

**2017**  
September 15



# Kentucky Professional Engineers In Mining Seminar

Keynote Speaker  
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President & CEO of Ramaco Resources, Inc.

# Disclaimer

## Forward Looking Statements

The information in this presentation includes "forward-looking statements." All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors" included in the issuer's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Forward-looking statements may include statements about:

- our status as a recently organized corporation with no operating history, no current revenue and properties that have not yet been developed into producing coal mines;
  - deterioration of economic conditions in the steel industry generally;
  - deterioration of economic conditions in the metallurgical coal industry generally;
  - higher than expected costs to develop our planned mining operations, including the costs to construct necessary processing and transport facilities;
  - decreases in the estimated quantities or quality of our metallurgical coal reserves;
  - our expectations relating to dividend payments and our ability to make such payments;
  - our inability to obtain additional financing on favorable terms, if required, to complete the acquisition of additional metallurgical coal reserves as currently contemplated or to fund the operations and growth of our business;
  - increased maintenance, operating or other expenses or changes in the timing thereof;
  - impaired financial condition and liquidity of our customers;
  - increased competition in coal markets;
  - decreases in the price of metallurgical coal and/or thermal coal;
  - the impact of and costs of compliance with stringent domestic and foreign laws and regulations, including environmental, climate change and health and safety regulations, and permitting requirements, as well as changes in the regulatory environment, the adoption of new or revised laws, regulations and permitting requirements;
  - the impact of potential legal proceedings and regulatory inquiries against us;
  - our inability to effectively deploy the net proceeds of this offering;
  - impact of weather and natural disasters on demand, production and transportation;
  - reductions and/or deferrals of purchases by major customers and our ability to renew sales contracts;
  - credit and performance risks associated with customers, suppliers, contract miners, co-shippers and trading, banks and other financial counterparties;
  - geologic, equipment, permitting, site access, operational risks and new technologies related to mining;
  - transportation availability, performance and costs;
  - availability, timing of delivery and costs of key supplies, capital equipment or commodities such as diesel fuel, steel, explosives and tires;
- and the other risks identified in the issuer's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q including, without limitation, those under the headings "Risk Factors," "Business" and "Certain Relationships and Related Party Transactions."

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the development, production, gathering and sale of coal. These risks include, but are not limited to, commodity price volatility, demand for domestic and foreign steel, inflation, lack of availability of mining equipment and services, environmental risks, operating risks, regulatory changes, the uncertainty inherent in estimating reserves and in projecting future rates of production, cash flow and access to capital, and the timing of development expenditures and the other risks described under "Risk Factors" in issuer's most recent Annual Report of Form 10-K and Quarterly Reports on Form 10-Q.

Should one or more of the risks or uncertainties described in this presentation occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this presentation are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

# Introduction



# Coal Mining Industry

## What Have We Learned As An Industry?

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- Overpaying for assets at the top of the market cycle usually doesn't end well.
- Growth for the sake of growth has been the undoing of many coal companies in the coal sector
  - A subset of growth has historically included layering in too much debt on the balance sheet.
  - Because of this:
    - Banks and sources of capital are very skeptical, and access to capital remains challenged.
    - Those who do invest in the sector are more sophisticated than prior investors or lending sources.
- The accumulation of liabilities, whether they are in the form of permit related reclamation liability or employee related liabilities, will weigh down ones balance sheet.
- The cumulative effect of debt & liabilities, when combined with a poor market, resulted in multiple bankruptcies.
  - Unfortunately, we still have a number of companies who likely have accumulated an unsustainable amount of debt. In other words, their projected cash flows are not substantial enough to retire their debt.

# Coal Mining Industry – RAMACO Case Study

## RAMACO Resources – What did we do differently?

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- We acquired non-accretive assets with geologic advantages.
  - These type of transactions can likely be acquired for less consideration.
- We focused on acquiring metallurgical coal.
- We chose to fund our developments with equity instead of debt.
- We bought assets instead of purchasing active operations or the stock of companies, which allowed us to start life with a clean balance sheet.
- We took the risk of permitting, successful capital deployment, hiring, and basically creating a coal company from scratch.
- We took the risk of being a new player to break into a complex metallurgical coal marketplace.

# Coal Mining Industry – RAMACO IPO

## Why did RAMACO Resources pursue a Public Offering ?

We get a lot of question about why RAMACO pursued a public offering so early in their development process, especially since they had already raised the development capital required to develop it's initial mining projects.

- Indeed, limitations associated with the capital that we raised is one of the reasons that we pursued the Offering.
  - The Preferred Convertible placement that we closed with Energy Capital Partners and Yorktown Fund XI contained a PIK function that caused substantial dilution over time. A public offering eliminated the PIK and caused all interests to convert to common shares.
  - Going public was also the only realistic way to provide our owners with the ability to gain liquidity.



# Coal Mining Industry – Raising Capital

## Raising Capital is Difficult!

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- Prior to our recent success, we had multiple failures.
- While we had very supportive private equity partners, they reached a point where they required some sort of “Mark” that allowed new Yorktown funds to make an additional investment.
- We even pursued a failed 144A process. There is nothing more deflating than pursuing a Road Show and coming up empty handed.
- It wasn't until Energy Capital Partners took a stake in our company that we were able to push our platform forward.
  - ECP conducted traditional coal due diligence by industry experts, like those in the audience. This made a big difference in our fundraising efforts.

# Coal Mining Industry

It helps ones confidence when an industry legend believes in your ability to execute.

Mike,

Again, congratulations  
in sticking to your deal  
on Elk Creek and getting  
it started.

You'll do well in 2017.

Morgan

Mike

Thank you for coming out and celebrating my 90th birthday on Thursday, December 29, 2016 at The Country Club of Virginia. Having my family and friends present made the day extra special for me, and I will never forget the love that everyone showed me.

Morgan Massey

Again congratulations  
in sticking to your deal  
on Elk Creek and getting  
it started.

You'll do well  
in 2017.

Morgan



HAPPY NEW YEAR!



# Overview



# Overview



(NASDAQ: METC)

*“Pure play” metallurgical coal company with 237 million tons of high quality metallurgical coal reserves (more than a 50-year production life) and advantaged geology leading to low cash costs*

## At A Glance

- Large 237 million ton met coal reserve base with attractive quality characteristics across High Vol. and Low Vol. segments
- Advantaged reserve geology provides us with industry leading cash costs per ton and highly efficient productivity (4 tons per employee hour)
- Ramping production from approximately 700,000 tons in 2017 to over 4 million tons over next four years
- Zero debt, extremely low ARO liabilities, and adequate cash to complete our capital buildout
- We are an “Income” story – we intend to return capital through dividends
- Highly experienced management team and board of directors with a long history of acquiring, developing, financing, building, and operating coal properties

**Ramaco is committed to complying with both regulatory and its own high standards for environmental and employee health and safety requirements**

***Ramaco's comprehensive health and safety program focuses on its core belief that all accidents and occupational illnesses are preventable. Ramaco believes that:***

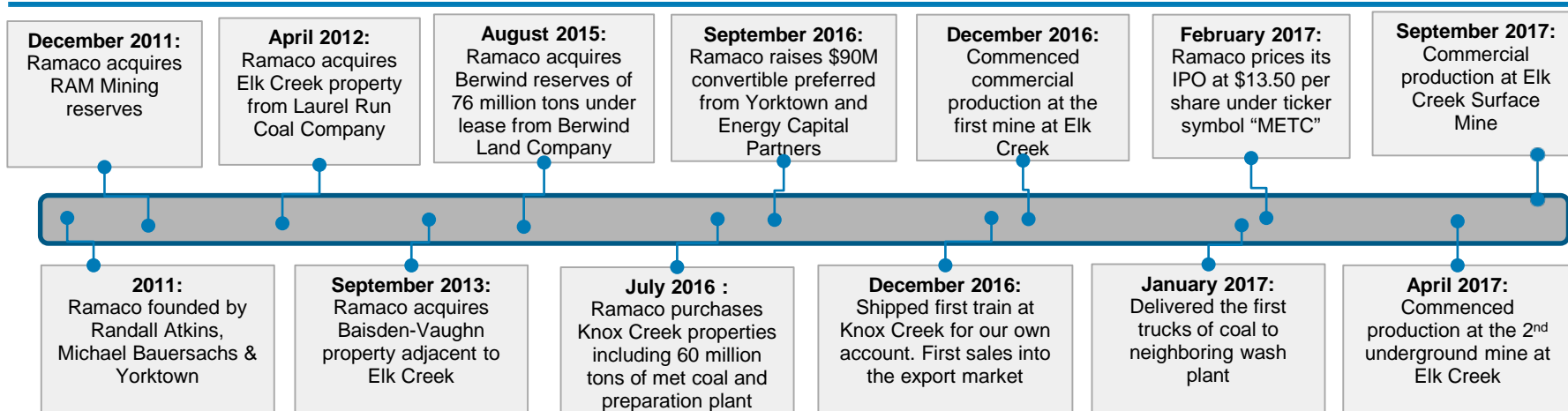
- Business excellence is achieved through the pursuit of safer and more productive work practices
- Any task that cannot be performed safely should not be performed
- Working safely is a requirement for all employees
- Controlling the work environment is important, but human behavior within the work environment is paramount
- Safety starts with individual decision-making – all employees must assume a share of responsibility for acts within their control that pose a risk of injury to themselves or fellow workers
- All levels of the organization must be proactive in implementing safety processes that promote a safe and healthy work environment
- Consequently, we are committed to providing a safe work environment; providing our employees with proper training and equipment; and implementing safety and health rules, policies and programs that foster safety excellence.

**The safety program includes a focus on the following: *hiring the right workers, safety incentives, communication, drug & alcohol testing, continuous improvement programs, training, accident investigation, safety audits, employee performance improvement, employee involvement and positive reinforcement.***

# Key Recent & Upcoming Milestones

*Management continues to deliver on key company milestones to enhance shareholder value*

## Key Dates



## Upcoming Milestones

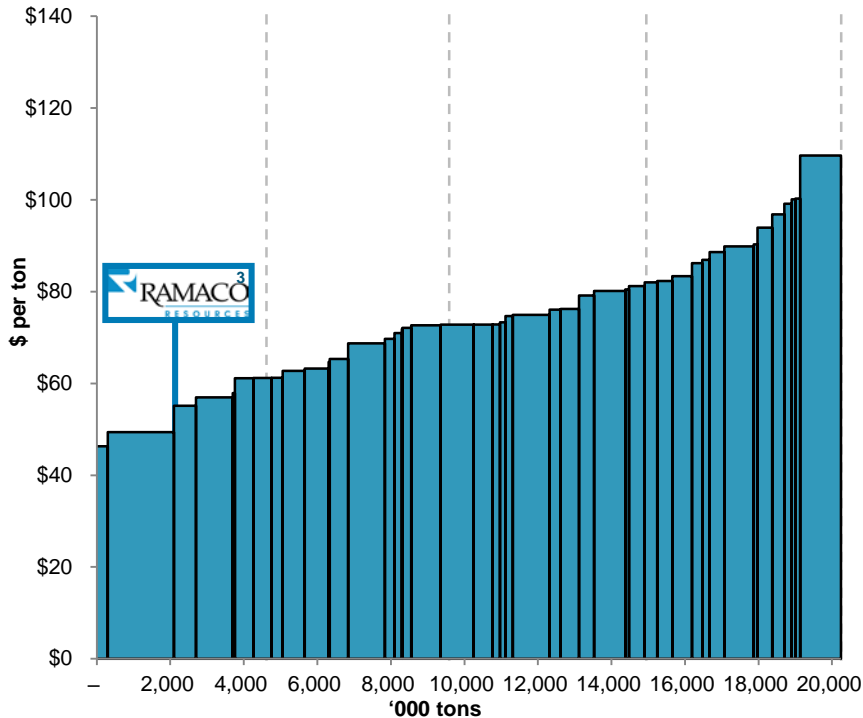


## Three Key Slides



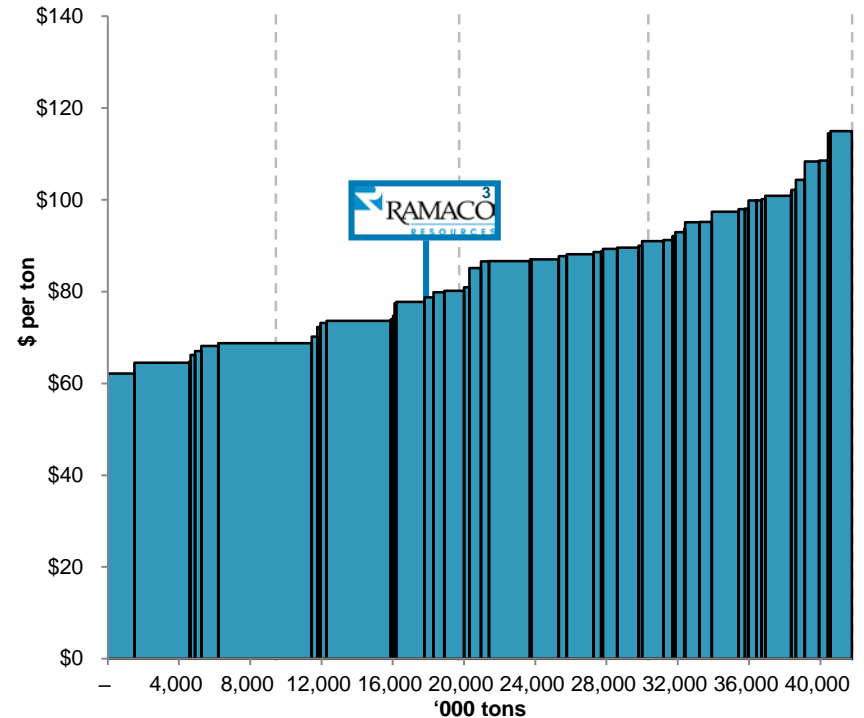
# Low Cost U.S. Met Coal Producer

**U.S. Domestic Met Coal  
Total Cash Cost Curve 2017<sup>1</sup> (FOB mine)**



Lowest quartile cost position

**U.S. Seaborne Met Coal  
Total Cash Cost Curve 2017<sup>2</sup> (FOB port)**



Ramaco's export cost is expected to be very competitive

**Ramaco Resources' expected low cost structure could provide a competitive advantage to serve both the domestic & seaborne market**



Source: Wood Mackenzie. Assuming \$150/tonne benchmark price.

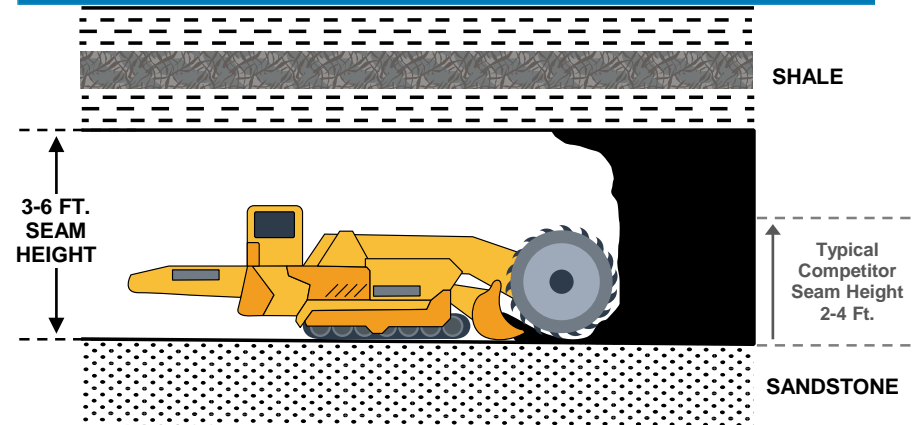
1. Represents total cash costs of coal consumed by U.S. customers sources per Wood Mackenzie.
2. Represents total cash costs of coal consumed by international customers sources per Wood Mackenzie.
3. Ramaco estimated 2021 cash cost, including estimated transportation costs (\$/ton).

# Geology Advantages and Higher Productivity Drive Lower Cash Costs

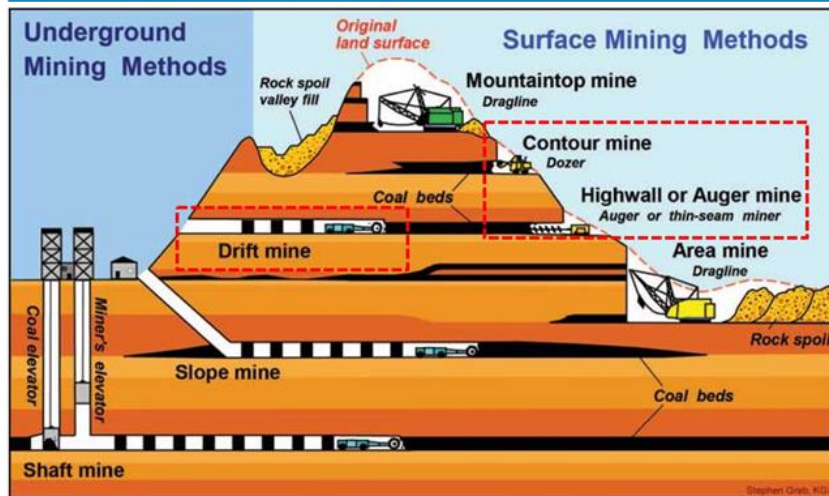
## Overview

- Thicker coal seams result in a comparatively high clean-ton-per-foot and ton-per-employee hour productivity profile
- Near-or-above drainage seams enable drift access for underground development
- Numerous mineable seams in close proximity create a low mining ratio, and translate to low-cost surface and highwall mining
- Our projected operating statistical advantages have been independently verified by outside consultant Weir Mining Consultants

## Illustrative Geologic Advantage

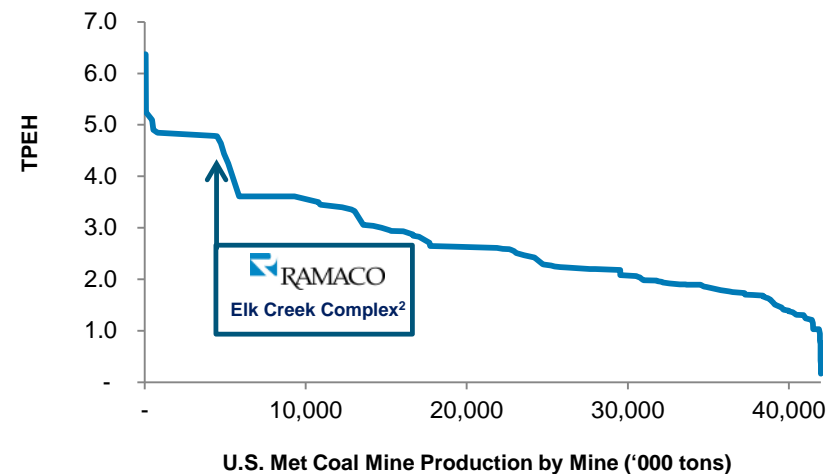


## Overview of Elk Creek Mining Methods



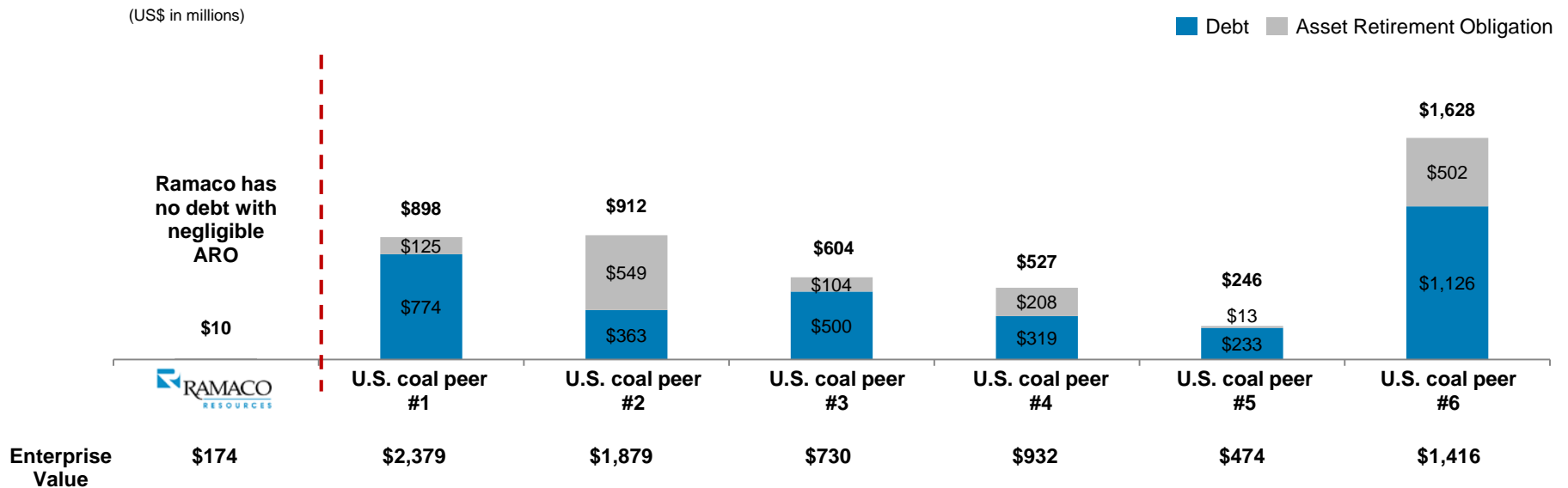
Mining methods to be utilized at Elk Creek

## Domestic Met Coal Productivity Curve (TPEH)<sup>1</sup>



# Clean, Unlevered Balance Sheet

- Ramaco is currently debt free and fully funded for our 2017 and 2018 capital program
- Existing assets acquired strategically on a debt free basis and with limited environmental liabilities
- No long-term third party liabilities gives Ramaco a “cleaner” coal production story than other U.S. producers and contributes to lower cash costs
- No debt provides greater flexibility and lower risk relative to peers

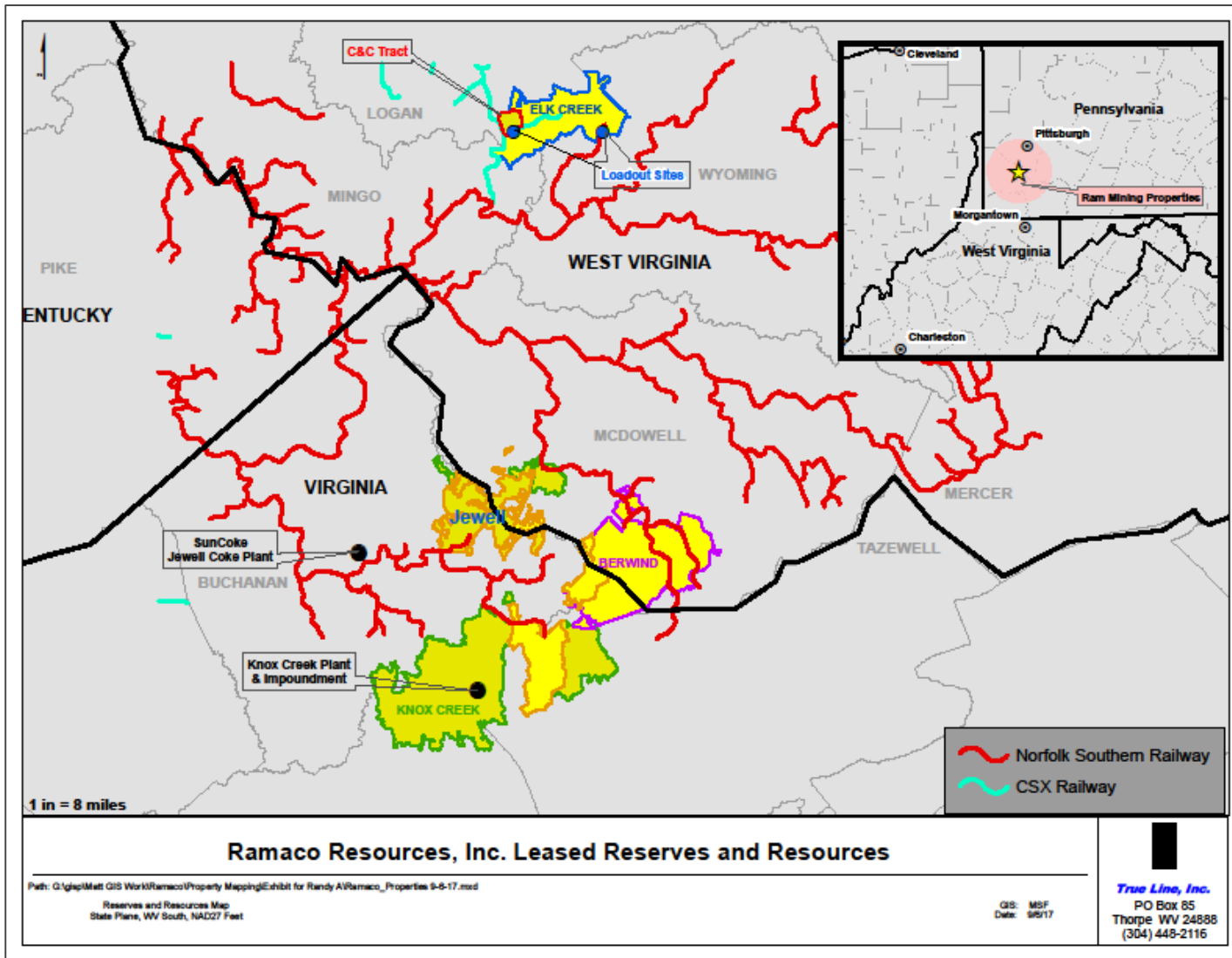




# Properties and Development Update



# Ramaco Resources Property Control Map



# Elk Creek Mining Complex

## Elk Creek

- 98 million tons of High Vol.
- Relatively thick coal seams at deep mines and low mining ratios and use of high productivity highwall miners at surface mines translate to low mining costs
- 20 year mine plan with 9 underground and 2 contour surface/highwall mines with high TPEH rate of approximately 4.06
- Newly completed 150 car CSX loadout and future access to NS



## Update

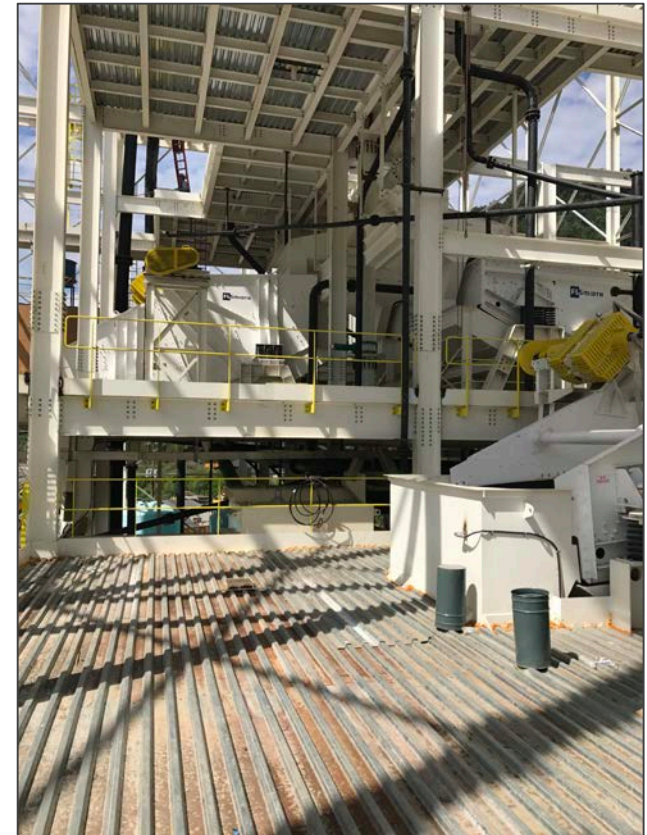
- The Alma Deep Mine has been converted to a company mine. Currently two sections are operating. The section designated for long term production is now fully relocated to areas where we anticipate no interaction with mined out areas.
- The Eagle Deep Mine is operating extremely well, and is a matter of days from migrating to the dual seam mining area.
- The Surface Mine is now operational. We project production of slightly over 100,000 tons during 2017. The highwall miner is scheduled to begin production in October.
- The third deep mine face-up in the No. 2 Gas Seam is in process, and we expect to initiate production from that mine in the 4th quarter of 2017.
- Construction associated with the Elk Creek preparation plant is ongoing, and we continue to believe that we will process coal in the plant during the month of September.
- We recently received two new deep mine permits, as well as an amendment for our surface mine. We continue to pursue new permits to enable future production.

# Elk Creek Facilities Update



Raw Coal Silos, Preparation Plant & Clean Coal Stacking Tube

Preparation Plant Components



# Elk Creek Deep Mines Update

New No. 2 Gas Mine Face Up



Active Alma Deep Mine



Active Eagle Deep Mine



# Elk Creek Surface Mine Update

Elk Creek Surface Mine



Elk Creek Highwall Miner



# Berwind Mine Site

## Berwind

- 72 million tons of Low Vol.
- Cost Advantage to SunCoke's Jewel Coke Plant
- Targeted Pocahontas #4 Seam has advantaged coal thickness resulting in high clean ton per foot profile
- Truck high-recovery coal to Knox Creek prep plant which has access to the NS



## Update

- Upon receipt of our mining permit, we initiated development work at our new Berwind face-up.
- The Berwind face-up is in process, and we are coordinating other key lead time items such as power, canopies, trucking, etc.
  - We will utilize oversized belts for this mine to support multiple mining sections.
- We continue to project some amount of development production in the November/December timeframe.
- Mining will begin in the Pocahontas #3 Seam, and will advance to a location where the #3 Seam overlaps with the Pocahontas #4 Seam.
  - At that point, we will drive in inter-seam slope up to the #4 Seam.

# Knox Creek Prep Plant, Reserves and Jewell Properties

## Knox Creek and Jewell

- 61 million tons of High Vol. A
- Processing Plant will wash both Berwind and Knox Creek coal
- Purchasing and reselling third party coal since December 2016
- Jewell acquisition provides high CSR coal, royalty income and additional mining opportunities.



## Update

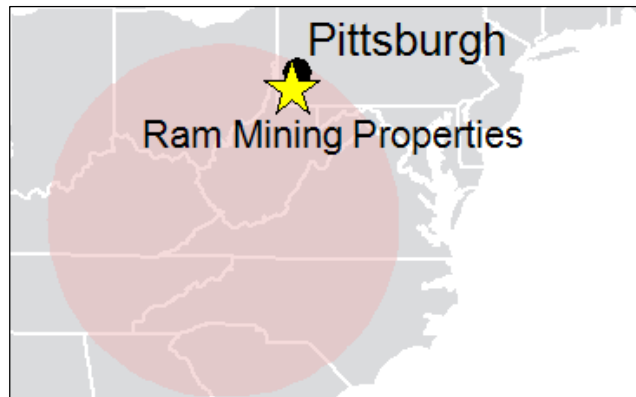
- The preparation plant continues to operate, and is washing coal that we purchase from third parties.
- We are in the process of signing a new coal purchase agreement that will likely add approximately 25,000 clean tons per month that can be resold to others through the end of the year and possibly into next year.
- We continue to upgrade the plant in anticipation of washing our Berwind Coal.
- Currently permitting multiple mines on the recently acquired Jewell Property.
- Currently negotiating a coal lease on the Jewell Property, that will generate royalties plus create the opportunity to purchase those same tons for resale.



# Northern Appalachian Operations

## RAM Mine

- 5.6 million tons of High Vol. Pittsburgh Seam
- 2019 production planned
- Low mine cost and 6 miles by barge from U.S. Steel Clairton Coke Plant



## Update

- We continue to pursue a mining permit for this reserve, and have been encouraged by some recent indications that issuance may occur before years end.
- Former mines in this general area were actually operated by companies like National Steel.
- The coal quality is superior to the Pittsburgh Seam Quality that is currently being mined in the lower portion of the basin.
- Recent customer visits have confirmed that there remains good interest in this product.

## Final Comments



# Coal Mining Industry – A Few Trump Comments

## Trump Administration Impact

I think that we have a new opportunity under a Trump Administration to advance our common cause of perpetuating and possibly growing our business.

- Industry leaders who are focused on preserving what remains of our coal fired power plants are doing the right thing.
- The window of opportunity may be short, so we need to work together in earnest with a common goal.

I think that we have a very good opportunity to make significant changes to our regulatory environment.

- MSHA, with the addition of Dave Zatezalo, could be one of the opportunities to create change.
  - The time that it takes (Years not Months) to move any action that is reviewed by MSHA's Technical Review Group from start to finish is just too long.
    - Promoting decision making at the local level is one way to ease the burden.
    - Promoting good rule making will help “if it is not broken don't try to fix it”.
      - A good example of this is the current rule making effort to place additional burdens relative to compaction and rate of construction on upstream construction impoundments. There have been a tremendous amount of safe man hours under current rules. In my opinion, trying to fix human error with a formula is unlikely to create a good result.

# Coal Mining Industry – Forward Looking Themes

## Some Possible Themes for the Future of Coal

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- Companies will likely be less about growth and more about distributing free cash flow to shareholders.
- Companies will likely limit their amount of debt and liabilities.
- Companies will refocus their efforts on fundamentals.
  - All coal mining begins with geology, and advantaged geology almost always wins.
  - Always conduct due diligence, and if you cannot get comfortable with the company or assets, don't buy it.
  - Selectively acquire assets instead of purchasing the stock of companies and the baggage that comes with it.
  - Deploy the best infrastructure and equipment possible.
  - Recruiting and maintaining a superior workforce at all levels is critical for success.



# RAMACO

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RESOURCES

Ramaco Resources, Inc.  
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