RAMACO RESOURCES

May

2020

Ramaco Resources

1st *Quarter 2020 Investor Presentation*

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 Ramaco's Annual Report on Form 10-K.

Forward-looking statements may include statements about:

- deterioration of economic conditions in the steel industry generally;
- deterioration of economic conditions in the metallurgical coal industry generally;
- global uncertainty related to the COVID-19 pandemic;
- higher than expected costs to develop our planned mining operations,
- 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;
- 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;

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 the heading "Risk Factors" included in Ramaco's Annual Report on Form 10-K. 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.

Key Investment Highlights

Ramaco overview

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(NASDAQ: METC)

"Pure play" metallurgical coal company, currently with ~265 million tons of high quality metallurgical coal reserves (more than a 50-year production life), low net debt, low ARO liabilities, and advantaged geology leading to low cash costs

At a glance

- Large ~265 million ton met coal reserve base with attractive quality characteristics across High Vol. and Low Vol.
- Advantaged reserve geology provides us with industry leading cash costs per ton and higher productivities. 1Q20 cash costs at our flagship Elk Creek complex were $61/ton.
- Annual production growth of over 235% from 0.55 million tons produced in 2017 to 1.86 million tons in 2019. > 96% of historical production has been high quality metallurgical coal.
- Historical emphasis on recycling capital for organic growth, with the ability to maintain flexibility in challenging market conditions.
- Minimal net debt, ARO's, and legacy liabilities, with ample liquidity.

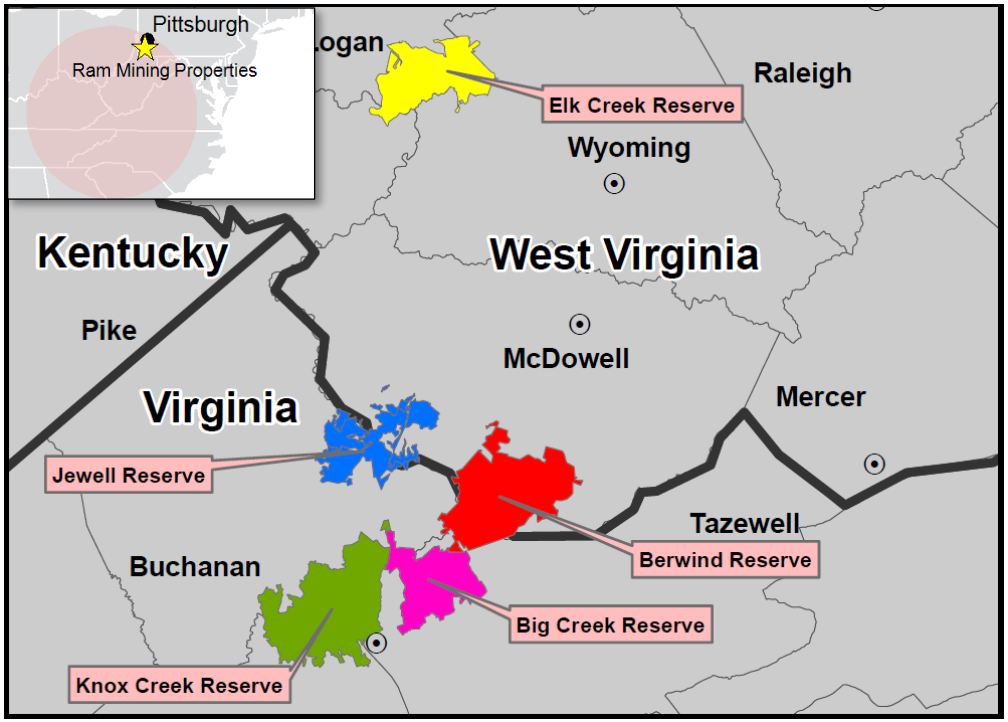
Market summary

Share price (May 11, 2020):	**$2.15**
Ticker symbol:	**METC**
Market capitalization:	**$92 million**
Net debt (03/31/20):	**$10 million**
Implied enterprise value:	**$102 million**
Management ownership:	**>15%**

Met coal asset portfolio with competitive advantages

Central Appalachian operations

- **Elk Creek**
  - ~114 million tons of High Vol. Met reserves as of today
  - 20+ year reserve life in relatively thick coal seams at deep mines and attractive ratios at surface mines translate to low costs
  - ~2.5 million tons per year of production at full capacity, including prep plant expansion
- **Berwind**
  - ~50 million tons of Low Vol. Met reserves
  - Mining of the advantaged Poca #4 seam expected to yield ~750,000 tons per year of initial full production with additional upside capacity.
- **Knox Creek**
  - ~95 million tons of High Vol. A reserves (potential Jawbone mine), plus recently acquired Mid Vol. reserves (potential Big Creek mine)
  - ~650 raw tons/hr processing plant
  - Purchasing and reselling third party coal since December 2016
  - At least ~800,000 tons of per year of potential production capacity



Northern Appalachian operations

- **RAM**
  - ~5 million tons of High Vol. met reserves (Pittsburgh Seam)
  - Projected low mining costs; 6 miles by barge from U.S. Steel Clairton Coke Plant
  - Up to ~500,000 tons per year of production at full capacity

We anticipate growing annual production to 4.0-4.5 million tons of high quality met coal, subject to market conditions

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Investment highlights

Sustainable, low cash cost met coal platform, with minimal net debt and legacy liabilities

1	**Portfolio of high-quality, long-lived assets**	▪ Large ~265 million ton met coal reserve base with attractive quality characteristics across High-Vol. and Low-Vol. segments
2	**Long-term growth, but flexibility to be nimble**	▪ Production growth capacity of up to 4.0-4.5 million clean tons ▪ Geologically advantaged reserve base allows for flexible capital spending in challenging market conditions
3	**Low cost U.S. met coal producer**	▪ Cash costs substantially below most U.S. domestic met coal producers ▪ Superior geology yields high expected clean-tons-per-foot. Combined with attractive surface mining ratios and low cost highwall mining, this creates greater tons-per-employee hour productivity at Elk Creek than most peers
4	**Positioned to serve both domestic and export markets**	▪ Well-positioned to sell into both domestic and export markets ▪ Advantaged infrastructure and flexibility
5	**Clean balance sheet with ample liquidity**	▪ Minimal net debt AND minimal legacy liabilities provide greater flexibility and lower risk relative to peers
6	**Strong full-year 2019 earnings**	▪ Adjusted EBITDA was a record $55.4 million for full-year 2019, which was 31% above the same period in 2018
7	**Highly experienced team**	▪ Highly experienced management team and board of directors with a long history of acquiring, developing, financing, building, and operating coal properties
8	**Attractive valuation for long-term investors**	▪ Current trading levels offer a compelling opportunity to invest in a premier met coal producer with a long-term runway for growth

1Q20 financial highlights

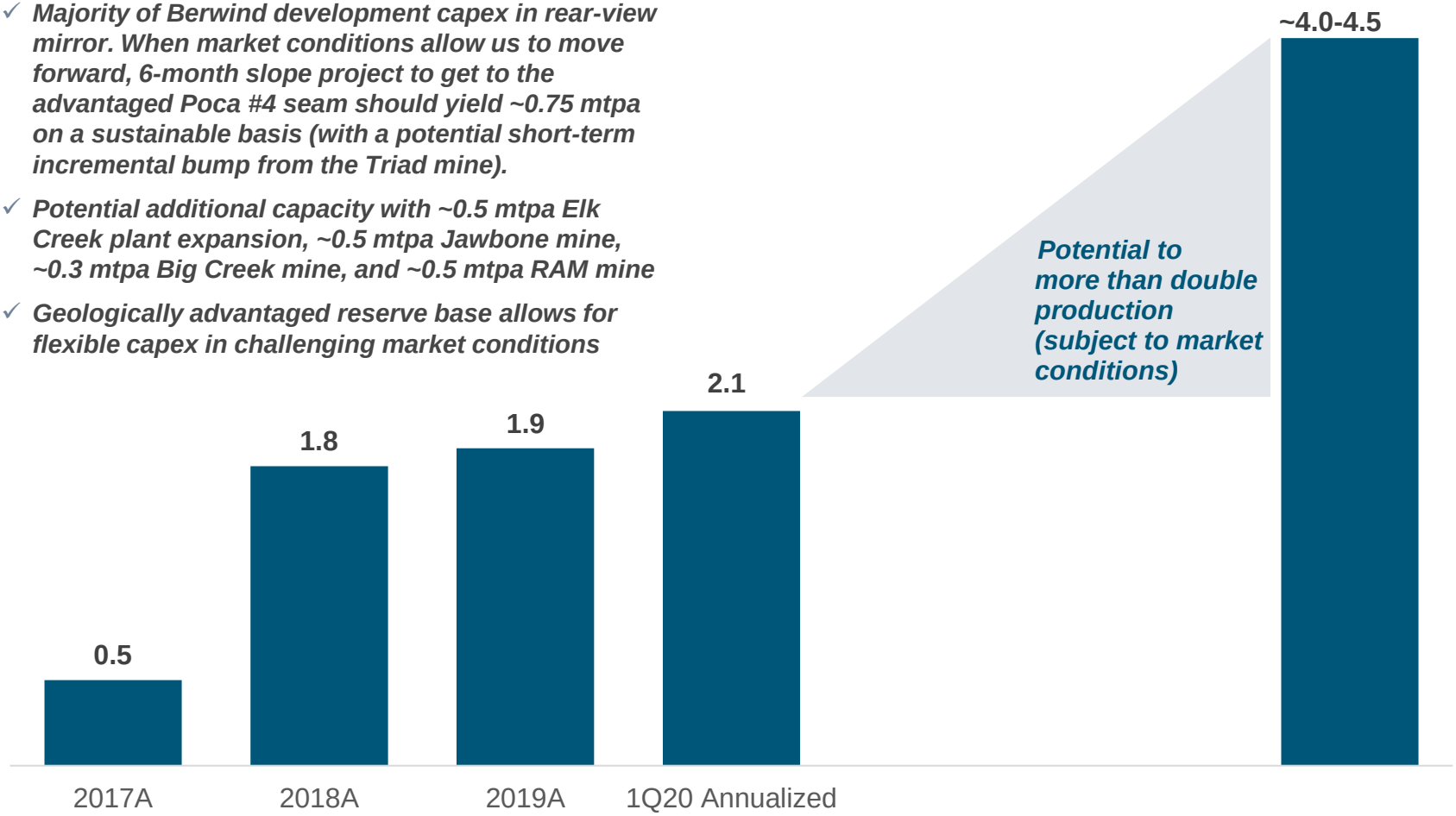
Adjusted EBITDA of $8.4 million in 1Q20 was down just 6% from 4Q19, despite realized pricing down 11%, due to solid cost control

Key Metrics	1Q20	4Q19	Change	1Q19	Change
Sales of Company Produced Tons ('000)	416	420	**-1%**	443	**-6%**
Revenue ($mm)	$ 41.9	$ 45.6	**-8%**	$ 57.5	**-27%**
Cost of Sales ($mm)	$ 30.9	$ 33.3	**-7%**	$ 41.0	**-25%**
Pricing of Company Produced ($/Ton)	$ 93	$ 104	**-11%**	$ 103	**-10%**
Cash Cost of Sales - Company Produced ($/Ton)	$ 67	$ 74	**-9%**	$ 68	**-1%**
Cash Margins on Company Produced ($/Ton)	$ 26	$ 30	**-13%**	$ 35	**-26%**
Net Income ($mm)	$ 2.0	$ 1.9	**4%**	$ 6.9	**-71%**
Adjusted EBITDA ($mm)	**$ 8.4**	**$ 9.0**	**-6%**	**$ 13.7**	**-38%**
Capex ($mm)	$ 8.9	$ 11.7	**-24%**	$ 8.2	**9%**
Diluted Earnings per Share	$ 0.05	$ 0.05	**0%**	$ 0.17	**-71%**

Long-term potential to more than double production

Ramaco annual production (*in millions of tons*)

- ✓ ***Majority of Berwind development capex in rear-view mirror. When market conditions allow us to move forward, 6-month slope project to get to the advantaged Poca #4 seam should yield ~0.75 mtpa on a sustainable basis (with a potential short-term incremental bump from the Triad mine).***
- ✓ ***Potential additional capacity with ~0.5 mtpa Elk Creek plant expansion, ~0.5 mtpa Jawbone mine, ~0.3 mtpa Big Creek mine, and ~0.5 mtpa RAM mine***
- ✓ ***Geologically advantaged reserve base allows for flexible capex in challenging market conditions***



Clear path to adding ~2 million tons of permitted growth

While growth capex is currently paused due to market conditions, we have a clear path to adding ~1.9 million tons of high quality production to our existing run-rate of ~2.1 mtpa in 1Q20, once we decide to resume growth capex spending.

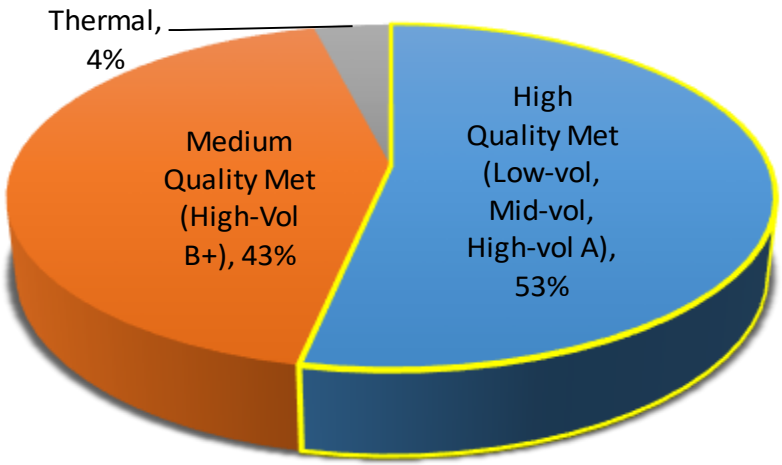
Project - Mine Name	Location	Quality	Full Prod ('000)
Phase #1			
Berwind *	Berwind	Low Vol	750
Big Creek	Knox Creek	Mid Vol	300
Subtotal/Avg. *			**850**
Phase #2			
Jawbone	Knox Creek	High Vol A	500
Subtotal/Avg.			**500**
Phase #3			
Elk Creek Plant Expansion	Elk Creek	High Vol A/B+	500
Subtotal/Avg.			**500**
Total Permitted Expansion			**1,850**

**: ~750,000 tons represents full run-rate of production at Berwind. We consider ~550,000 to be growth, given our recent production run-rate of ~200,000 tons per annum.*

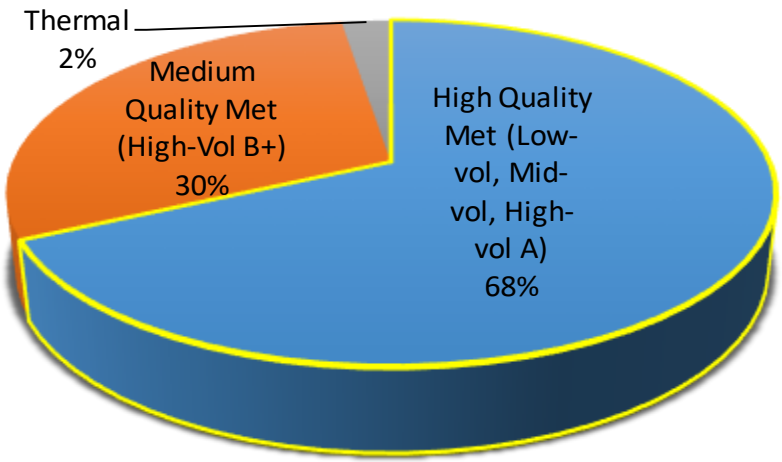
Metallurgical quality breakdown

Growth is focused to create a long term quality portfolio with over 66% of annual production being high quality Low Vol., Mid Vol., and High Vol. A coal

Current Production



Long-Term Production Outlook [1]

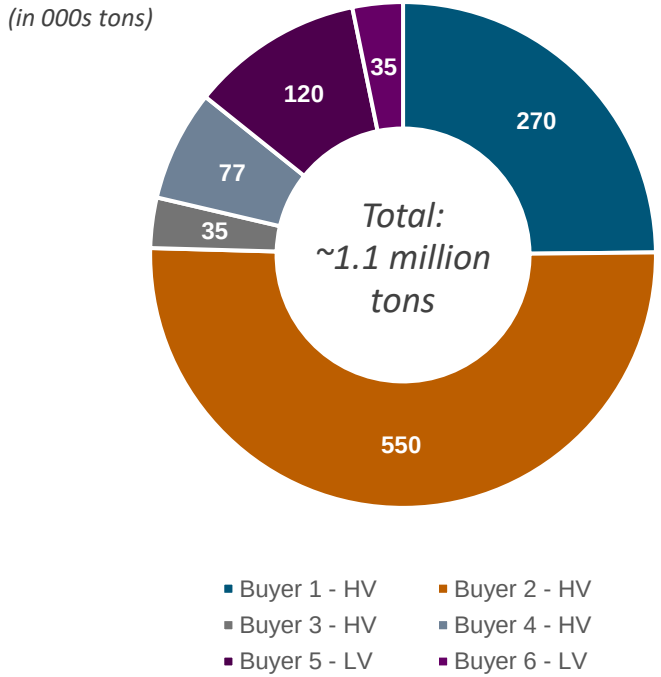


(1): Growth is subject to Board approval, and market conditions. It excludes RAM, which is not yet permitted.

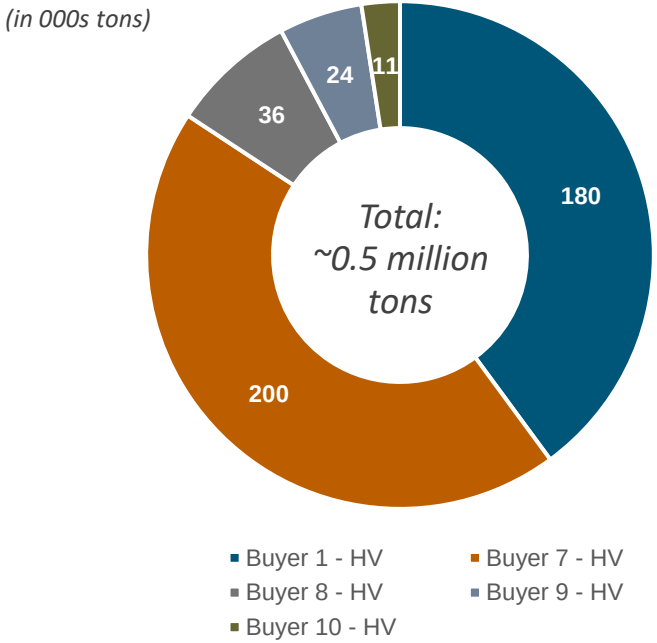
Solid annual priced commitments for 2020

~1.5+ million tons committed and priced for 2020, at an average fixed price of over $93/ton

2020 Domestic, fixed price business [1]



2020 Export, fixed price business [1]

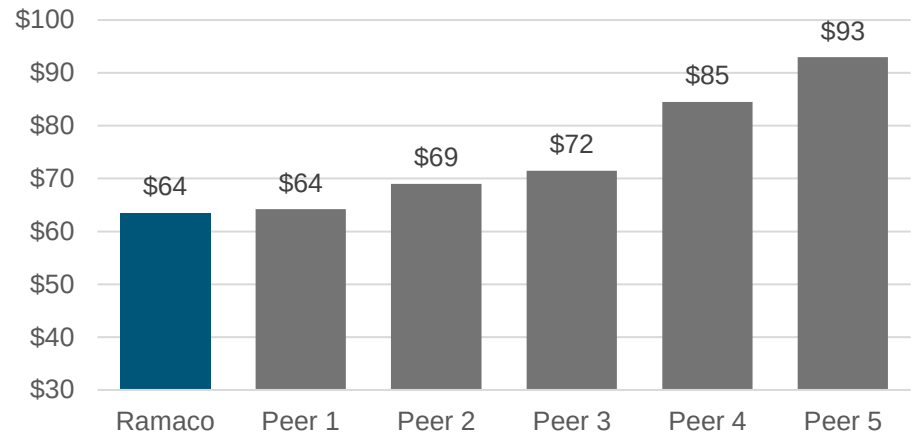


(1): As of May 10, 2020, amounts exclude purchased coal and thermal coal by-product. Totals may not add due to rounding..

Ramaco's cash costs remain among the lowest in the industry, while insider ownership is among the highest

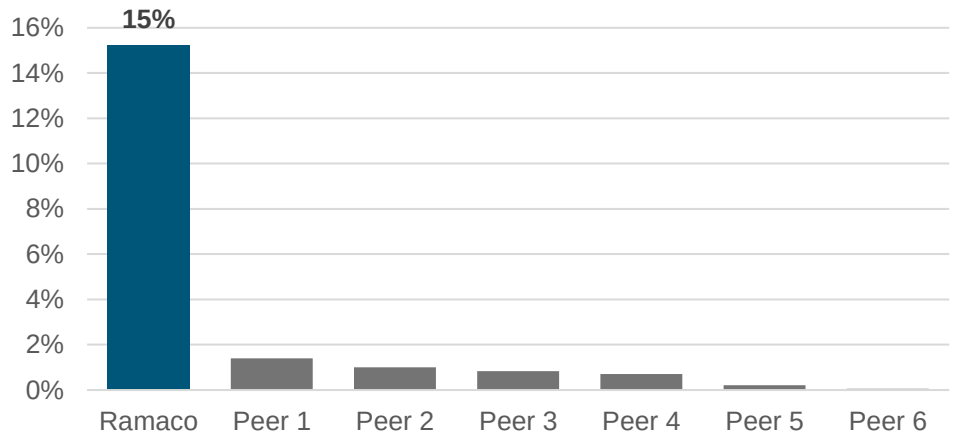
- ✓ ***We believe Ramaco is firmly in the first quartile of U.S. metallurgical coal cash costs, especially considering we use conventional, non-longwall mining techniques.***

Met coal cash costs ($/short ton FOB mine) [1]



- ✓ ***Ramaco management currently owns over 15% of the company, with no peer at much more than 1% of insider ownership***

Management Ownership % Of Stock [2]

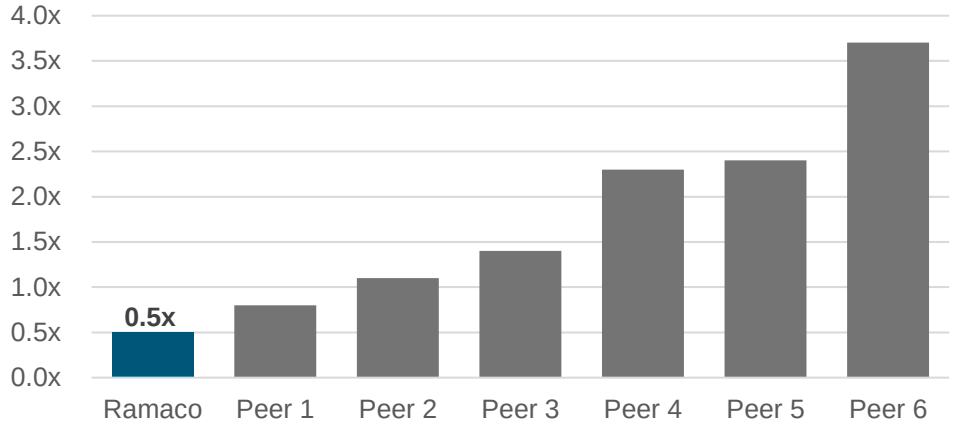


(1) Excludes Berwind Development Mine. Peers include (alphabetically): Arch, Contura, Coronado, Peabody, Warrior. Based on most recent 6-month period.
(2) As of 5/8/20. Peer group includes (alphabetically): Arch, Consol, Contura, Coronado, Peabody, Warrior.
Source: Company documents, Bloomberg

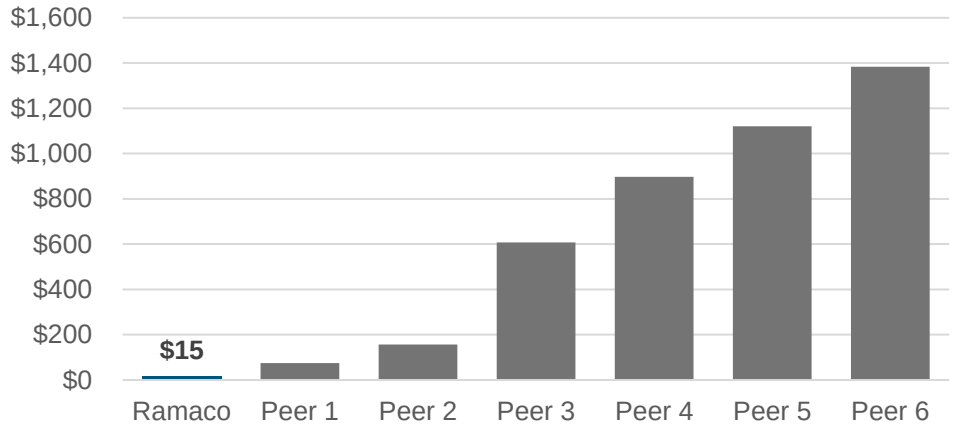
Ramaco has a *best-in-class* balance sheet

- ✓ ***Even after adding ~$13 million in low coupon promissory notes in April to increase near-term liquidity, Ramaco has the lowest net debt to EBITDA ratio in the coal space***
- ✓ ***Management is focused on maintaining a strong financial position to allow full flexibility throughout all pricing cycles***
- ✓ ***Ramaco has the lowest legacy liabilities among its direct peer group, 98% below the group average***

Net Debt / EBITDA[1]



Legacy Liabilities ($M)[2]



(1) EBITDA based on 2020 consensus estimates as of 5/8/20. Peer group includes (alphabetically): Arch, Consol, Contura, Coronado, Peabody, Warrior.
(2) Legacy liabilities include AROs, workers' comp, black lung, pension & post-retirement benefits, and other as of most recent public financials.
Source: Company documents, Bloomberg as of 5/8/20.

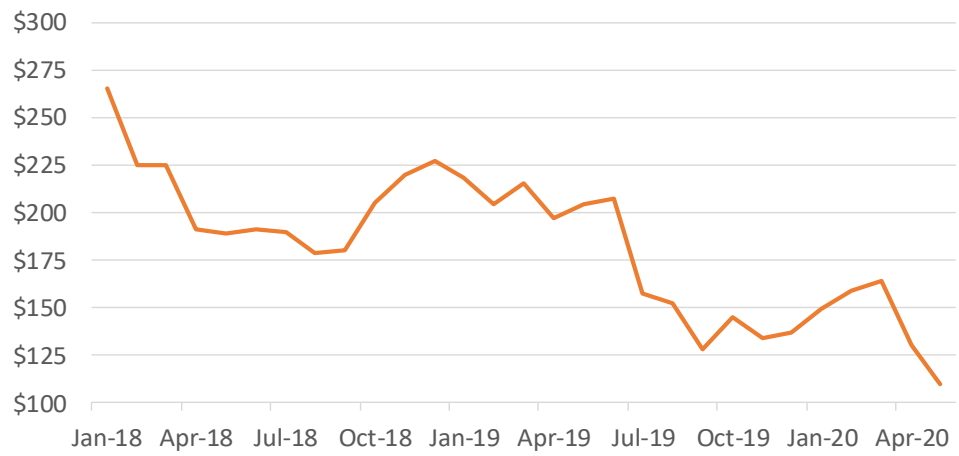
Met Coal Market Overview

Met coal spot prices & forward curve down big on COVID-19

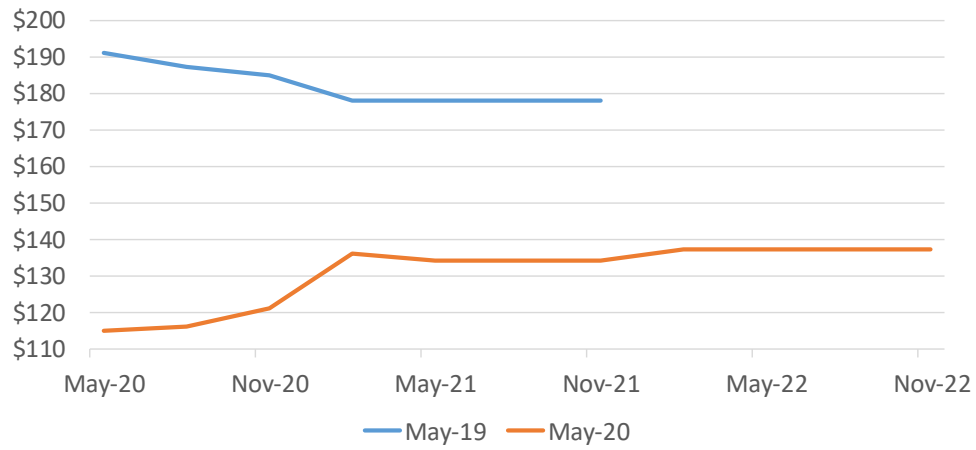
- ✓ ***As of May 8, 2020, met coal spot prices of $113/ton were down roughly 45% YoY, largely on the back of demand destruction due to COVID-19 concerns.***

- ✓ ***The "good" news is that the forward curve is finally in contango. The bad news is that it is down over $40/ton YoY for 2021.***

Met Coal Spot Price (1)



Met Coal Forward Curve (1)



(1) In $/metric tonne FOB port for Australian Low-Vol
Source: Bloomberg as of 5/8/20.

Supply rationalization accelerates

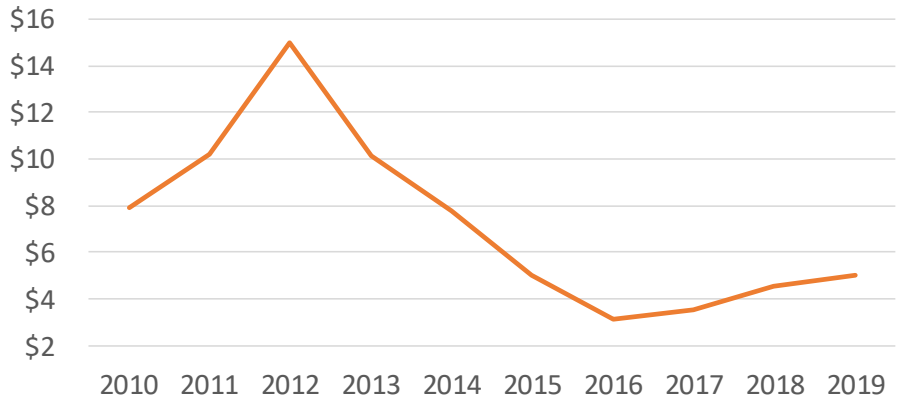
Supply underinvestment continues, and is likely to get worse:

- Met coal capex fell to ~70% below peak 2012 levels in the past few years.
  - High cost of capital for many producers
  - ESG pressure continue, and are getting worse

Supply rationalization occurring rapidly:

- High cost of production for many peers has caused multiple large bankruptcies in the last year, which should further rationalize supply. We expect there will be more producers who fail in 2020. Furthermore, IHS estimates that over one-third of U.S. met coal production was idled as of the latter part of April, 2020.

Global Met Coal Capex (1)



(1) In $ Billions; Source: Clarksons Platou Securities

Met coal arb remains wide open

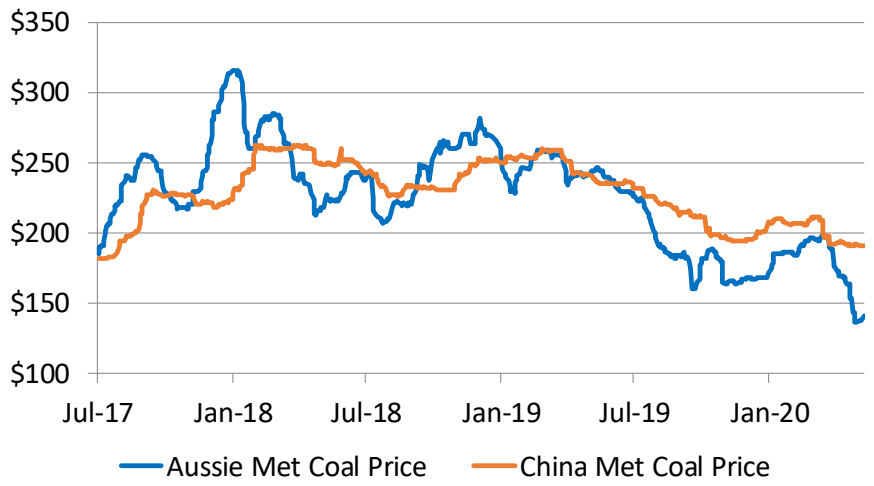
Arb currently over $50/ton:

- As of May 8, 2020, the metallurgical coal arb is over $50/ton, which means it is that much cheaper for a Chinese steel mill to import coal compared to buying domestically.

Arb could support seaborn pricing:

- On April 29, 2020, Platts noted a "record high" arb of $57/ton. This compares to an average of ~$1/ton since mid-2017.
- However, COVID-19 and potential Chinese port restrictions have caused near-term uncertainty, despite the record high arb.

Met Coal Arb Into China (1)



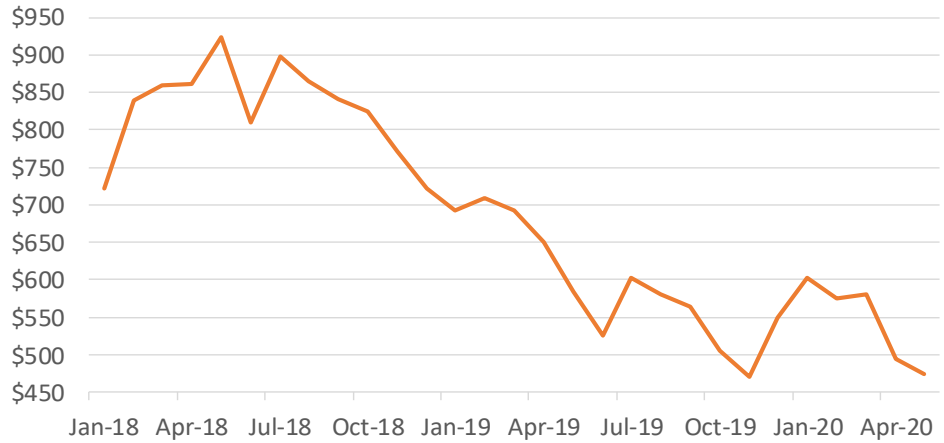
(1) In $/metric tonne FOB port, as of 5/8/20. "Aussie Met Coal Price" adjusted upward for Chinese VAT and transportation costs into China
Source: Clarksons Platou Securities, Platts, Ramaco

Domestic steel capacity utilization at 10-year lows

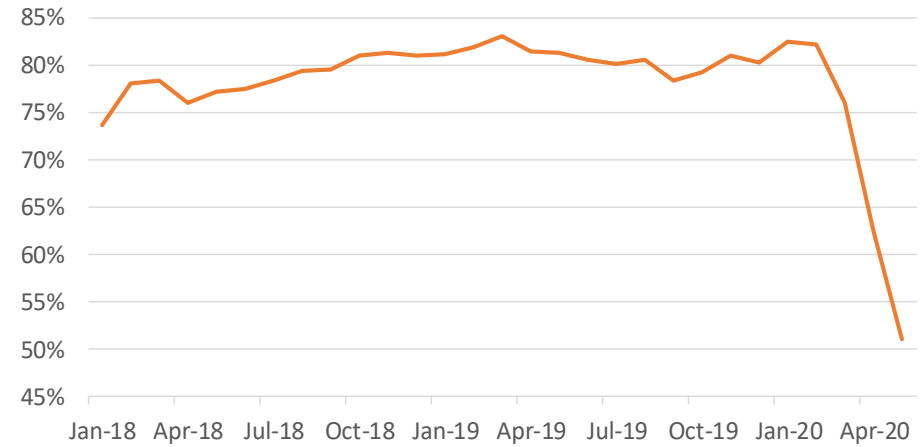
- ✓ ***As of May 8, 2020, U.S. hot rolled steel prices of $483/ton were down roughly 25% YoY.***

- ✓ ***As of May 8, 2020, U.S. steel capacity utilization hit a 10-year low of 51%, largely on the back of demand destruction due to COVID-19 concerns.***

U.S. Steel Prices [1]



U.S. Steel Capacity Utilization



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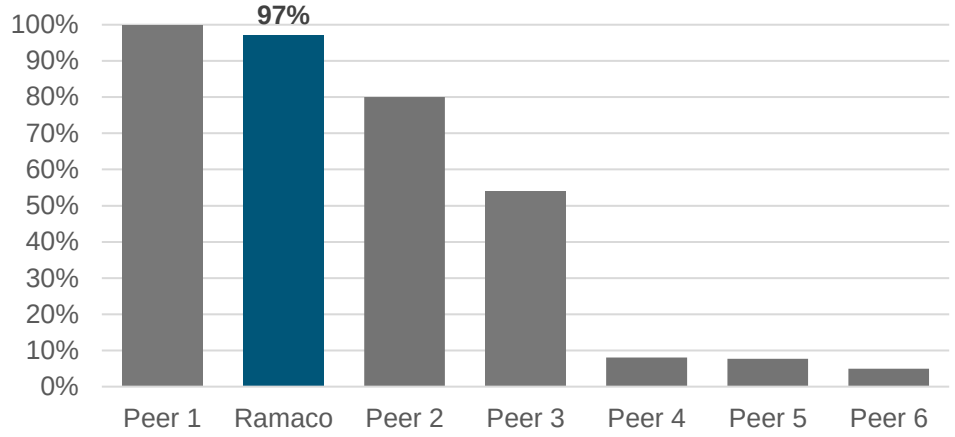
(1) In $/short ton.
Source: Bloomberg as of 5/8/20.

Ramaco is essentially a pure-play met coal producer

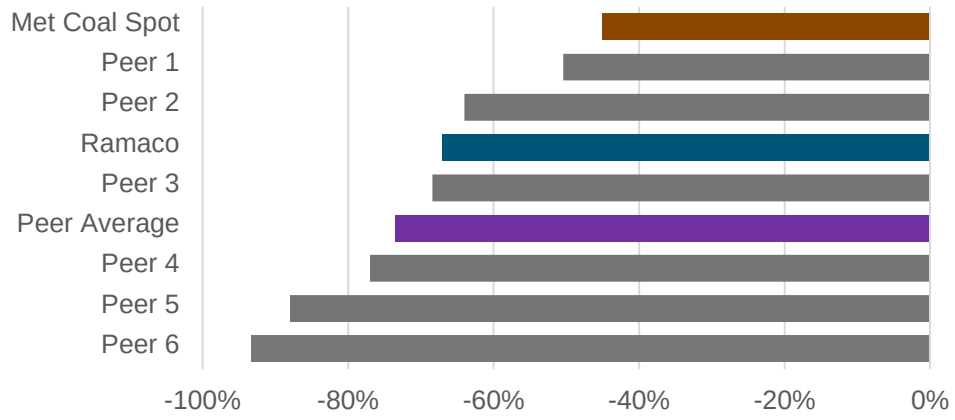
- ✓ ***Many of Ramaco's U.S. "met coal" peers actually produce more thermal coal than met coal. Ramaco is one of only two companies that produce 95% or more met coal as a % of total production. Of those two, Ramaco is the <u>only</u> large domestic met supplier.***

Met Coal As A % Of Total Production [1]



- ✓ ***Through May 8, 2020, met coal spot prices have dropped roughly 45% YoY. Tracking that decline, Ramaco's U.S. listed peer group has seen a 74% on average 52-week stock price decline.***

52-Week Price Performance



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(1) Based on actual 2019 results. Peer group includes (alphabetically): Arch, Consol, Contura, Coronado, Peabody, Warrior.
(2) Same peer group as above.
Source: Company documents, Bloomberg as of 5/11/20.

Safety & Environmental

Environmental, Health & Safety

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

Ramaco's believes that all accidents and occupational illnesses are preventable:

- 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

Ramaco's COVID-19 Response

- Non-Contact temperature checks conducted pre-shift for employees, contractors, vendors and visitors.
- Facemasks issued to all employees.
- Enhanced excused/paid time off policy for employees.
- Extensive sanitation program for all common areas, and all equipment and materials on a pre-shift basis.
- Shift times staggered to eliminate crew interaction.

- We are committed to providing a safe work environment, providing our employees with proper training and equipment, and implementing safety and health rules, as well as 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.***

Appendix

Reconciliation of non-GAAP measures

Adjusted EBITDA is used as a supplemental non-GAAP financial measure by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. We believe Adjusted EBITDA is useful because it allows us to more effectively evaluate our operating performance.

We define Adjusted EBITDA as net income plus net interest expense, equity-based compensation, depreciation and amortization expenses and any transaction related costs. Its most comparable GAAP measure is net income. A reconciliation of net income to Adjusted EBITDA is included below. Adjusted EBITDA is not intended to serve as an alternative to U.S. GAAP measures of performance and may not be comparable to similarly-titled measures presented by other companies.

(In thousands)	Three months ended March 31, 2020	Three months ended March 31, 2019
Reconciliation of Net Income to Adjusted EBITDA		
Net income	$ 1,962	$ 6,883
Depreciation and amortization	5,002	4,116
Interest expense, net	279	307
Income taxes	110	1,358
EBITDA	7,353	12,664
Stock-based compensation	923	894
Accretion of asset retirement obligation	141	128
Adjusted EBITDA	$ 8,417	$ 13,686

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