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

# FORM 10-Q

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

**For the quarterly period ended September 30, 2018**

or

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

**For the transition period from to**

**Commission File Number: 001-38003**

# RAMACO RESOURCES, INC.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware**<br>(State or other jurisdiction of incorporation or organization) | **38-4018838**<br>(I.R.S. Employer Identification No.) |
| **250 West Main Street, Suite 1800**<br>**Lexington, Kentucky**<br>(Address of principal executive offices) | **40507**<br>(Zip code) |

**(859) 244-7455**
**(Registrant's telephone number, including area code)**

**(Former name, former address and former fiscal year, if changed since last report)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| Emerging growth company | ☒ | | |

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

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

As of November 5, 2018, the registrant had 40,082,467 shares of common stock outstanding.

**TABLE OF CONTENTS**

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the "Quarterly Report") includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical fact included in this report, regarding our strategy, future operations, financial position, estimated revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Quarterly Report, 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, but not limited to, the heading "Item 1A. Risk Factors" and elsewhere in the Annual Report of Ramaco Resources, Inc. (the "Company") on Form 10-K for the year ended December 31, 2017 (the "Annual Report") and other filings with the Securities and Exchange Commission ("SEC").

Forward-looking statements may include statements about:

- anticipated production levels, costs, sales volumes and revenues;
- timing for completion of major capital projects;
- economic conditions in the steel industry generally;
- economic conditions in the metallurgical coal industry generally;
- expected costs to develop planned and future mining operations, including the costs to construct necessary processing and transport facilities;
- estimated quantities or quality of our metallurgical coal reserves;
- our expectations relating to dividend payments and our ability to make such payments;
- our ability to obtain financing on favorable terms, if required, to complete the acquisition of additional coal reserves or to fund the operations and growth of our business;
- maintenance, operating or other expenses or changes in the timing thereof;
- financial condition and liquidity of our customers;
- competition in coal markets;
- the price of metallurgical coal and/or thermal coal;
- 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;
- potential legal proceedings and regulatory inquiries against us;
- impact of weather and natural disasters on demand, production and transportation;
- 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;
- timely review and approval of permits, permit renewals, extensions and amendments by regulatory authorities; and
- the other risks identified in this Quarterly Report that are not historical.

We caution you that these forward-looking statements are subject to a number of risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond our control, incident to the development, production, gathering and sale of coal. Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this Quarterly Report are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved or occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

All forward-looking statements, expressed or implied, included in this report are expressly qualified in their entirety by this cautionary statement and speak only as of the date of this Quarterly Report. 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 report.

## PART I - FINANCIAL INFORMATION

**Item 1.** ***Financial Statements***

**Ramaco Resources, Inc.**
**Unaudited Condensed Consolidated Balance Sheets**

| | September 30, 2018 | December 31, 2017 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 5,482,285 | $ 5,934,043 |
| Short-term investments | — | 5,199,861 |
| Accounts receivable | 31,288,010 | 7,165,487 |
| Inventories | 7,950,960 | 10,057,787 |
| Prepaid expenses | 3,322,037 | 1,104,437 |
| Total current assets | 48,043,292 | 29,461,615 |
| Property, plant and equipment, net | 144,470,229 | 115,450,841 |
| Advanced coal royalties | 3,039,153 | 2,867,369 |
| Other assets | 624,920 | 318,206 |
| **Total Assets** | $ 196,177,594 | $ 148,098,031 |
| | | |
| **Liabilities and Stockholders' Equity** | | |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable | $ 22,723,150 | $ 19,532,531 |
| Accrued expenses | 6,630,213 | 2,821,422 |
| Asset retirement obligations | 734,188 | 70,616 |
| Notes payable, net | 14,836,754 | — |
| Other | 603,258 | — |
| Total current liabilities | 45,527,563 | 22,424,569 |
| Deferred tax liability | 1,448,478 | — |
| Asset retirement obligations | 12,183,049 | 12,276,176 |
| Total liabilities | 59,159,090 | 34,700,745 |
| | | |
| Commitments and contingencies | — | — |
| | | |
| **Stockholders' Equity** | | |
| Preferred stock, $0.01 par value, 50,000,000 shares authorized, none issued and outstanding | — | — |
| Common stock, $0.01 par value, 260,000,000 shares authorized, 40,082,467 and 39,559,366 shares issued and outstanding, respectively | 400,825 | 395,594 |
| Additional paid-in capital | 150,228,209 | 148,293,263 |
| Accumulated deficit | (13,610,530) | (35,291,571) |
| Total stockholders' equity | 137,018,504 | 113,397,286 |
| **Total Liabilities and Stockholders' Equity** | $ 196,177,594 | $ 148,098,031 |

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

**Ramaco Resources, Inc.**
**Unaudited Condensed Consolidated Statements of Operations**

| | Three months ended September 30, 2018 | Three months ended September 30, 2017 | Nine months ended September 30, 2018 | Nine months ended September 30, 2017 |
|---|---|---|---|---|
| Revenues | $ 62,165,738 | $ 14,404,979 | $ 183,386,943 | $ 37,016,753 |
| Cost and expenses | | | | |
| Cost of sales (exclusive of items shown separately below) | 49,406,271 | 16,525,352 | 141,597,265 | 39,146,225 |
| Other operating costs and expenses | — | 111,668 | — | 225,658 |
| Asset retirement obligation accretion | 123,468 | 101,276 | 370,403 | 303,829 |
| Depreciation and amortization | 3,347,777 | 867,967 | 8,740,659 | 1,334,983 |
| Selling, general and administrative | 3,484,395 | 3,141,237 | 10,607,793 | 9,241,880 |
| Total cost and expenses | 56,361,911 | 20,747,500 | 161,316,120 | 50,252,575 |
| Operating income (loss) | 5,803,827 | (6,342,521) | 22,070,823 | (13,235,822) |
| Interest and dividend income | 23,155 | 75,130 | 26,389 | 291,901 |
| Other income | 1,036,418 | 31,869 | 2,038,426 | 150,104 |
| Interest expense | (589,199) | (21) | (1,006,118) | (22,841) |
| Income (loss) before taxes | 6,274,201 | (6,235,543) | 23,129,520 | (12,816,658) |
| Income tax expense | 62,873 | — | 1,448,479 | — |
| Net income (loss) | $ 6,211,328 | $ (6,235,543) | $ 21,681,041 | $ (12,816,658) |
| Basic and diluted earnings (loss) per share | | | | |
| Basic | $ 0.15 | $ (0.16) | $ 0.54 | $ (0.35) |
| Diluted | $ 0.15 | $ (0.16) | $ 0.54 | $ (0.35) |
| Weighted average common shares outstanding | | | | |
| Basic | 40,082,467 | 39,509,311 | 40,024,069 | 36,912,362 |
| Diluted | 40,329,309 | 39,509,311 | 40,271,159 | 36,912,362 |

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

**Ramaco Resources, Inc.**
**Unaudited Condensed Consolidated Statements of Cash Flows**

| | Nine months ended September 30, 2018 | Nine months ended September 30, 2017 |
|---|---|---|
| Cash flows from operating activities | | |
| Net income (loss) | $ 21,681,041 | $ (12,816,658) |
| Adjustments to reconcile net income (loss) to net cash from operating activities | | |
| Accretion of asset retirement obligations | 370,403 | 303,829 |
| Depreciation and amortization | 8,740,659 | 1,334,983 |
| Amortization of debt issuance costs | 406,044 | — |
| Equity-based compensation | 1,940,177 | 2,465,340 |
| Deferred income tax expense | 1,448,479 | — |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (24,122,523) | (1,701,986) |
| Prepaid expenses | (941,529) | (1,084,917) |
| Inventories | 2,106,827 | (2,433,262) |
| Advanced coal royalties | (171,784) | (934,482) |
| Other assets and liabilities | (306,714) | (364,160) |
| Accounts payable | 5,235,807 | 2,327,052 |
| Accrued expenses | 4,086,599 | 382,831 |
| Net cash from operating activities | 20,473,486 | (12,521,430) |
| | | |
| Cash flow from investing activities | | |
| Purchases of property, plant and equipment | (39,883,002) | (53,280,926) |
| Purchase of investment securities | — | (14,913,824) |
| Proceeds from maturities of investment securities | 5,199,861 | 55,490,696 |
| Net cash from investing activities | (34,683,141) | (12,704,054) |
| | | |
| Cash flows from financing activities | | |
| Proceeds from issuance of common stock | — | 47,709,000 |
| Payments of equity offering costs | — | (1,755,687) |
| Repayments to Ramaco Coal, LLC | — | (10,629,275) |
| Repayments of financed insurance payable | (672,813) | (127,048) |
| Proceeds from notes payable | 13,000,000 | — |
| Proceeds from notes payable to related party | 3,000,000 | — |
| Payment of debt issuance costs | (569,290) | — |
| Repayment of note payable | (1,000,000) | (500,000) |
| Payment of distributions | — | (5,405,064) |
| Net cash from financing activities | 13,757,897 | 29,291,926 |
| | | |
| Net change in cash and cash equivalents | (451,758) | 4,066,442 |
| Cash and cash equivalents, beginning of period | 5,934,043 | 5,196,914 |
| | | |
| Cash and cash equivalents, end of period | $ 5,482,285 | $ 9,263,356 |

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

**Ramaco Resources, Inc.**
**Unaudited Condensed Consolidated Statements of Cash Flows (continued)**

| | Nine months ended September 30, 2018 | 2017 |
|---|---|---|
| Supplemental cash flow information | | |
| Cash paid for interest | $ 801,023 | $ 81,324 |
| Cash paid for taxes | — | — |
| Non-cash investing and financing activities | | |
| Capital expenditures included in accounts payable and accrued expenses | 893,570 | 3,201,790 |
| Financed insurance | 1,276,071 | — |
| Additional asset retirement obligations acquired or incurred | 200,042 | 478,921 |
| Accretion – Series A preferred units | — | 123,825 |

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

**Ramaco Resources, Inc.**
**Notes to Unaudited Condensed Consolidated Financial Statements**

## NOTE 1—DESCRIPTION OF BUSINESS

Ramaco Resources, Inc. is a Delaware corporation formed in October 2016. Our principal corporate offices are located in Lexington, Kentucky. Through our wholly-owned subsidiary, Ramaco Development, LLC, we are an operator and developer of high-quality, low-cost metallurgical coal in southern West Virginia, southwestern Virginia, and southwestern Pennsylvania.

Pursuant to the terms of a corporate reorganization ("Reorganization") that was completed in connection with the closing of our initial public offering ("IPO") on February 8, 2017, all the interests in Ramaco Development, LLC were exchanged for our newly issued common shares and as a result, Ramaco Development, LLC became our wholly-owned subsidiary. The terms "the Company," "we," "us," "our," and similar terms when used in the present tense, prospectively or for periods since our Reorganization, refer to Ramaco Resources, Inc. and its subsidiaries, and for historical periods prior to our Reorganization refer to Ramaco Development LLC and its subsidiaries. Intercompany balances and transactions between consolidated entities are eliminated.

## NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Presentation*—These interim financial statements are unaudited and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain disclosures have been condensed or omitted from these financial statements. Accordingly, they do not include all the information and notes required by accounting principles generally accepted in the United States of America ("GAAP") for complete consolidated financial statements, and should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2017.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, necessary to fairly present the financial position as of, and the results of operations for, all periods presented. In preparing the accompanying financial statements, management has made certain estimates and assumptions that affect reported amounts in the condensed consolidated financial statements and disclosures of contingencies. Actual results may differ from those estimates. The results for interim periods are not necessarily indicative of annual results. Certain reclassifications have been made to the prior period's consolidated financial statements and related footnotes to conform them to the current period presentation.

*Revenue Recognition*—Our primary source of revenue is from the sale of coal through contracts with steel and coke producers usually having durations of one year or less. In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. This new standard supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. We adopted ASU 2014-09, *Revenue from Contracts with Customers,* on January 1, 2018 using the modified retrospective method. Before adoption of the new standard, revenue was recognized when risk of loss passed to our customer. The timing of revenue recognition for our coal sales remained consistent between the new and previous standards. There was no material impact on our consolidated financial statements from adopting the new standard but we have expanded disclosure about our revenues.

For periods subsequent to January 1, 2018, revenue is recognized when performance obligations under the terms of a contract with our customers are satisfied. This occurs when control of the coal is transferred to our customers. For coal shipments to domestic customers via rail or truck, control is generally transferred when the railcar or truck is loaded. Control is transferred for export coal shipments to customers via ocean vessel when the vessel is loaded at the port.

Our coal sales generally include up to 90-day payment terms following the transfer of control of the goods to our customer. In the case of some of our foreign customers, our contracts also require that letters of credit are posted to secure payment of any outstanding receivable to the Company. We do not include extended payment terms in our contracts. Our contracts with customers typically provide for minimum specifications or qualities of the coal we deliver. Variances from these specifications or qualities are settled by means of price adjustments. Generally, these price adjustments are settled within 30 days of delivery and are small.

*Earnings per Share*—Basic earnings per share is calculated using our weighted-average outstanding common shares. Diluted earnings per share is calculated using our weighted-average outstanding common shares including the dilutive effect of stock option awards as determined under the treasury stock method. In periods when we have a net loss, stock option awards are excluded from our calculation of earnings per share as their inclusion would have an antidilutive effect.

*Financial Instruments*—Our financial assets and liabilities consist of cash, accounts receivable, investments, accounts payable and notes payable. The fair values of these instruments approximate their carrying amounts at each reporting date.

We invested excess cash amounts before its planned expenditure for capital projects in highly-rated securities with the primary objective of achieving competitive low risk interest rate return, while minimizing the potential risk of principal loss. Fair values were determined for each individual security based on observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the securities. The difference between the carrying amount and fair value of these securities was not material.

Nonrecurring fair value measurements include asset retirement obligations, the estimated fair value of which is calculated as the present value of estimated cash flows related to its reclamation liabilities using Level 3 inputs. The significant inputs used to calculate such liabilities include estimates of costs to be incurred, the Company's credit adjusted discount rate, inflation rates and estimated date of reclamation.

*Concentrations*—During the three months ended September 30, 2018, sales to five customers accounted for approximately 66% of total revenue. During the nine months ended September 30, 2018, sales to six customers accounted for approximately 71% of total revenue. The total balance due from these six customers at September 30, 2018 was approximately 89% of total accounts receivable. During the three months ended September 30, 2017, sales to four customers accounted for approximately 73% of total revenue. During the nine months ended September 30, 2017, sales to four customers accounted for approximately 75% of total revenue.

*Recent Accounting Pronouncements*—In February 2016, the FASB issued ASU 2016-02, *Leases*, which aims to make leasing activities more transparent and comparable and requires substantially all leases be recognized by lessees on their balance sheet as a right-of-use asset and corresponding lease liability, including leases currently accounted for as operating leases. This ASU is effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. We plan to adopt ASU 2016-02 beginning January 1, 2019. We expect the adoption of this standard to result in the recognition of right-of-use assets and lease liabilities for operating leases not currently recorded in the Company's financial statements. The Company is currently evaluating all contractual lease arrangements to determine the appropriate accounting under the new standard.

In May 2017, the FASB issued ASU 2017-09, *Modification Accounting for Share-Based Payment Arrangements*. The standard amends the scope of modification accounting for share-based payment arrangements and provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting. The new standard is effective for fiscal years beginning after December 15, 2017. There was no impact on the financial statements of adopting this new standard on January 1, 2018.

**NOTE 3—PROPERTY, PLANT AND EQUIPMENT**

The Company's property, plant and equipment consist of the following:

| | September 30, 2018 | December 31, 2017 |
|---|---|---|
| Plant and equipment at cost | $ 104,389,458 | $ 80,454,977 |
| Construction in process | 15,150,635 | 7,625,855 |
| Capitalized mine development cost | 37,068,316 | 30,775,765 |
| Less: Accumulated depreciation and amortization | (12,138,180) | (3,405,756) |
| Total property, plant and equipment, net | $ 144,470,229 | $ 115,450,841 |

During the three months ended September 30, 2018, depreciation expense related to our plant and equipment totaled $2.6 million and amortization of our capitalized development costs totaled $0.8 million. During the three months ended September 30, 2017, depreciation expense related to our plant and equipment totaled $0.8 million and amortization of our capitalized development costs totaled $0.1 million.

During the nine months ended September 30, 2018, depreciation expense related to our plant and equipment totaled $6.9 million and amortization of our capitalized development costs totaled $1.8 million. During the nine months ended September 30, 2017, depreciation expense related to our plant and equipment totaled $1.1 million and amortization of our capitalized development costs totaled $0.2 million.

Capitalized amounts related to coal reserves at properties where we are not currently engaged in mining operations totaled $5.5 million as of September 30, 2018 and $8.7 million as of December 31, 2017.

**NOTE 4—DEBT**

In February 2018, we borrowed $6.0 million under a short-term note from an unrelated third-party lender in order to manage accounts receivable. The note is secured by a portion of our mobile mining equipment (the “Equipment Note”). Interest accrues monthly at 8.5% or 30-day LIBOR plus 6.9%, whichever is greater. The outstanding principal balance is due on December 31, 2018 but may be prepaid without penalty at any time. Issuance costs incurred with the Equipment Note totaled $0.3 million and are deferred and amortized over the initial term of the debt using the interest method. Debt issuance costs are presented in the condensed consolidated balance sheet as a direct deduction from the carrying amount of the liability. During the nine months ended September 30, 2018, we repaid $1 million under this note. As of September 30, 2018, the outstanding principal balance and carrying balance was $5.0 million.

In May 2018, we borrowed $3.0 million from Ramaco Coal, LLC, a related party, also to manage accounts receivable. Interest accrues monthly at 10.0%. The outstanding principal balance is due on December 15, 2018 but may be prepaid without penalty at any time. As of September 30, 2018, the outstanding principal balance and carrying amount was $3.0 million.

In June 2018, we borrowed an additional $7.0 million under a short-term note from the same unrelated equipment lender in order to manage accounts receivable (the “Additional Equipment Note”). The Additional Equipment Note is also secured by the same mobile mining equipment as the Equipment Note. Interest accrues monthly at 8.5% or 30-day LIBOR plus 6.9%, whichever is greater. The outstanding principal balance is due on December 31, 2018 but may be prepaid without penalty at any time. Issuance costs incurred with the Additional Equipment Note totaled $0.2 million and are deferred and amortized over the term of the debt using the interest method. As of September 30, 2018, the outstanding principal balance was $7.0 million and carrying amount was $6.9 million, net of unamortized debt issuance costs.

**NOTE 5—EQUITY**

As of September 30, 2018, we had 40,082,467 shares of common stock outstanding.

**Stock-Based Compensation**

We have a stock-based compensation plan under which stock options, restricted stock, performance shares and other stock-based awards may be granted. At September 30, 2018, 5.9 million shares were available under the current plan for future awards.

Total compensation costs recognized for all stock-based compensation was $0.7 million and $0.3 million for the three months ended September 30, 2018 and 2017, respectively. Total compensation costs recognized for all stock-based compensation was $1.9 million and $2.4 million for the nine months ended September 30, 2018 and 2017, respectively.

*Share Options* – A total of 937,424 options for the purchase of shares of the Company’s common stock were granted to two executives on August 31, 2016 at a purchase price of $5.34 per share. Stock-based compensation expense totaling $2.1 million was recognized during the nine months ended September 30, 2017 for the accelerated vesting of these options in our IPO. The options have a ten-year term from the grant date. The options remain outstanding and unexercised at September 30, 2018 and are in-the-money.

*Restricted Shares*—We grant restricted stock to certain senior executives, key employees and directors. The shares vest over one to three years from the date of grant. During the vesting period, the participants have voting rights and may receive dividends, but the shares may not be sold, assigned, transferred, pledged or otherwise encumbered. Additionally, granted but unvested shares are forfeited upon termination of employment, unless an employee enters into another written arrangement with the Company. The fair value of the restricted shares on the date of the grant is amortized ratably over the service period. Compensation expense related to these awards totaled $0.7 million and $1.9 million for the three and nine months ended September 30, 2018, respectively. The Company recognized $0.3 million of compensation expense for restricted share awards for the three and nine months ended September 30, 2017. As of September 30, 2018, there was $4.5 million of total unrecognized compensation cost related to unvested restricted stock to be recognized over a weighted-average period of 1.7 years.

The following table summarizes restricted awards outstanding as of September 30, 2018, as well as activity during the period:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Outstanding at December 31, 2017 | 471,017 | $ 5.87 |
| Granted | 528,683 | 8.03 |
| Vested | — | — |
| Forfeited | (5,582) | 6.27 |
| Outstanding at September 30, 2018 | 994,118 | $ 7.02 |

## NOTE 6—COMMITMENTS AND CONTINGENCIES

**Surety Bond**

As of September 30, 2018, our asset retirement obligations totaled $12.9 million and had total corresponding reclamation bonding requirements of $12.6 million, which were supported by surety bonds.

**Purchase Commitments**

We secure the ability to transport coal through rail contracts and export terminals that are sometimes funded through take-or-pay arrangements. As of September 30, 2018, commitments under take-or-pay arrangements totaled $1.5 million through March 31, 2019.

**Litigation**

From time to time, the Company is subject to various litigation and other claims in the normal course of business. No amounts have been accrued in the consolidated financial statements with respect to any matters.

## NOTE 7—REVENUES

Our revenues are derived from contracts for the sale of coal which is recognized at the point in time control is transferred to our customer. Generally, domestic sales contracts have terms of about one year and the pricing is typically fixed. Export sales have spot or term contracts and pricing can either be by fixed-price or a price derived against index-based pricing mechanisms. Disaggregated information about our revenues is presented below:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| Coal Sales | | | | |
| Domestic revenues | $ 35,735,697 | $ 7,385,983 | $ 95,810,176 | $ 15,162,938 |
| Export revenues | 26,430,041 | 7,018,996 | 87,576,767 | 19,616,141 |
| Total coal sales | 62,165,738 | 14,404,979 | 183,386,943 | 34,779,079 |
| Coal Processing | - | - | - | 2,237,674 |
| Total revenues | $ 62,165,738 | $ 14,404,979 | $ 183,386,943 | $ 37,016,753 |

As of September 30, 2018, the Company has outstanding performance obligations for the remainder of 2018 of approximately 0.3 million tons for contracts having fixed pricing and 0.1 million tons for contracts to export customers with index-based pricing mechanisms. Additionally, the Company has outstanding performance obligations beyond 2018 of approximately 1.2 million tons for contracts having fixed pricing, subject to final documentation, and 0.3 million tons for export contracts with index-based pricing mechanisms.

## NOTE 8—INCOME TAXES

Income tax provisions for interim quarterly periods are based on an estimated annual effective income tax rate calculated separately from the effect of significant, infrequent or unusual items related specifically to interim periods. Income tax expense for the three months ended September 30, 2018 was $0.1 million, an effective tax rate of 1.0%. Income tax expense for the nine months ended September 30, 2018 was $1.4 million, an effective tax rate of 6.3%. The Company did not recognize any income tax expense or benefit for the three or nine months ended September 30, 2017 because tax losses incurred for the year were fully offset by a valuation allowance against deferred tax assets.

There were no uncertain tax positions as of September 30, 2018.

## NOTE 9—EARNINGS PER SHARE

The following is the computation of basic and diluted EPS for the three and nine months ended September 30, 2018 and 2017. EPS is reported under the treasury stock method.

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| **Numerator** | | | | |
| Net income (loss) | $ 6,211,328 | $ (6,235,543) | $ 21,681,041 | $ (12,816,658) |
| **Denominator** | | | | |
| Weighted average shares used to compute basic EPS | 40,082,467 | 39,509,311 | 40,024,069 | 36,912,362 |
| Dilutive effect of share-based awards[a] | 246,842 | - | 247,090 | - |
| Weighted average shares used to compute diluted EPS | 40,329,309 | 39,509,311 | 40,271,159 | 36,912,362 |
| **Earnings per share** | | | | |
| Basic | $ 0.15 | $ (0.16) | $ 0.54 | $ (0.35) |
| Diluted | $ 0.15 | $ (0.16) | $ 0.54 | $ (0.35) |

(a) The 2017 periods exclude the shares issuable under outstanding option awards as their effect would have been antidilutive.

**NOTE 10—RELATED PARTY TRANSACTIONS**

**Mineral Lease and Surface Rights Agreements**

Much of the coal reserves and surface rights that we control were acquired through a series of mineral leases and surface rights agreements with Ramaco Coal, LLC, a related party. Payments of minimum royalties and throughput payments commenced in 2017 pursuant to the terms of the agreements. Under these agreements, minimum royalties are paid in arrears each month to the extent that the earned production royalties for such month are less than the required minimums. Amounts due to Ramaco Coal, LLC of $3.0 million and $0.1 million at September 30, 2018 and December 31, 2017, respectively, are included in *Accounts Payable* in the condensed consolidated balance sheet and represent production royalty payables.

**Related Party Borrowings**

In May 2018, we borrowed $3.0 million from Ramaco Coal, LLC, a related party. Interest accrues monthly at 10.0%. The outstanding principal balance is due on December 15, 2018 but may be prepaid without penalty at any time. As of September 30, 2018, the outstanding principal balance and carrying amount was $3.0 million.

**On-going Administrative Services**

Under a Mutual Services Agreement dated December 22, 2017 but effective as of March 31, 2017, the Company and Ramaco Coal, LLC agreed to share the services of certain of each company's employees. Each party will pay the other a fee on a quarterly basis for such services calculated as the annual base salary of each employee providing services multiplied by the percentage of time each employee spent providing services for the other party. The services will be provided for 12-month terms, but may be terminated by either party at the end of any 12-month term by providing written notice at least 30 days prior to the end of the then-current term. No payments were made under this agreement in the nine months ended September 30, 2018 and 2017.

**NOTE 11—SUBSEQUENT EVENTS**

*New Credit Facility*

On November 2, 2018 the Company (together with its subsidiaries, and collectively the "Borrower") entered into a Credit and Security Agreement (the "Credit Facility") with KeyBank National Association ("KeyBank"). The Credit Facility consists of a $10.0 million term loan (the "Term Loan") and up to $30.0 million revolving line of credit, including $1.0 letter of credit availability (the "Revolving Credit Facility"). To secure the Credit Facility the Company pledged all personal property assets of Borrower, including, but not limited to accounts receivable, coal inventory, and certain surface mining equipment. Real property and improvements are excluded from the collateral package and are not encumbered in connection with the Credit Facility. The Company intends to use the Credit Facility to refinance the existing Equipment Note, Additional Equipment Note and the note due to Ramaco Coal, LLC, and provide working capital.

The Revolving Credit Facility interest rate is based on Libor + 2.35% or Base Rate + 1.75 %. The Term Loan credit interest rate is based on Libor + 4.75% or Base Rate + 3.75%. Base Rate is the highest of (i) KeyBank's prime rate, (ii) Federal Funds Effective Rate + 0.5%, or (iii) Libor + 1%. Both loans are initially base rate loans, but may be converted to Libor rate loans at certain times at the Company's discretion.

The Credit Facility has a maturity date of November 2, 2021.

*Partial Structural Failure of Storage Silo*

At approximately 1:00 p.m. on November 5, 2018, one of the Company's three raw coal storage silos that feed its Elk Creek plant in West Virginia experienced a partial structural failure, which included the failure of various components internal to the silo. The damaged storage silo holds approximately two thousand raw tons of coal. The other two contiguous silos together hold approximately an additional one thousand five hundred raw tons of coal.

The Company is in the process of evaluating the structural integrity of the damaged silo, and similar evaluations will be conducted on the other two silos at Elk Creek. All three silos were previously existing on the Elk Creek property when it was acquired by Ramaco in 2012, and were subsequently linked into the newly constructed preparation plant and loadout facility, which was completed in late 2017.

There were no personnel related accidents as a result of the structural failure at the silo. Upon confirmation of the failure, Ramaco personnel idled the Elk Creek preparation plant, and placed a safety zone around the areas that could potentially be impacted from a more severe failure. As of the date of this report, the Company does not have an estimated time frame for the resumption of processing or shipping coal from the Elk Creek infrastructure and is unable to predict the overall impact that the incident will have on the Company's business and future results of operations.

* * * * *

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report, as well as the financial statements and related notes appearing elsewhere in this Quarterly Report. The following discussion contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. We caution you that our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences are discussed elsewhere in this Quarterly Report, particularly in the "Cautionary Note Regarding Forward-Looking Statements" and in our Annual Report under the heading "Item 1A. Risk Factors," all of which are difficult to predict. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. We do not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law.*

**Overview**

Our revenue producing activities consist principally of the sale of coal we produce and coal we purchase from third parties for our own account. We began commercial production of coal in January 2017. Starting as new mine projects, we developed and opened four mines through the first nine months of 2018 at our Elk Creek mining complex. This includes our surface mine, which utilizes both the contour and highwall mining methods. We completed construction of the preparation plant and rail loadout facility at Elk Creek in February of 2018. We also began development mining in late 2017 at our Berwind property.

Results for our third quarter of 2018 reflect continued steady sales volumes. During the third quarter of 2018, we sold 0.6 million tons of metallurgical coal, including 0.1 million tons of purchased low volatile metallurgical coal. Of this, 57% was sold in domestic markets and 43% was sold in export markets, principally to Europe. Our third quarter revenues decreased $3.1 million or 5% from the second quarter of 2018. Revenues per ton sold (FOB mine) for our produced coal declined slightly to approximately $90 per ton in the third quarter as compared to $91 per ton in the second quarter of 2018.

Global steel production remains strong with continued growth in metallurgical demand from Europe and Asia. Our price realizations were lower in the third quarter of 2018 as compared with the second quarter of 2018. Sequentially, cash costs of approximately $65 per ton for our produced coal increased from approximately $56 per ton in the second quarter of 2018. This increase in cost per ton reflects less favorable geologic conditions at the No. 2 Gas mine and the Eagle mine during the third quarter of 2018. At the No. 2 Gas mine we encountered and have mined through an area containing approximately two feet of sandstone parting within the coal seam during the quarter, which decreased productivity and increased cost. This area was largely mined through by the end of September 2018, with production returning to expected levels. Our Eagle mine encountered an area of lower recovery due to in-seam rock. This resulted in higher transportation and processing costs as well as lower production rates. Mining concluded in this area and the section was moved during the month of September. The Company also had fewer operating days in third quarter than in the second quarter due to scheduled vacation periods during the third quarter.

In March 2018, President Trump signed a proclamation imposing a 25% global tariff on imports of certain steel products, effective March 31, 2018. Generally, we are experiencing signs of some increase in domestic demand for metallurgical coal as a result of the proclamations. Our export customers also include foreign steel producers who may be negatively affected by the tariffs to the extent their production is imported into the U.S. Some countries have also threatened retaliatory tariffs on U.S. products including metallurgical coal. At this time, it is too early to know the impact these tariffs will have on longer-term demand or pricing, if any.

Our capital expenditures totaled approximately $39.9 million during the first nine months of 2018. We expect to end the year with total 2018 capital expenditures beyond the higher end of our previous guidance of $40 million, due in part to repair and related infrastructure expense at our Elk Creek complex due to the partial structural failure of one of our storage silos. As of the date of this report, the Company is still evaluating the full impact of this event.

The Company is in the process of evaluating the structural integrity of the damaged silo, and similar evaluations will be conducted on the other two silos at Elk Creek. All three silos were previously existing on the Elk Creek property when it was acquired by Ramaco in 2012, and were subsequently linked into the newly constructed preparation plant and loadout facility, which was completed in late 2017. The damaged storage silo holds approximately two thousand raw tons of coal. The other two contiguous silos together hold approximately an additional one thousand five hundred raw tons of coal. We currently have over 350,000 tons of additional raw coal storage stockpiles at Elk Creek and are in the process of expanding storage areas.

The significance of the Elk Creek silo failure is that the silo system served as the conduit for delivery of coal to the preparation plant through various conveying belts and equipment. Given damage to the silo system, the Company will now plan to build an alternative conveying system off of existing infrastructure to the preparation plant. The Company, at this time, does not have an exact estimate of the time that this construction will take.

There were no personnel related accidents as a result of the structural failure at the silo. Upon confirmation of the failure, Ramaco personnel idled the Elk Creek preparation plant, and placed a safety zone around the areas that could potentially be impacted from a more severe failure. As of the date of this report, the Company does not have an estimated time frame for the resumption of processing or shipping coal from the Elk Creek infrastructure and is unable to predict the overall impact that the incident will have on the Company's business and future results of operations.

As of November 7, 2018, the Company has notified all of its Elk Creek coal customers of its declaration of force majeure to the remaining 2018 coal contract obligations due to the aforementioned partial structural failure of one of the silos at our Elk Creek complex. It is not anticipated at this time that any 2019 coal sales will be affected or a declaration of force majeure will be needed with respect to 2019 commitments.

A review of our insurance policies has provided us with comfort that we have sufficient coverages to address potential gaps in our coal sales, as well as to cover costs necessary to restore our processing capability. We have provided notice to our insurer of the damaged silo and we believe that we have sufficient business interruption and replacement coverages.

**Results of Operations**

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| **Consolidated statement of operations data** | | | | |
| Revenues | $ 62,165,738 | $ 14,404,979 | $ 183,386,943 | $ 37,016,753 |
| Cost and expenses | | | | |
| Cost of sales (exclusive of items shown separately below) | 49,406,271 | 16,525,352 | 141,597,265 | 39,146,225 |
| Other operating costs and expenses | — | 111,668 | — | 225,658 |
| Asset retirement obligation accretion | 123,468 | 101,276 | 370,403 | 303,829 |
| Depreciation and amortization | 3,347,777 | 867,967 | 8,740,659 | 1,334,983 |
| Selling, general and administrative | 3,484,395 | 3,141,237 | 10,607,793 | 9,241,880 |
| Total cost and expenses | 56,361,911 | 20,747,500 | 161,316,120 | 50,252,575 |
| Operating income (loss) | 5,803,827 | (6,342,521) | 22,070,823 | (13,235,822) |
| Interest and dividend income | 23,155 | 75,130 | 26,389 | 291,901 |
| Other income | 1,036,418 | 31,869 | 2,038,426 | 150,104 |
| Interest expense | (589,199) | (21) | (1,006,118) | (22,841) |
| Income (loss) before taxes | 6,274,201 | (6,235,543) | 23,129,520 | (12,816,658) |
| Income tax expense | 62,873 | — | 1,448,479 | — |
| Net income (loss) | $ 6,211,328 | $ (6,235,543) | $ 21,681,041 | $ (12,816,658) |
| Adjusted EBITDA | $ 11,006,176 | $ (5,021,402) | $ 35,160,488 | $ (8,981,566) |

***Three Months Ended September 30, 2018 Compared to Three Months Ended September 30, 2017***

*Revenues*. Our revenues include sales to customers of Company produced coal and coal purchased from third parties. We include amounts billed by us for transportation to our customers within revenues and transportation costs incurred within cost of sales. Coal sales information is summarized as follows:

| | Three months ended September 30, | | |
|---|---|---|---|
| | 2018 | 2017 | Increase |
| Company Produced | | | |
| Coal sales revenue | $ 51,963,193 | $ 8,007,743 | $ 43,955,450 |
| Tons sold | 509,918 | 100,992 | 408,926 |
| Purchased from Third Parties | | | |
| Coal sales revenue | $ 10,202,545 | $ 6,397,236 | $ 3,805,309 |
| Tons sold | 89,935 | 55,767 | 34,168 |

Coal sales in the third quarter of 2018 were approximately $47.8 million higher than in the third quarter of 2017 due to substantially higher volumes sold and higher realized prices.

*Cost of sales*. Our cost of sales totaled $49.4 million for the three months ended September 30, 2018 as compared with $16.5 million for the same period in 2017.

The total cash cost per ton sold (FOB mine) for the third quarter of 2018 was approximately $65 for our produced coal and approximately $97 for coal we purchased from third parties. The $65 cash costs per ton in the third quarter of 2018 were down from approximately $85 in the third quarter of 2017. The difference was primarily due to the higher cost of processing our coal at third party facilities in 2017, before completion of our own prep plant facilities.

*Other operating costs and expenses.* This includes costs and expenses which are not directly related to a specific mining operation. It typically includes general land management costs and some permit and license fees. The Company did not incur any of these costs in the three months ended September 30, 2018.

*Asset retirement obligation accretion.* Asset retirement obligation accretion was $0.1 million in both of the three-month periods ended September 30, 2018 and 2017.

*Depreciation and amortization.* Our depreciation and amortization costs for the third quarter of 2018 were $3.3 million as compared with $0.9 million for the third quarter of 2017. Increased depreciation and amortization costs result from our significantly expanded operations over the past year.

*Selling, general and administrative.* Selling, general and administrative expenses were $3.5 million for the quarter ended September 30, 2018 as compared with $3.1 million for the same period in 2017. This increase reflected the growth of our organization as we began producing and selling coal.

*Interest and dividend income.* Interest and dividend income decreased by approximately $0.1 million in the three months ended September 30, 2018 as compared with the prior year period.

*Other income.* Other income increased by $1.0 million for the three months ended September 30, 2018 as compared with the same period in 2017. This increase was primarily driven by an increase in third-party royalty income and rail rebates received during the third quarter of 2018.

*Interest expense.* Interest expense increased by $0.6 million in the three months ended September 30, 2018 as compared with the prior year period. This was driven by the increase in the Company's outstanding debt during the current year.

*Income tax expense.* For the three months ended September 30, 2018, we recognized income tax expense of $0.1 million, or an effective income tax rate of 1.0%. Our estimated full year effective tax rate for 2018 is comprised of the expected statutory tax expense offset by changes in valuation allowance and tax benefits for percentage depletion. Cash taxes paid for 2018 are expected to be less than $0.4 million. Significant depletion and depreciation expense and utilization of net operating loss carryforwards combine to substantially reduce our expected cash taxes.

We did not recognize any income tax expense or benefit for the three months ended September 30, 2017 because tax losses incurred for the year were fully offset by a valuation allowance against deferred tax assets.

***Nine Months Ended September 30, 2018 Compared to Nine Months Ended September 30, 2017***

*Revenues.* Our revenues include sales to customers of Company produced coal and coal purchased from third parties. We include amounts billed by us for transportation to our customers within revenues and transportation costs incurred within cost of sales. Coal sales information is summarized as follows:

| | Nine months ended September 30, | | |
|---|---|---|---|
| | **2018** | **2017** | **Increase** |
| Company Produced | | | |
| Coal sales revenue | $ 145,736,255 | $ 16,183,334 | $ 129,552,921 |
| Tons sold | 1,405,839 | 210,151 | 1,195,688 |
| Purchased from Third Parties | | | |
| Coal sales revenue | $ 37,650,688 | $ 18,595,745 | $ 19,054,943 |
| Tons sold | 331,296 | 130,685 | 200,611 |

Coal sales in the nine months ended September 30, 2018 were approximately $148.6 million higher than in the nine months ended September 30, 2017 due to substantially higher volumes sold and higher realized prices on company produced coal. In the nine months ended September 30, 2017, we also recognized $2.2 million of revenue for the processing of coal for third parties. We ceased processing third-party coal in April 2017 and have no current plans to begin those operations again.

*Cost of sales.* Our cost of sales totaled $141.6 million for the nine months ended September 30, 2018 as compared with $39.1 million for the same period in 2017. Cost of sales for the nine months ended September 30, 2017 includes $1.7 million of costs associated with the processing of coal for third parties.

The total cash cost per ton sold (FOB mine) for the nine months ended September 30, 2018 was approximately $62 for our produced coal and approximately $95 for coal we purchased from third parties. Cash costs per ton for our produced coal during the nine months ended September 30, 2018 was down from approximately $80 during the nine months ended September 30, 2017. Our cost of sales in the nine months ended September 30, 2017 reflect the costs incurred at our first two operating mines, the Alma Mine and the Eagle Mine, which began commercial mining activities in that period. We also encountered third-party processing costs and increased trucking costs while awaiting the completion of our own processing facilities during the 2017 period.

*Other operating costs and expenses.* This includes costs and expenses which are not directly related to a specific mining operation. It typically includes general land management costs and some permit and license fees. The Company did not incur any of these costs during the nine months ended September 30, 2018.

*Asset retirement obligation accretion.* Asset retirement obligation accretion was approximately $0.4 million during the nine months ended September 30, 2018, compared to $0.3 million in the nine months ended September 30, 2017.

*Depreciation and amortization.* Our depreciation and amortization costs for the nine months ended September 30, 2018 were $8.7 million as compared with $1.3 million for the nine months ended September 30. 2017. Increased depreciation and amortization costs resulted from our significantly expanded operations over the past year.

*Selling, general and administrative.* Selling, general and administrative expenses were $10.6 million during the nine months ended September 30, 2018 as compared with $9.2 million for the same period in 2017. The total for the nine months ended September 30, 2017 includes $2.1 million of equity-based compensation expense for the accelerated vesting of stock options which became fully vested upon our initial public offering. Equity-based compensation expense for the nine months ended September 30, 2018 totaled $1.9 million. The increase exclusive of the change in equity-based compensation expense reflected the growth of our organization as we began producing and selling coal.

*Interest and dividend income.* Interest and dividend income decreased by $0.3 million in the nine months ended September 30, 2018 as compared with the prior year period. This decrease was primarily due to interest earned on investment securities held by the Company during the 2017 period, which did not recur during the 2018 period.

*Other income.* Other income was $2.0 million for the nine months ended September 30, 2018 as compared with $0.2 million for the same period in 2017. This increase was primarily driven by an increase in third-party royalty income and rail rebates during the nine months ended September 30, 2018.

*Interest expense.* Interest expense increased by $1.0 million during the nine months ended September 30, 2018 as compared with the prior year period. This increase was driven by the increase in the Company's outstanding debt during the current period.

*Income tax expense.* For the nine months ended September 30, 2018, we recognized income tax expense of $1.4 million, or an effective income tax rate of 6.3%. Our estimated full year effective tax rate for 2018 is comprised of the expected statutory tax expense offset by changes in valuation allowance and tax benefits for percentage depletion. Cash taxes paid for 2018 are expected to be less than $0.4 million. Significant depletion and depreciation expense and utilization of net operating loss carryforwards combine to substantially reduce our expected cash taxes.

We did not recognize any income tax expense or benefit for the nine months ended September 30, 2017 because tax losses incurred for the year were fully offset by a valuation allowance against deferred tax assets.

***Non-GAAP Financial Measures***

*Adjusted EBITDA*

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 (loss) plus net interest expense, equity-based compensation, depreciation and amortization expenses and any transaction related costs. A reconciliation of income (loss), net of income taxes, 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. The table below shows how we calculate Adjusted EBITDA:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| **Reconciliation of Net Income (Loss) to Adjusted EBITDA** | | | | |
| Net income (loss) | $ 6,211,328 | $ (6,235,543) | $ 21,681,041 | $ (12,816,658) |
| Depreciation and amortization | 3,347,777 | 867,967 | 8,740,659 | 1,334,983 |
| Interest expense (income), net | 566,044 | (75,109) | 979,729 | (269,060) |
| Income taxes | 62,873 | — | 1,448,479 | — |
| EBITDA | 10,188,022 | (5,442,685) | 32,849,908 | (11,750,735) |
| Equity-based compensation | 694,686 | 320,007 | 1,940,177 | 2,465,340 |
| Accretion of asset retirement obligation | 123,468 | 101,276 | 370,403 | 303,829 |
| Adjusted EBITDA | $ 11,006,176 | $ (5,021,402) | $ 35,160,488 | $ (8,981,566) |

*Non-GAAP revenue per ton*

Non-GAAP revenue per ton (FOB mine) is calculated as coal sales revenues less transportation costs, divided by tons sold. We believe revenue per ton (FOB mine) provides useful information to investors as it enables investors to compare revenue per ton generated by the Company against similar measures made by other publicly-traded coal companies and more effectively monitor changes in coal prices from period to period excluding the impact of transportation costs which are beyond our control. The adjustments made to arrive at these measures are significant in understanding and assessing the Company's financial condition. Revenue per ton sold (FOB mine) is not a measure of financial performance in accordance with U.S. GAAP and therefore should not be considered as an alternative to revenues under U.S. GAAP. The table below shows how we calculate Non-GAAP revenue per ton:

| | Three Months Ended September 30, 2018 | | | Three Months Ended September 30, 2017 | | |
|---|---|---|---|---|---|---|
| | Company Produced | Purchased Coal | Total | Company Produced | Purchased Coal | Total |
| Revenues | $ 51,963,193 | $ 10,202,545 | $ 62,165,738 | $ 8,007,743 | $ 6,397,236 | $ 14,404,979 |
| Less: Adjustments to reconcile to Non-GAAP revenues (FOB mine) | | | | | | |
| Transportation costs | 6,185,300 | 1,090,911 | 7,276,211 | 2,430,458 | 636,248 | 3,066,706 |
| Non-GAAP revenues (FOB mine) | $ 45,777,893 | $ 9,111,634 | $ 54,889,527 | $ 5,577,285 | $ 5,760,988 | $ 11,338,273 |
| Tons sold | 509,918 | 89,935 | 599,853 | 100,992 | 55,767 | 156,759 |
| Revenues per ton sold (FOB mine) | $ 89.78 | $ 101.31 | $ 91.50 | $ 55.23 | $ 103.30 | $ 72.33 |

| | Nine Months Ended September 30, 2018 | | | Nine Months Ended September 30, 2017 | | |
|---|---|---|---|---|---|---|
| | Company Produced | Purchased Coal | Total | Company Produced | Purchased Coal | Total |
| Revenues [(a)] | $ 145,736,255 | $ 37,650,688 | $ 183,386,943 | $ 16,183,334 | $ 18,595,745 | $ 34,779,079 |
| Less: Adjustments to reconcile to Non-GAAP revenues (FOB mine) | | | | | | |
| Transportation costs | 18,172,910 | 4,282,576 | 22,455,486 | 4,774,631 | 1,947,207 | 6,721,838 |
| Non-GAAP revenues (FOB mine) | $ 127,563,345 | $ 33,368,112 | $ 160,931,457 | $ 11,408,703 | $ 16,648,538 | $ 28,057,241 |
| Tons sold | 1,405,839 | 331,296 | 1,737,135 | 210,151 | 130,685 | 340,836 |
| Revenues per ton sold (FOB mine) | $ 90.74 | $ 100.72 | $ 92.64 | $ 54.29 | $ 127.39 | $ 82.32 |

(a) The nine months ended September 30, 2017 exclude coal processing revenue of $2.2 million.

*Non-GAAP cash cost per ton sold*

Non-GAAP cash cost per ton sold is calculated as cash cost of coal sales less transportation costs, divided by tons sold. We believe cash cost per ton sold provides useful information to investors as it enables investors to compare the cash cost per ton by the Company against similar measures made by other publicly-traded coal companies and more effectively monitor changes in coal cost from period to period excluding the impact of transportation costs which are beyond our control. The adjustments made to arrive at these measures are significant in understanding and assessing the Company's financial condition. Cash cost per ton sold is not a measure of financial performance in accordance with U.S. GAAP and therefore should not be considered as an alternative to cost of sales under U.S. GAAP. The table below shows how we calculate Non-GAAP cash cost per ton:

| | Three Months Ended September 30, 2018 | | | Three Months Ended September 30, 2017 | | |
|---|---|---|---|---|---|---|
| | Company Produced | Purchased Coal | Total | Company Produced | Purchased Coal | Total |
| Cost of sales | $ 39,583,647 | $ 9,822,624 | $ 49,406,271 | $ 10,965,519 | $ 5,559,833 | $ 16,525,352 |
| Less: Adjustments to reconcile to Non-GAAP cash cost of coal sales | | | | | | |
| Transportation costs | 6,226,914 | 1,116,231 | 7,343,145 | 2,430,458 | 636,248 | 3,066,706 |
| Non-GAAP cash cost of coal sales | $ 33,356,733 | $ 8,706,393 | $ 42,063,126 | $ 8,535,061 | $ 4,923,585 | $ 13,458,646 |
| Tons sold | 509,918 | 89,935 | 599,853 | 100,992 | 55,767 | 156,759 |
| Cash cost per ton sold | $ 65.42 | $ 96.81 | $ 70.12 | $ 84.51 | $ 88.29 | $ 85.86 |

| | Nine Months Ended September 30, 2018 | | | Nine Months Ended September 30, 2017 | | |
|---|---|---|---|---|---|---|
| | Company Produced | Purchased Coal | Total | Company Produced | Purchased Coal | Total |
| Cost of sales [(a)] | $ 105,804,845 | $ 35,792,420 | $ 141,597,265 | $ 21,606,662 | $ 15,844,113 | $ 37,450,775 |
| Less: Adjustments to reconcile to Non-GAAP cash cost of coal sales | | | | | | |
| Transportation costs | 18,738,116 | 4,415,770 | 23,153,886 | 4,774,631 | 1,947,207 | 6,721,838 |
| Non-GAAP cash cost of coal sales | $ 87,066,729 | $ 31,376,650 | $ 118,443,379 | $ 16,832,031 | $ 13,896,906 | $ 30,728,937 |
| Tons sold | 1,405,839 | 331,296 | 1,737,135 | 210,151 | 130,685 | 340,836 |
| Cash cost per ton sold | $ 61.93 | $ 94.71 | $ 68.18 | $ 80.09 | $ 106.34 | $ 90.16 |

(a) The nine months ended September 30, 2017 excludes cost of sales related to coal processing of $1.7 million.

**Liquidity and Capital Resources**

Our primary source of cash is proceeds from the sale of our coal production to customers. Our primary uses of cash include the cash costs of coal production, capital expenditures, royalty payments and other operating expenditures.

Cash flow information is as follows:

| | Nine months ended September 30, | |
|---|---|---|
| | 2018 | 2017 |
| **Consolidated statement of cash flow data:** | | |
| Cash flows from operating activities | $ 20,473,486 | $ (12,521,430) |
| Cash flows from investing activities | (34,683,141) | (12,704,054) |
| Cash flows from financing activities | 13,757,897 | 29,291,926 |
| Net change in cash and cash equivalents | $ (451,758) | $ 4,066,442 |

Cash flows from operating activities during the nine months ended September 30, 2018 increased from the nine months ended September 30, 2017 principally due to increases in our earnings. Significantly increased operations in the first nine months of 2018 required a greater investment in working capital.

Net cash used in investing activities was $34.7 million for the nine months ended September 30, 2018 as compared with $12.7 million for the same period of 2017. Our capital expenditures totaled $39.9 million and $53.3 million in the 2018 and 2017 periods, respectively. During the nine months ended September 30, 2017, we purchased $14.9 million of investment securities. We received proceeds of $5.2 million from maturing investment securities during the 2018 period, as compared with net proceeds from investment securities of $55.5 million in the 2017 period.

Cash flows from financing activities were $13.8 million for the nine months ended September 30, 2018, which was primarily due to net short-term borrowings of $15.5 million, partially offset by repayments on borrowings and insurance financing of $1.7 million. Cash flows from financing activities were $29.3 million for the nine months ended September 30, 2017, which was primarily due to net proceeds from our initial public offering of $46.0 million, partially offset by repayments on borrowings and insurance financing of $11.3 million and distributions to owners of $5.4 million.

*Indebtedness*

In February 2018, we borrowed $6.0 million under a short-term note from an unrelated third-party lender in order to manage accounts receivable. The note is secured by a portion of our mobile mining equipment ("the Equipment Note"). Interest accrues monthly at 8.5% or 30-day LIBOR plus 6.9%, whichever is greater. The outstanding principal balance is due on December 31, 2018 but may be prepaid without penalty at any time. During the nine months ended September 30, 2018, we repaid $1.0 million under the Equipment Note. As of September 30, 2018, the outstanding principal balance was $5.0 million. The Equipment Note was repaid on November 5, 2018 with proceeds from the Credit Facility discussed below.

In May 2018, we borrowed $3.0 million from Ramaco Coal, LLC, a related party secured by certain inventory. Interest accrues monthly at 10.0%. The outstanding principal balance is due on December 15, 2018 but may be prepaid without penalty at any time. As of September 30, 2018, the outstanding principal balance was $3.0 million. This note was repaid on November 5, 2018 with proceeds from the Credit Facility discussed below.

In June 2018, we borrowed an additional $7.0 million under a short-term note from the same unrelated equipment lender in order to manage accounts receivable (the "Additional Equipment Note"). The Additional Equipment Note is also secured by the same mobile mining equipment as the Equipment Note. Interest accrues monthly at 8.5% or 30-day LIBOR plus 6.9%, whichever is greater. The outstanding principal balance is due on December 31, 2018 but may be prepaid without penalty at any time. We anticipate securing a comprehensive asset base credit facility before the maturity of the Additional Equipment Note. As of September 30, 2018, the outstanding principal balance was $7.0 million. The Additional Equipment Note was repaid on November 5, 2018 with proceeds from the Credit Facility discussed below.

On November 2, 2018 the Company entered into a Credit and Security Agreement (the "Credit Facility") with KeyBank National Association. The Credit Facility consists of a $10.0 million term loan (the "Term Loan") and up to $30.0 million revolving line of credit, including $1.0 letter of credit availability (the "Revolving Credit Facility"). The Company intends to use the Credit Facility to refinance the existing Equipment Note, Additional Equipment Note and the note due to Ramaco Coal, LLC, and provide working capital. The Credit Facility has a maturity date of November 2, 2021. For additional information on this Credit Facility, see Note 11 of the Notes to Unaudited Condensed Consolidated Financial Statements included in Item 1 of Part I in this Quarterly Report on Form 10-Q.

*Liquidity*

As of September 30, 2018, our available cash was $5.5 million. We expect to fund our capital and liquidity requirements with cash on hand, borrowings discussed above and projected cash flow from operations. Factors that could adversely impact our future liquidity and ability to carry out our capital expenditure program include the following:

- Timely delivery of our product by rail and other transportation carriers;
- Timely payment of accounts receivable by our customers;
- Cost overruns in our purchases of equipment needed to complete our mine development plans;
- Delays in completion of development of our various mines which would reduce the coal we would have available to sell and our cash flow from operations; and
- Adverse changes in the metallurgical coal markets that would reduce the expected cash flow from operations.

*Capital Requirements*

Our primary use of cash currently includes capital expenditures for mine development and for ongoing operating expenses. During the first nine months of 2018, our capital expenditures totaled approximately $40 million.

Management believes that current cash on hand, cash flow from operations, and availability under the Revolving Credit Facility will be sufficient to meet its current capital expenditure and operating plans.

If future cash flows are insufficient to meet our liquidity needs or capital requirements, we may reduce our expected level of capital expenditures and/or fund a portion of our capital expenditures through the issuance of debt or equity securities, the entry into debt arrangements or from other sources, such as asset sales.

**Off-Balance Sheet Arrangements**

As of September 30, 2018, we had no material off-balance sheet arrangements.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

For quantitative and qualitative disclosures about market risk affecting the Company, see Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," of our Annual Report on Form 10-K for the year ended December 31, 2017. The Company's exposure to market risk has not changed materially since December 31, 2017.

**Item 4. Controls and Procedures**

**Disclosure Controls and Procedures**

As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this quarterly report. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure, and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report, at the reasonable assurance level.

**Changes in Internal Control over Financial Reporting**

We regularly review our system of internal control over financial reporting and make changes to our processes and systems to improve controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities and migrating processes.

There were no significant changes in our system of internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended September 30, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

Due to the nature of our business, we may become, from time to time, involved in routine litigation or subject to disputes or claims related to our business activities. While the outcome of these proceedings cannot be predicted with certainty, in the opinion of our management, there are no pending litigation, disputes or claims against us which, if decided adversely, individually or in the aggregate, will have a material adverse effect on our financial condition, cash flows or results of operations.

### Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors and other cautionary statements described under the heading “Item 1A. Risk Factors” included in our Annual Report and the risk factors and other cautionary statements contained in our other SEC filings, which could materially affect our businesses, financial condition or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. There have been no material changes in our risk factors from those described in our Annual Report other than described below.

***Our Elk Creek preparation plant is currently idled as a result of a structural failure. If the preparation plant remains idled for an extended period of time or does not resume operations in a timely manner, our business, results of operations, financial condition, cash flows and ability to pay dividends to our stockholders could be adversely affected.***

On November 5, 2018, one of our three raw coal storage silos that feed our Elk Creek plant in West Virginia experienced a partial structural failure, which included various components internal to the silo. Our personnel idled the preparation plant and placed a safety zone around the areas that could potentially be impacted from a more severe failure. We are in the process of evaluating the structural integrity of the damaged silo, and similar evaluations will be conducted on the other two silos at Elk Creek.

At this time, we are still evaluating how long we can produce coal at Elk Creek while not being able to utilize the preparation plant, given our existing stockpile space.  We are also evaluating how quickly we can repair the damaged silo and the cost of such repairs, the amount of potential lost revenue, of the impact of insurance policies to cover the losses, and possible regulatory actions related to the incident. As of the date of this report, we do not have an estimated time frame for the resumption of normal coal washing and loading and we are unable to predict the overall impact that the incident will have on our business and future results of operations. For example, if the preparation plant remains idled for an extended period of time or does not resume operations in a timely manner, we may be forced to curtail production from our Elk Creek mines until the preparation plant is again, which would negatively impact our business, financial condition, results of operations, cash flows and ability to pay future dividends to our stockholders.

In addition, we issued force majeure notices to certain of our customers as a result of the incident. If the silo failure is not determined to be a force majeure event under our contracts, any resulting failure on our part to deliver coal to the purchaser under contract could result in economic penalties, suspension or cancellation of shipments or ultimately termination of the applicable agreement, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay future dividends to our stockholders. If the silo failure is determined to be a force majeure event under our contracts, customers may elect to defer currently contracted tons to a later date at their contracted prices, which are at substantially lower levels than our 2019 committed tons.

Finally, we maintain insurance policies for a number of risks and hazards, including this incident; however, we are still evaluating whether we will be fully insured against all losses or liabilities that could arise from this incident. If losses or liabilities from the incident are not fully covered by insurance, this could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay future dividends to our stockholders.

### Item 4. Mine Safety Disclosures

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.1 to this Quarterly Report.

**Item 6. Exhibits**

| | |
|---|---|
| *31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| *31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| **32.1 | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| **32.2 | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| *95.1 | Mine Safety Disclosure |
| *101.INS | XBRL Instance Document |
| *101.SCH | XBRL Taxonomy Extension Schema Document |
| *101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| *101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| *101.LAB | XBRL Taxonomy Extension Labels Linkbase Document |
| *101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |

* Exhibit filed herewith.

** Furnished herewith. Pursuant to SEC Release No. 33-8212, this certification will be treated as “accompanying” this Quarterly Report on Form 10-Q and not “filed” as part of such report for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18 of the Exchange Act, and this certification will not be deemed to be incorporated by reference into any filing under the Securities Act, except to the extent that the registrant specifically incorporates it by reference.

## SIGNATURES

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

**RAMACO RESOURCES, INC.**

| | | |
|---|---|---|
| November 7, 2018 | By: | /s/ Michael D. Bauersachs<br>Michael D. Bauersachs<br>President and Chief Executive Officer and Director<br>(Principal Executive Officer) |
| November 7, 2018 | By: | /s/ Randall W. Atkins<br>Randall W. Atkins<br>Executive Chairman and Chief Financial Officer<br>(Principal Financial Officer) |

**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**
**PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)**
**OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Michael D. Bauersachs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018 of Ramaco Resources, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2018

**/s/ Michael D. Bauersachs**
**Michael D. Bauersachs**
**President and Chief Executive Officer**

**Exhibit 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**
**PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)**
**OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Randall W. Atkins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018 of Ramaco Resources, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2018

**/s/ Randall W. Atkins**
**Randall W. Atkins**
**Executive Chairman and Chief Financial Officer**

**Exhibit 32.1**

**CERTIFICATION OF**
**CHIEF EXECUTIVE OFFICER**
**UNDER SECTION 906 OF THE**
**SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350**

In connection with the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018 of Ramaco Resources, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael Bauersachs, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2018

**/s/ Michael D. Bauersachs**
**Michael D. Bauersachs**
**President and Chief Executive Officer**

**Exhibit 32.2**

**CERTIFICATION OF
CHIEF FINANCIAL OFFICER
UNDER SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002, 18 U.S.C. § 1350**

In connection with the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018 of Ramaco Resources, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Randy Atkins, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2018

**/s/ Randall W. Atkins**
**Randall W. Atkins**
**Executive Chairman and Chief Financial Officer**

**Exhibit 95.1**

***Federal Mine Safety and Health Act Information***

We work to prevent accidents and occupational illnesses. We have in place health and safety programs that include extensive employee training, safety incentives, drug and alcohol testing and safety audits. The objectives of our health and safety programs are to provide a safe work environment, provide employees with proper training and equipment and implement safety and health rules, policies and programs that foster safety excellence.

Our mining operations are subject to extensive and stringent compliance standards established pursuant to the Federal Mine Safety and Health Act of 1977 (the “Mine Act”). MSHA monitors and rigorously enforces compliance with these standards, and our mining operations are inspected frequently. Citations and orders are issued by MSHA under Section 104 of the Mine Act for violations of the Mine Act or any mandatory health or safety standard, rule, order or regulation promulgated under the Mine Act.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) requires issuers to include in periodic reports filed with the SEC certain information relating to citations or orders for violations of standards under the Mine Act. We present information below regarding certain mining safety and health violations, orders and citations, issued by MSHA and related assessments and legal actions and mine-related fatalities with respect to our coal mining operations. In evaluating this information, consideration should be given to factors such as: (i) the number of violations, orders and citations will vary depending on the size of the coal mine, (ii) the number of violations, orders and citations issued will vary from inspector to inspector and mine to mine, and (iii) violations, orders and citations can be contested and appealed, and in that process, are often reduced in severity and amount, and are sometimes dismissed.

The following tables include information required by the Dodd-Frank Act for the three months ended September 30, 2018. The mine data retrieval system maintained by MSHA may show information that is different than what is provided herein. Any such difference may be attributed to the need to update that information on MSHA’s system and/or other factors.

| *Mine or Operating Name / MSHA Identification Number* | *Section 104(a) S&S Citations(1)* | *Section 104(b) Orders(2)* | *Section 104(d) Citations and Orders(3)* | *Section 110(b)(2) Violations(4)* | *Section 107(a) Orders(5)* | *Total Dollar Value of MSHA Assessments Proposed (in thousands)(6)* |
|---|---|---|---|---|---|---|
| **Active Operations** | | | | | | |
| Eagle Seam Deep Mine 46-09495 | 5 | 0 | 1 | 0 | 0 | $3 |
| Coal Creek Prep Plant (VA) 44-05236 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elk Creek Prep Plant 46-02444 | 0 | 0 | 0 | 0 | 0 | $1 |
| Stonecoal Branch Mine No. 2 46-08663 | 2 | 0 | 0 | 0 | 0 | $2 |
| Ram Surface Mine No. 1 46-09537 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highwall Miner No. 1 46-09219 | 0 | 0 | 0 | 0 | 0 | 0 |
| Berwind Deep Mine 46-09533 | 2 | 0 | 0 | 0 | 0 | $2 |
| No. 2 Gas Deep Mine 46-09541 | 3 | 0 | 0 | 0 | 0 | $4 |

| *Mine or Operating Name / MSHA Identification Number* | *Total Number of Mining Related Fatalities* | *Received Notice of Pattern of Violations Under Section 104(e) (yes/no)*[7] | *Legal Actions Pending as of Last Day of Period* | *Legal Actions Initiated During Period* | *Legal Actions Resolved During Period* |
|---|---|---|---|---|---|
| **Active Operations** | | | | | |
| Eagle Seam Deep Mine 46-09495 | 0 | No | 0 | 1 | 1 |
| Coal Creek Prep Plant (VA) 44-05236 | 0 | No | 0 | 0 | 0 |
| Elk Creek Prep Plant 46-02444 | 0 | No | 0 | 0 | 0 |
| Stonecoal Branch Mine No. 2 46-08663 | 0 | No | 0 | 0 | 2 |
| Ram Surface Mine No. 1 46-09537 | 0 | No | 0 | 0 | 0 |
| Highwall Miner No. 1 46-09219 | 0 | No | 0 | 0 | 0 |
| Berwind Deep Mine 46-09533 | 0 | No | 0 | 0 | 0 |
| No. 2 Gas 46-09541 | 0 | No | 0 | 0 | 0 |

The number of legal actions pending before the Federal Mine Safety and Health Review Commission as of September 30, 2018 that fall into each of the following categories is as follows:

| *Mine or Operating Name / MSHA Identification Number* | *Contests of Citations and Orders* | *Contests of Proposed Penalties* | *Complaints for Compensation* | *Complaints of Discharge / Discrimination / Interference* | *Applications for Temporary Relief* | *Appeals of Judge's Ruling* |
|---|---|---|---|---|---|---|
| **Active Operations** | | | | | | |
| Eagle Seam Deep Mine 46-09495 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coal Creek Prep Plant (VA) 44-05236 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elk Creek Prep Plant 46-02444 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stonecoal Branch Mine No. 2 46-08663 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ram Surface Mine No. 1 46-09537 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highwall Miner No. 1 46-09219 | 0 | 0 | 0 | 0 | 0 | 0 |
| Berwind Deep Mine 46-09533 | 0 | 0 | 0 | 0 | 0 | 0 |
| No. 2 Gas 46-09541 | 0 | 0 | 0 | 0 | 0 | 0 |

(1) Mine Act section 104(a) S&S citations shown above are for alleged violations of mandatory health or safety standards that could significantly and substantially contribute to a coal mine health and safety hazard. It should be noted that, for purposes of this table, S&S citations that are included in another column, such as Section 104(d) citations, are not also included as Section 104(a) S&S citations in this column.

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

(3) Mine Act section 104(d) citations and orders are for an alleged unwarrantable failure (i.e., aggravated conduct constituting more than ordinary negligence) to comply with mandatory health or safety standards.

(4) Mine Act section 110(b)(2) violations are for an alleged "flagrant" failure (i.e., reckless or repeated) to make reasonable efforts to eliminate a known violation of a mandatory safety or health standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury.

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

(6) Amounts shown include assessments proposed by MSHA during the three months ended September 30, 2018 on all citations and orders, including those citations and orders that are not required to be included within the above chart.

(7) Mine Act section 104(e) written notices are for an alleged pattern of violations of mandatory health or safety standards that could significantly and substantially contribute to a coal mine safety or health hazard.