannot successfully complete acquisitions or integrate acquired businesses, our growth may be limited, and our financial condition may be adversely affected. Our business strategy includes supplementing internal growth by pursuing acquisitions of complementary businesses. Any acquisition involves potential risks, including, among other things: • the validity of our assumptions about mineral reserves, future production, sales, capital expenditures, operating expenses and costs, including synergies; • an inability to successfully integrate the businesses we acquire; • the use of a significant portion of our available cash or borrowing capacity to finance acquisitions and the subsequent decrease in our liquidity, or the use of equity securities to fund an acquisition and the resulting dilution to our existing stockholders; • a significant increase in our interest expense or financial leverage if we incur additional debt to finance acquisitions; • the assumption of unknown liabilities, losses or costs for which we are not indemnified or for which our indemnity is inadequate; • the diversion of management' s attention from other business concerns; • an inability to hire, train or retain qualified personnel to manage and operate any growth in our business and assets; • the incurrence of other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges; • unforeseen difficulties encountered in operating in new geographic areas or other new markets; • customer or key employee losses at the acquired businesses; and • the accuracy of data obtained from production reports and engineering studies, geophysical and geological analyses and other information used when deciding to acquire a property, the results of which are often inconclusive and subject to various interpretations. We may need to recognize impairment charges related to goodwill, identifiable intangible assets, and fixed assets, in which case our net earnings and net worth could be materially adversely affected. Under the acquisition method of accounting, net assets acquired are recorded at fair value as of the acquisition date, with any excess purchase price allocated to goodwill. Our acquisitions have resulted in significant balances of goodwill and identifiable intangible assets. There is significant judgment required in the analysis of a potential impairment of goodwill, identified intangible assets and fixed assets. If, as a result of a general economic slowdown, deterioration in one or more of the markets in which we operate, impairment in our financial performance and / or future outlook or decline in our market capitalization due to other factors, the estimated fair value of our long- lived assets or goodwill decreases, we may determine that one or more of our long- lived assets or our goodwill is impaired. Any such impairment charge would be determined based on the estimated fair value of the assets and could have a material adverse effect on our financial condition, and results of operations. Failure to protect our intellectual property rights may undermine our competitive position, and protecting our rights or defending against third- party allegations of infringement may be costly. Our commercial success depends on our proprietary information and technologies, know- how and other intellectual property. Because of the technical nature of our business, we rely primarily on patents, trade secrets, trademarks and contractual restrictions to protect our intellectual property rights. The measures we take to protect our patents, trade secrets and other intellectual property rights may be insufficient. In addition, certain non- U. S. jurisdictions where we operate offer limited intellectual property protections relative to the United States. Failure to protect, monitor and control the use of our existing intellectual property rights could cause us to lose our competitive advantage and incur significant expenses. It is possible that our competitors or others could independently develop the same or similar technologies or otherwise obtain access to our unpatented technologies. In such case, our patents and trade secrets would not prevent third parties from competing with us. Furthermore, third parties or employees may infringe or misappropriate our proprietary technologies or other intellectual property rights. Policing unauthorized use of intellectual property rights can be difficult and expensive, and adequate remedies may not be available. In addition, third parties may claim that our products infringe or otherwise violate their patents or other proprietary rights and seek corresponding damages or injunctive relief. Defending ourselves against such claims, with or without merit, could be time- consuming and result in costly litigation. An adverse outcome in any such litigation could subject us to significant liability to third parties (potentially including treble damages) or temporary or permanent injunctions prohibiting the manufacture or sale of our products, the use of our technologies or the conduct of our business. Any adverse outcome could also require us to seek licenses from third parties (which may not be available on acceptable terms, or at all) or to make substantial one- time or ongoing royalty payments. Protracted litigation could also result in our customers or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation. In addition, we may not have insurance coverage in connection with such litigation and may have to bear all costs arising from any such litigation to the extent we are unable to recover them from other parties. Any of these outcomes could have a material adverse effect on our business, financial condition, and results of operations. Capital Resources & Stock Ownership Risks We will need substantial additional capital to maintain, develop and increase our asset base, and the inability to obtain needed capital or financing, on satisfactory terms, or at all, whether due to restrictions in our Credit Agreement or otherwise, could have an adverse effect on our growth and profitability. Our business plan requires a significant amount of capital expenditures to maintain and grow our production levels over the long term. Although we currently use a significant amount of our cash reserves and cash generated from our operations to fund the maintenance and development of our existing mineral reserves and our acquisitions of new mineral reserves, we may need to depend on external sources of capital to fund future capital expenditures if commercial silica prices were to decline for an extended period of time, if the costs of our acquisition and development operations were to increase substantially or if other events were to occur that reduce our sales or increase our costs. Our ability to obtain bank financing or to access the capital markets for future equity or debt offerings may be limited by our financial condition at the time of any such financing or offering, adverse market conditions or other contingencies and uncertainties that are beyond our control. Our failure to obtain the funds necessary to maintain, develop and increase our asset base could adversely impact our growth and profitability. In addition, our existing Credit Agreement contains, and any future financing agreements we may enter into could also contain, operating and financial restrictions and covenants that may limit our ability to finance future operations or capital needs or to engage in, expand or pursue our business activities. Our ability to comply with these restrictions and covenants is uncertain and will be affected by the levels of cash flow from our operations and events and circumstances beyond our control. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we violate any of the restrictions, covenants, ratios or tests in our Credit Agreement, a significant portion of our indebtedness may become immediately due and payable and our lenders' commitment to make further loans to us may terminate. We might not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, our obligations under our Credit Agreement are secured by substantially all of our assets, and if we are unable to repay our indebtedness or satisfy our other obligations under our Credit Agreement, the lenders could seek to foreclose on our assets. Even if we are able to obtain financing or access the capital markets, incurring additional debt may significantly increase the risks associated with our existing indebtedness, as discussed elsewhere in these risk factors. In addition, the issuance of additional common stock in an equity offering may result in significant stockholder dilution. Further, we may incur substantial costs in pursuing any capital- raising transactions, including investment banking, legal and accounting fees, which may not be adequately offset by the proceeds from the transaction. Our substantial indebtedness and pension obligations could adversely affect our financial flexibility and our competitive position. We have, and we expect to maintain in the near term, a significant amount of indebtedness. On ~~May 1~~ **March 23** , ~~2018~~ **2023** , we entered into the Credit Agreement, which consists of a $ **950** ~~1. 280 billion~~ **million** Term Loan and a $ ~~100~~ **150** million Revolver that may also be used for swingline loans or letters of credit. As of December 31, ~~2022~~ **2023** , we had $ **868.** 1 ~~. 059 billion~~ **million** of outstanding indebtedness under the Term Loan and we were using $ ~~21~~ **15** . ~~5~~ **3** million for outstanding letters of credit, leaving $ ~~78~~ **134** . ~~5~~ **7** million of borrowing availability under the Revolver. In response to increasing inflation, the U. S. Federal Reserve began to raise interest rates in March 2022 **. While the U. S. Federal Reserve has recently held interest rates steady and the U. S. Federal Reserve has indicated likely interest rate cuts in 2024, rates currently remain at a multi- decade high level** . Prevailing high interest rates increase our cost of capital. Additionally, borrowings under certain of our indebtedness are at variable rates of interest and expose us to interest rate volatility. If interest rates increase, our debt service obligations on certain of our variable rate indebtedness will increase even though the amount borrowed remains the same. In addition to our indebtedness, we also have, and will continue to have, significant pension obligations. The substantial level of these obligations increases the risk that we may be unable to generate cash sufficient to pay amounts owed under these obligations when due. In such a case, we may be forced to reduce or delay business activities, acquisitions, investments and / or capital expenditures; sell assets; restructure or refinance our indebtedness; or seek additional equity capital or bankruptcy protection, and we may not be able to affect any of these remedies when necessary, on satisfactory terms or at all. Our level of indebtedness and pension obligations could also have important consequences to you and significant effects on our business, including: • increasing our vulnerability to adverse changes in general economic, industry and competitive conditions; • requiring us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness and pension obligations, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes, including dividend payments; • restricting us from exploiting business opportunities; • making it more difficult to satisfy our financial obligations, including payments on our indebtedness; • disadvantaging us when compared to our competitors that have less debt and pension obligations; and • increasing our borrowing costs or otherwise limiting our ability to borrow additional funds for the execution of our business strategy. ~~In addition, the amounts owed under the Credit Agreement use LIBOR as a benchmark for establishing the rate at which interest accrues. On March 15, 2022, President Biden signed the Consolidated Appropriation Act of 2022 into law, which includes the Adjustable Interest Rate (LIBOR) Act, containing legislation related to the transition away from LIBOR. This legislation is intended to establish a uniform process for replacing LIBOR in existing contracts and securities that continue after the cessation~~

~~of LIBOR and do not contain clearly defined or practicable fallback provisions. On July 19, 2022, the Federal Reserve Board released a proposal that provides default rules for certain contracts that use LIBOR, which would implement the LIBOR Act with replacement rates based on the Secured Overnight Financing Rate (SOFR). We believe the LIBOR Act and the Federal Reserve Board' s proposed regulation help provide clarity for the transition of our legacy LIBOR contracts, including investment securities and loans, to alternative reference rates in an orderly manner.~~ We may have to utilize significant cash to meet our unfunded pension obligations and post- retirement health care liabilities and these obligations are subject to increase. Many of our employees participate in our defined benefit pension plans. Declines in interest rates or the market values of the securities held by the plans or other adverse changes could materially increase the underfunded status of our plans and affect the level and timing of required cash contributions. To the extent we continue to use cash to reduce these unfunded liabilities, the amount of cash available for our working capital needs would be reduced. In addition, under the Employee Retirement Income Security Act of 1974, as amended (" ERISA "), the Pension Benefit Guaranty Corporation (" PBGC ") has the authority to institute proceedings to terminate a pension plan in certain circumstances. In the event our tax- qualified pension plans are terminated by the PBGC, we could be liable to the PBGC for the underfunded amount, which could trigger default provisions in our Credit Agreement. We also have a post- retirement health and life insurance plan for many of our employees and former employees. The post- retirement benefit plan is unfunded, and retiree health benefits are generally paid as covered expenses are incurred. We derive post- retirement benefit expense from an actuarial calculation based on the provisions of the plan and a number of assumptions provided by us. **Our** ~~Although we previously maintained a trust to partially fund health care benefits for future retirees, the trust terminated in 2017 upon depletion of its assets in accordance with trust terms. As a result, our~~ satisfaction of our obligations under our post- retirement benefit plan increases our expenses and reduces our cash available for other uses. See Note ~~Q~~ **P** - Pension and Post- Retirement Benefits in our Consolidated Financial Statements included in Part II, Item 8. of this Annual Report on Form 10- K for more information about these plans. Our stock price and trading volume has been and could continue to be volatile, and you may not be able to resell shares of your common stock when desired, at or above the price you paid, or at all. The stock market has experienced and continues to experience extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the underlying businesses. In ~~2022~~ **2023** , our stock closed at a high of $ ~~20~~ **14** . ~~99~~ **36** per share and a low of $ ~~9~~ **10** . ~~34~~ **48** per share. Broad market fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. In addition to the other risks described in this section, the market price of our common stock may fluctuate significantly in response to a number of factors, many of which we cannot control, including inaccurate or unfavorable research or ratings published by industry analysts about our business, or a cessation of coverage of us by industry analysts; quarterly variations in our operating results compared to market expectations; announcements by others in or affecting our industry or our customers; actions by competitors; our acquisition of, investment in or disposition of other businesses; and other global or regional economic, political, legal and regulatory factors that may not be directly related to our performance. Volatility in the market price or trading volume of our common stock may make it difficult or impossible for you to sell your common stock at or above the price at which you purchased the stock. As a result, you may suffer a loss on your investment. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company' s securities. This litigation, if instituted against us, could result in substantial costs, reduce our profits, divert our management' s attention and resources and harm our business ~~. Holders of our common stock may not receive dividends on our common stock. Holders of our common stock are entitled to receive only such dividends as our Board of Directors may declare out of funds legally available for such payments. Our Board of Directors elected to suspend dividends after paying a dividend in March 2020, and we have yet to resume paying dividends. Applicable Delaware law provides that we may pay dividends only out of a surplus, as determined under Delaware law, or, if there is no surplus, out of net profits for the fiscal year in which the dividend was declared and for the preceding fiscal year if certain specified conditions are met. Any determination to pay dividends and other distributions in cash, stock or property by us in the future will be at the discretion of our Board of Directors and will be dependent on then- existing conditions, including business conditions, our financial condition, results of operations, liquidity, capital requirements, the ability of our subsidiaries to pay us dividends or make other distributions to us, contractual restrictions (including restrictive covenants contained in the Credit Agreement or other debt agreements) and any other factors our Board of Directors deems relevant. We are not required to declare future cash dividends on our common stock, and our Board of Directors may determine not to do so at any time~~ . Anti- takeover provisions in our charter documents and Delaware law might discourage or delay acquisition attempts for us that you might consider favorable. Our certificate of incorporation and bylaws contain provisions that may make the acquisition of our company more difficult without the approval of our Board of Directors. These provisions: • authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of our common stock; • prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; • provide that our Board of Directors is expressly authorized to make, alter or repeal our bylaws; • establish advance notice requirements for nominations of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and • prevent us from engaging in a business combination with a person who acquires at least 15 % of our common stock for a period of three years from the date such person acquired such common stock, unless Board or stockholder approval is obtained prior to the acquisition. These anti- takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our company, even if doing so would benefit our stockholders. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. ~~We are required to develop and maintain effective disclosure controls and procedures and any failure to maintain the adequacy of our disclosure controls and procedures may adversely affect investor confidence and, as a result, the value of our~~

~~shares of common stock. Under Sarbanes- Oxley, we are required to assess the effectiveness of our disclosure controls and procedures on an annual basis. Solely as a result of the changes we had to make to our mining disclosures in our Form 10- K for the fiscal year ended December 31, 2021, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2021. To remediate this conclusion, during 2022 we engaged a new qualified person to prepare our mining technical report studies and review the related mining disclosure. Because the omitted disclosures did not affect our financial statements, no additional remediation was deemed necessary. As of result of the remediation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2022. If we fail to maintain effective disclosure controls and procedures investor confidence could be negatively affected, which could have a material adverse impact on the market price of our common stock.~~ Labor & Employment Risks Our business may suffer if we are unable to attract and retain members of our workforce. We depend to a large extent on the services of our senior management team and other key personnel. These employees have extensive experience and expertise in evaluating and analyzing industrial mineral properties, maximizing production from such properties, marketing industrial mineral production and developing and executing financing and hedging strategies. Competition for management and key personnel is intense, and the pool of qualified candidates is limited. The loss of any of these individuals or the failure to attract additional personnel as needed could have a material adverse effect on our operations and could lead to higher labor costs or the use of less- qualified personnel. In addition, if any of our executives or other key employees were to join a competitor or form a competing company, we could lose customers, suppliers, know- how and other personnel. Our operations also rely on skilled laborers using modern techniques and equipment to mine efficiently. We may be unable to train or attract the necessary number of skilled laborers to maintain our operating costs. With respect to our trucking services, the industry periodically experiences a shortage of qualified drivers, particularly during periods of economic expansion, in which alternative employment opportunities are more plentiful and freight demand increases, or during periods of economic downturns, in which unemployment benefits might be extended and financing is limited for independent contractors who seek to purchase equipment or for students who seek financial aid for driving school. Our independent contractors are responsible for paying for their own equipment, fuel, and other operating costs, and significant increases in these costs could cause them to seek higher compensation from us or seek other opportunities within or outside the trucking industry. The trucking industry suffers from a high driver turnover rate, which requires us to continually recruit a substantial number of drivers to operate our equipment and could negatively affect our operations and expenses if we are unable to do so. Our success will be dependent on our ability to continue to attract, employ and retain highly skilled personnel at all levels of our operations. Our profitability could be negatively affected if we fail to maintain satisfactory labor relations. As of December 31, ~~2022~~ **2023** , various labor unions represented approximately 28 % of our hourly employees. If we are unable to renegotiate acceptable collective bargaining agreements with these labor unions in the future, we could experience, among other things, strikes, work stoppages or other slowdowns by our workers and increased operating costs as a result of higher wages, health care costs or benefits paid to our employees. An inability to maintain good relations with our workforce could cause a material adverse effect on our business, financial condition, and results of operations. ~~24~~