

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, 2024

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

(State or other jurisdiction
of incorporation or organization)

38-4018838

(I.R.S. Employer
Identification No.)

250 West Main Street, Suite 1900

Lexington, Kentucky

(Address of principal executive offices)

40507

(Zip code)

(859) 244-7455

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value	METC	NASDAQ Global Select Market
Class B Common Stock, \$0.01 par value	METCB	NASDAQ Global Select Market
9.00% Senior Notes due 2026	METCL	NASDAQ Global Select Market

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 October 31, 2024, the registrant had 43,797,444 and 8,731,851 outstanding shares of Class A and Class B common stock, respectively.

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	5
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3. Quantitative and Qualitative Disclosures about Market Risk	30
Item 4. Controls and Procedures	30
<u>PART II. OTHER INFORMATION</u>	
Item 1. Legal Proceedings	32
Item 1A. Risk Factors	32
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	32
Item 3. Defaults Upon Senior Securities	32
Item 4. Mine Safety Disclosures	32
Item 5. Other Information	32
Item 6. Exhibits	33
SIGNATURES	34

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "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 revenue and losses, 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" included in this Quarterly Report and elsewhere in the Annual Report of Ramaco Resources, Inc. (the "Company") on Form 10-K for the year ended December 31, 2023 (the "Annual Report") filed with the United States Securities and Exchange Commission (the "SEC") on March 14, 2024, as well as other filings of the Company with the SEC.

Forward-looking statements may include statements about:

- anticipated production levels, costs, sales volumes, and revenue;
- timing and ability to complete major capital projects;
- economic conditions in the metallurgical coal and steel industries;
- expected costs to develop planned and future mining operations, including the costs to construct necessary processing, refuse disposal and transport facilities;
- estimated quantities or quality of our metallurgical coal reserves;
- our ability to obtain additional financing on favorable terms, if required, to complete the acquisition of additional metallurgical coal reserves or to fund the operations and growth of our business;
- maintenance, operating or other expenses or changes in the timing thereof;
- the financial condition and liquidity of our customers;
- competition in coal markets;
- the price of metallurgical coal 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;
- the 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 traders, banks, and other financial counterparties;
- geologic, equipment, permitting, site access and 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;
- our ability to comply with certain debt covenants;
- tax payments to be paid for the current fiscal year;
- our expectations relating to dividend payments and our ability to make such payments;
- the anticipated benefits and impacts of previous acquisitions;
- risks related to Russia's invasion of Ukraine and the international community's response;
- risks related to weakened global economic conditions and inflation;
- risks related to the Company's tracking stock structure and separate performance of its Carbon Ore-Rare Earth ("CORE") assets; and
- other risks identified in this Quarterly Report that are not historical.

[Table of Contents](#)

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 additional risks may arise from time to time. It is not possible for our management to predict all of the risks associated with our business, 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 Quarterly 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 Quarterly Report.

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements****Ramaco Resources, Inc.
Unaudited Condensed Consolidated Balance Sheets**

<i>In thousands, except share and per share information</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 22,864	\$ 41,962
Accounts receivable	62,905	96,866
Inventories	53,051	37,163
Prepaid expenses and other	7,853	13,748
Total current assets	<u>146,673</u>	<u>189,739</u>
Property, plant, and equipment, net	476,748	459,091
Financing lease right-of-use assets, net	12,014	10,282
Advanced coal royalties	3,884	2,964
Other	6,076	3,760
Total Assets	<u>\$ 645,395</u>	<u>\$ 665,836</u>
Liabilities and Stockholders' Equity		
Liabilities		
Current liabilities		
Accounts payable	\$ 53,783	\$ 51,624
Accrued liabilities	48,378	52,225
Current portion of asset retirement obligations	110	110
Current portion of long-term debt	383	56,534
Current portion of financing lease obligations	6,134	5,456
Insurance financing liability	—	4,037
Total current liabilities	<u>108,788</u>	<u>169,986</u>
Asset retirement obligations, net	31,325	28,850
Long-term debt, net	43,141	349
Long-term financing lease obligations, net	6,684	4,915
Senior notes, net	33,646	33,296
Deferred tax liability, net	54,573	54,352
Other long-term liabilities	5,414	4,483
Total liabilities	<u>283,571</u>	<u>296,231</u>
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, none issued or outstanding	—	—
Class A common stock, \$0.01 par value, 225,000,000 shares authorized, 43,797,444 at September 30, 2024 and 44,002,581 at December 31, 2023 shares issued and outstanding	438	440
Class B common stock, \$0.01 par value, 35,000,000 shares authorized, 8,731,851 at September 30, 2024 and 8,809,557 at December 31, 2023 shares issued and outstanding	87	88
Additional paid-in capital	281,079	277,133
Retained earnings	80,220	91,944
Total stockholders' equity	<u>361,824</u>	<u>369,605</u>
Total Liabilities and Stockholders' Equity	<u>\$ 645,395</u>	<u>\$ 665,836</u>

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

Ramaco Resources, Inc.
Unaudited Condensed Consolidated Statements of Operations

<i>In thousands, except per-share amounts</i>	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 167,411	\$ 186,966	\$ 495,403	\$ 490,795
Costs and expenses				
Cost of sales (exclusive of items shown separately below)	134,731	144,635	397,214	354,383
Asset retirement obligations accretion	354	349	1,063	1,049
Depreciation, depletion, and amortization	17,811	14,443	48,909	39,850
Selling, general, and administrative	12,921	11,458	37,932	37,519
Total costs and expenses	165,817	170,885	485,118	432,801
Operating income	1,594	16,081	10,285	57,994
Other income (expense), net	(76)	11,333	3,075	15,076
Interest expense, net	(1,696)	(2,447)	(4,509)	(7,274)
Income (loss) before tax	(178)	24,967	8,851	65,796
Income tax expense	61	5,505	1,517	13,521
Net income (loss)	\$ (239)	\$ 19,462	\$ 7,334	\$ 52,275
Earnings (loss) per common share *				
Basic - Single class (through 6/20/2023)	\$ —	\$ —	\$ —	\$ 0.71
Basic - Class A	\$ (0.03)	\$ 0.41	\$ 0.05	\$ 0.44
Total	\$ (0.03)	\$ 0.41	\$ 0.05	\$ 1.15
Basic - Class B	\$ 0.06	\$ 0.17	\$ 0.48	\$ 0.17
Diluted - Single class (through 6/20/2023)	\$ —	\$ —	\$ —	\$ 0.70
Diluted - Class A	\$ (0.03)	\$ 0.40	\$ 0.05	\$ 0.44
Total	\$ (0.03)	\$ 0.40	\$ 0.05	\$ 1.14
Diluted - Class B	\$ 0.06	\$ 0.16	\$ 0.46	\$ 0.16

* Refer to Note 10 for earnings per common share calculations

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

Ramaco Resources, Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity

<i>In thousands</i>	Class A Common Stock *	Class B Common Stock	Additional Paid- in Capital	Retained Earnings	Total Stockholders' Equity
Balance at January 1, 2024	\$ 440	\$ 88	\$ 277,133	\$ 91,944	\$ 369,605
Stock-based compensation	4	—	4,698	—	4,702
Shares surrendered for withholding taxes payable	(1)	—	(1,869)	—	(1,870)
Cash dividends and dividend equivalents declared	—	—	—	(2,201)	(2,201)
Net income	—	—	—	2,032	2,032
Balance at March 31, 2024	443	88	279,962	91,775	372,268
Stock-based compensation	—	—	4,583	—	4,583
Cash dividends and dividend equivalents declared	—	—	—	(8,448)	(8,448)
Shares surrendered for withholding taxes payable	(6)	(1)	(7,811)	—	(7,818)
Net income	—	—	—	5,541	5,541
Balance at June 30, 2024	437	87	276,734	88,868	366,126
Stock-based compensation	—	—	3,970	—	3,970
Stock options exercised	1	—	533	—	534
Shares surrendered for withholding taxes payable	—	—	(158)	—	(158)
Cash dividends and dividend equivalents declared	—	—	—	(8,409)	(8,409)
Net income (loss)	—	—	—	(239)	(239)
Balance at September 30, 2024	<u>\$ 438</u>	<u>\$ 87</u>	<u>\$ 281,079</u>	<u>\$ 80,220</u>	<u>\$ 361,824</u>
Balance at January 1, 2023	\$ 442	\$ —	\$ 168,711	\$ 140,045	\$ 309,198
Stock-based compensation	3	—	2,934	—	2,937
Shares surrendered for withholding taxes payable	(1)	—	(114)	—	(115)
Adjustment to dividends previously declared	—	—	—	(354)	(354)
Net income	—	—	—	25,257	25,257
Balance at March 31, 2023	444	—	171,531	164,948	336,923
Stock-based compensation	—	—	3,568	—	3,568
Cash dividends and dividend equivalents declared	—	—	—	(5,734)	(5,734)
Stock dividend declared and distributed	—	89	102,831	(102,920)	—
Shares surrendered for withholding taxes payable	(5)	(1)	(5,202)	—	(5,208)
Net income	—	—	—	7,556	7,556
Balance at June 30, 2023	439	88	272,728	63,850	337,105
<i>* Common stock was reclassified to Class A common stock during Q2 2023. Refer to Note 6.</i>					
Stock-based compensation	—	—	3,201	—	3,201
Cash dividends and dividend equivalents declared	—	—	—	(7,170)	(7,170)
Net income	—	—	—	19,462	19,462
Balance at September 30, 2023	<u>\$ 439</u>	<u>\$ 88</u>	<u>\$ 275,929</u>	<u>\$ 76,142</u>	<u>\$ 352,598</u>

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

[Table of Contents](#)

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

<i>In thousands</i>	Nine months ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 7,334	\$ 52,275
Adjustments to reconcile net income to net cash from operating activities:		
Accretion of asset retirement obligations	1,063	1,049
Depreciation, depletion, and amortization	48,909	39,850
Amortization of debt issuance costs	664	566
Stock-based compensation	13,255	9,706
Other	(18)	(4,912)
Deferred income taxes	221	10,048
Changes in operating assets and liabilities:		
Accounts receivable	33,961	(22,460)
Prepaid expenses and other current assets	5,895	10,115
Inventories	(15,888)	(5,269)
Other assets and liabilities	(2,504)	(816)
Accounts payable	2,576	19,253
Accrued liabilities	1,515	10,071
Net cash provided by operating activities	96,983	119,476
Cash flows from investing activities:		
Capital expenditures	(45,632)	(64,924)
Maben preparation plant capital expenditures	(12,288)	—
Other	(182)	7,158
Net cash used for investing activities	(58,102)	(57,766)
Cash flows from financing activities:		
Proceeds from borrowings	136,500	95,000
Proceeds from stock options exercised	534	—
Payment of dividends	(24,474)	(18,049)
Repayment of borrowings	(149,921)	(87,225)
Repayment of Ramaco Coal acquisition financing - related party	—	(30,000)
Repayments of insurance financing	(4,032)	(3,848)
Repayments of equipment finance leases	(6,740)	(4,954)
Shares surrendered for withholding taxes payable	(9,846)	(5,323)
Net cash used for financing activities	(57,979)	(54,399)
Net change in cash and cash equivalents and restricted cash	(19,098)	7,311
Cash and cash equivalents and restricted cash, beginning of period	42,781	36,473
Cash and cash equivalents and restricted cash, end of period	<u>\$ 23,683</u>	<u>\$ 43,784</u>
Non-cash investing and financing activities:		
Leased assets obtained under new financing leases	9,187	6,144
Capital expenditures included in accounts payable and accrued liabilities	4,584	10,910
Financed insurance	—	407
Accrued dividends and dividend equivalents payable	735	733

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—BUSINESS AND BASIS OF PRESENTATION

Ramaco Resources, Inc. (the “Company,” “Ramaco,” “we,” “us” or “our,”) is a Delaware corporation formed in October 2016. Our principal corporate and executive offices are located in Lexington, Kentucky with operational offices in Charleston, West Virginia and Sheridan, Wyoming. We are an operator and developer of high-quality, low-cost metallurgical coal in southern West Virginia and southwestern Virginia. We also control mineral deposits near Sheridan, Wyoming as part of the Company’s initiatives regarding the potential recovery of rare earth elements and critical minerals as well as the potential commercialization of coal-to-carbon-based products and materials.

Basis of Presentation—These interim financial statements are unaudited and have been prepared pursuant to the rules and regulations of the 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, 2023.

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the Company’s financial position as of September 30, 2024, as well as the results of operations and cash flows 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. Intercompany balances and transactions between consolidated entities have been eliminated.

There were no material changes to the Company’s significant accounting policies during the nine months ended September 30, 2024.

Recent Accounting Pronouncements—In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). The amendments in ASU 2023-07 require incremental disclosures related to a public entity’s reportable segments and increase the frequency with which most segment disclosures are made. Incremental disclosures required by the ASU include significant segment expenses regularly provided to the chief operating decision maker (“CODM”) and included within the segment’s measure of profit or loss, the title and position of the CODM and an explanation how the CODM uses the reported measure of a segment’s profit or loss to assess performance and allocate resources, and the amount and composition of other segment items necessary to reconcile segment revenue, significant expenses, and the reported measure of profit or loss. The ASU also expands interim disclosure requirements such that nearly all annual quantitative segment disclosures will be made on an interim basis and requires that entities with a single reportable segment provide all segment disclosures that are not evident from the primary financial statements, including significant segment expenses, consistent with the approach used by management to evaluate performance. ASU 2023-07 is effective starting with Ramaco’s 2024 annual financial statements and on a quarterly basis thereafter. Retrospective application is required. The Company is currently evaluating the impact of the ASU; however, incremental disclosures will likely occur upon adoption.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”). The amendments in ASU 2023-09 require reporting entities to disclose annual income taxes paid, net of refunds, disaggregated by federal, state, and foreign taxes and to provide additional disaggregated information for individual jurisdictions that equal or exceed 5% of total income taxes paid, net of refunds. ASU 2023-09 also requires public business entities to disclose additional categories of information about federal, state, and foreign income taxes in their annual rate reconciliation table and provide more information about some categories if the

[Table of Contents](#)

quantitative threshold is met. The ASU will also require disclosure of amounts *and* percentages in the annual rate reconciliation table, rather than amounts *or* percentages, and will eliminate certain existing disclosure requirements related to uncertain tax positions and unrecognized deferred tax liabilities. ASU 2023-09 is effective starting with Ramaco's 2025 annual financial statements and may be applied prospectively to only the income tax disclosures provided for 2025 or retrospectively by providing revised disclosures for all periods presented. Early adoption is permitted. The Company is currently evaluating the impact of the ASU; however, incremental disclosures will likely be provided on a prospective basis in the Company's 2025 annual financial statements upon adoption.

In November 2024, subsequent to the date of the financial statements, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). The amendments in ASU 2024-03 require public business entities to disclose in the notes to the financial statements, among other things, specific information about certain costs and expenses including purchases of inventory, employee compensation, and depreciation, amortization, and depletion expenses for each caption on the income statement where such expenses are included. ASU 2024-03 is effective starting with the Company's 2027 annual financial statements and on a quarterly basis thereafter. Early adoption is permitted, and the amendments may be applied prospectively to reporting periods after the effective date or retrospectively to all periods presented in the financial statements. The Company is currently evaluating the extent to which its disclosures will be affected by the ASU.

NOTE 2—INVENTORIES

Inventories consisted of the following:

(In thousands)	September 30, 2024	December 31, 2023
Raw coal	\$ 15,196	\$ 20,122
Saleable coal	32,249	12,013
Supplies	5,606	5,028
Total inventories	<u>\$ 53,051</u>	<u>\$ 37,163</u>

NOTE 3—PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment, net consisted of the following:

(In thousands)	September 30, 2024	December 31, 2023
Plant and equipment	\$ 323,440	\$ 290,060
Mining property and mineral rights	120,532	120,532
Construction in process	30,223	13,984
Capitalized mine development costs	186,843	174,260
Less: accumulated depreciation, depletion, and amortization	(184,290)	(139,745)
Total property, plant, and equipment, net	<u>\$ 476,748</u>	<u>\$ 459,091</u>

On September 30, 2024, the Company updated its estimates of the amount and timing of future spending related to asset retirement obligations. The adjustment resulted in a \$1.6 million net increase to capitalized mine development costs above and a corresponding increase to the Company's noncurrent asset retirement obligation liability.

The Company received \$6.0 million of insurance proceeds during the nine months ended September 30, 2023 related to a methane ignition experienced at our Berwind mining complex in 2022. In 2023, the Company reported the proceeds as other investing activities on the statement of cash flows and recognized a \$4.9 million gain in other income as the Company had previously accrued a \$1.1 million loss recovery asset at December 31, 2022.

[Table of Contents](#)

Depreciation, depletion, and amortization included:

(In thousands)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Depreciation of plant and equipment	\$ 9,519	\$ 8,063	\$ 27,408	\$ 22,492
Amortization of right of use assets (finance leases)	2,648	2,432	8,025	6,312
Amortization and depletion of capitalized mine development costs and mineral rights	5,644	3,948	13,476	11,046
Total depreciation, depletion, and amortization	\$ 17,811	\$ 14,443	\$ 48,909	\$ 39,850

The Company's closure of its Knox Creek Jawbone mine resulted in an increase in capitalized mine development costs amortization expense of \$1.3 million and \$1.2 million for the three months and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The Jawbone mine was experiencing higher production costs and already nearing end of life.

NOTE 4—DEBT

Outstanding debt consisted of the following:

(In thousands)	September 30, 2024	December 31, 2023
Revolving Credit Facility	\$ 43,000	\$ 42,500
Equipment loans	524	2,983
Senior Notes, net	33,646	33,296
Financing of Maben Coal acquisition	—	11,400
Total debt	\$ 77,170	\$ 90,179
Current portion of long-term debt	383	56,534
Long-term debt, net	\$ 76,787	\$ 33,645

Revolving Credit Facility—On May 3, 2024, the Company entered into the First Amendment Agreement to the Second Amended and Restated Credit and Security Agreement, which includes KeyBank National Association ("KeyBank") and multiple lending parties, in order to, among other things, extend the maturity date and increase the size of the facility. The amended facility (the "Revolving Credit Facility") has a maturity date of May 3, 2029, and provides an initial aggregate revolving commitment of \$200.0 million as well as an accordion feature to increase the size by an additional \$75.0 million subject to certain terms and conditions, including lenders' consent. Prior to the First Amendment Agreement, the facility had a maturity date of February 15, 2026, and an initial aggregate revolving commitment of \$125.0 million as well as an accordion feature of \$50.0 million.

The borrowing base of the amended facility at September 30, 2024 was \$ 100.9 million based on eligible accounts receivable and inventory collateral and reserve requirements. The remaining availability under the Revolving Credit Facility at September 30, 2024, after \$43.0 million of outstanding borrowings, was \$57.9 million.

Revolving loans under the amended facility bear interest at either the base rate plus 2.0% or the Secured Overnight Financing Rate plus 2.5%. The base rate equals the highest of the administrative agent's prime rate, the Federal Funds Effective Rate plus 0.5%, or 3.0%.

The terms of the Revolving Credit Facility include covenants limiting the ability of the Company to incur additional indebtedness, make investments or loans, incur liens, consummate mergers and similar fundamental changes, make restricted payments, and enter into transactions with affiliates. The terms of the facility also require the Company to maintain certain covenants, including fixed charge coverage ratio and compensating balance requirements. A fixed charge coverage ratio of not less than 1.10:1.00, calculated as of the last day of each fiscal quarter, must be maintained by the Company. In addition, the Company must maintain an average daily cash balance of \$5.0 million, as determined on a monthly basis, in a dedicated account as well as an additional \$1.5 million and \$1.0 million in separate dedicated accounts to assure future credit availability. At September 30, 2024, we were in compliance with all debt covenants under the Revolving Credit Facility.

[Table of Contents](#)

Fair Value—The Company's Senior Notes had an estimated fair value of approximately \$ 35.9 million and \$35.5 million at September 30, 2024 and December 31, 2023, respectively. The fair values of the Company's Senior Notes were based on observable market prices and were considered a Level 2 measurement based on trading volumes. The difference between the fair value and carrying amount of the Company's remaining debts is not material due to the similarity between the terms of the debt agreements and prevailing market terms available to the Company.

Current Portion of Long-term Debt—The Company's short-term debt at September 30, 2024 was comprised of \$ 0.4 million due under equipment loans. The Company's short-term debt at December 31, 2023 was comprised of \$42.5 million borrowed under the Revolving Credit Facility, which was repaid shortly after the December 31, 2023 balance sheet date using funds from current operations, \$11.4 million of unpaid financing associated with the Maben Coal Acquisition, and \$2.6 million due under equipment loans.

Other—Finance lease obligations and liabilities related to insurance premium financing are excluded from the disclosures above.

NOTE 5—ACCRUED LIABILITIES AND OTHER LONG-TERM LIABILITIES

Accrued liabilities at September 30, 2024 consisted of accrued compensation of \$ 19.0 million and various other liabilities. *Accrued liabilities* at December 31, 2023 consisted of \$ 14.6 million of accrued compensation and various other liabilities. The year-to-date decrease of \$3.8 million in *Accrued liabilities* was largely related to the \$ 5.5 million decrease in cash dividends and short-term dividend equivalents liabilities, which was driven by the payment of Class A common stock dividends accrued at year end 2023.

Self-Insurance—The Company is self-insured for certain losses relating to workers' compensation claims and occupational disease obligations under the Federal Mine Safety and Health Act of 1969, as amended, as well as for employee medical expenses. The Company purchases insurance coverage to reduce its exposure to significant levels of these claims. Self-insured losses are accrued based upon estimates of the aggregate liability for uninsured claims incurred as of the balance sheet date using claims data and actuarial assumptions and, therefore, are subject to uncertainty due to a variety of factors.

The estimated aggregate liability for these items totaled \$ 5.3 million and \$ 5.2 million as of September 30, 2024 and December 31, 2023, respectively. Of the aggregate liability, the amounts included in *Other long-term liabilities* were \$ 3.2 million and \$ 3.1 million at September 30, 2024 and December 31, 2023, respectively.

Funds held in escrow for potential future workers' compensation claims are considered restricted cash and have been included in other current assets on the condensed consolidated balance sheets. Restricted cash balances were \$ 0.8 million at September 30, 2024 and December 31, 2023.

NOTE 6—EQUITY

Common Stock—On June 12, 2023, an amendment to the Company's amended and restated certificate of incorporation was approved by shareholder vote to reclassify the Company's existing common stock as shares of Class A common stock and create a separate Class B common stock.

The initial distribution of Class B common stock occurred on June 21, 2023 via a stock dividend to existing holders of common stock as of May 12, 2023. On the date of initial distribution, each holder of common stock received 0.2 shares of Class B common stock for every one share of existing common stock held on the record date. Similar actions or modifications occurred for holders of outstanding stock-based awards.

The distribution of the Class B common stock provides existing holders of the Company's common stock with an opportunity to participate directly in the financial performance of the Company's CORE assets on a stand-alone basis, separate from the Company's metallurgical coal operations. CORE assets were acquired initially as part of the Company's acquisition of Ramaco Coal in the second quarter of 2022. The financial performance of CORE assets consists of the following non-cost bearing revenue streams based on the Company's current expectations:

[Table of Contents](#)

- Royalty fees derived from the royalties associated with the Ramaco Coal and Amonate reserves, which we believe approximates 3% of Company-produced coal sales revenue excluding coal sales revenue from Knox Creek,
- Infrastructure fees based on \$5.00 per ton of coal processed at our preparation plants and \$2.50 per ton of loaded coal at the Company's rail load-out facilities, and
- Future income derived, if and when realized, from advanced carbon products as well as rare earth elements and critical minerals initiatives.

The Company has paid dividends equal to 20% of the total fees above; however, any dividend amounts declared and paid are subject to the sole discretion of the Company's Board of Directors.

In addition, the Board of Directors retains the power to change or add expense allocation policies related to CORE, redefine CORE assets, and redetermine CORE's per-ton usage fees at any time, in its sole discretion, without shareholder approval. Holders of shares of Class A common stock continue to be entitled to receive dividends when and if declared by the Board of Directors subject to any statutory or contractual restrictions on the payment of dividends and to any prior rights and preferences that may be applicable to outstanding preferred stock, if any.

CORE is not a separate legal entity, and holders of Class B common stock do not own a direct interest in the assets of CORE. Holders of Class B common stock are stockholders of Ramaco Resources, Inc. and are subject to all risks and liabilities of the Company as a whole.

With respect to voting rights, holders of Class A common stock and Class B common stock vote together as a single class on all matters submitted to a vote of the stockholders and are entitled to one vote per share. The holders of Class A common stock and Class B common stock do not have cumulative voting rights in the election of directors. Class B common stock does not have any specific voting rights or governance rights with respect to CORE.

With respect to liquidation rights, holders of common stock are entitled to receive ratably the assets available for distribution to the stockholders after payment of liabilities and the liquidation preference of outstanding preferred stock, if any. That is, the rights to residual net assets upon liquidation are equal between holders of Class A and Class B common stock. Holders of Class B common stock do not have specific rights to CORE assets in the event of liquidation.

The Board of Directors also retains the ability, in its sole discretion, to exchange all outstanding shares of Class B common stock into Class A common stock based on an exchange ratio determined by a 20-day trailing volume-weighted average price for each class of stock.

The initial distribution of the tracking stock was recorded as a stock dividend at fair value, which was estimated to be \$11.00 per share based on the closing price of Class B shares on the first day of regular-way trading. The effect of the equity restructuring was a \$102.9 million reduction in retained earnings and an increase of \$102.9 million to Class B common stock and additional paid-in capital during the second quarter of 2023. Outstanding stock-based awards were reclassified to Class A common stock as part of the equity restructuring. In addition, pursuant to the terms of the Company's outstanding stock-based awards, equitable adjustments were made in accordance with such terms based on the same factor of 0.2 for every outstanding award. Since there were no changes in fair value, vesting conditions, or award classification, no incremental compensation expense resulted.

Stock-Based Awards—Stock-based compensation expense totaled \$4.0 million and \$3.2 million for the three months ended September 30, 2024 and September 30, 2023, respectively. Stock-based compensation expense totaled \$13.3 million and \$9.7 million for the nine months ended September 30, 2024 and September 30, 2023, respectively. During 2024, the Company granted new stock-based awards and modified certain awards previously granted as discussed below. New stock-based awards granted during the first nine months of 2024 were for Class A common stock, all of which were granted in the first quarter of 2024. There were no Class B stock-based awards granted during the first nine months of 2024.

Restricted Stock—We granted 179,028 shares of Class A restricted stock to certain senior executives, key employees, and directors during the first quarter of 2024, having a grant-date fair value of \$3.1 million. The aggregate

[Table of Contents](#)

fair value of the awards granted to employees was \$ 2.5 million, which is recognized ratably as expense over the three-year service period unless forfeited. The aggregate fair value of restricted stock granted to directors was \$ 0.6 million, which is recognized ratably as expense over one year unless forfeited. During the vesting period, the participants have voting rights and receive nonforfeitable dividends on the same basis as fully vested common stockholders.

Restricted Stock Units (“RSUs”)—We granted 302,699 Class A restricted stock units to certain senior executives and key employees during the first quarter of 2024, having a grant-date fair value of \$17.58 per share. The aggregate fair value of these awards was \$5.3 million, which is recognized ratably as expense over the three-year service period unless forfeited. During the vesting period, the participants have no voting rights and no dividend rights; however, participants are entitled to receive dividend equivalents, which shall be subject to the same conditions applicable to the units and payable at the time the units vest. The recipient will receive one share of Class A common stock for each stock unit vested.

Performance Stock Units (“PSUs”)—We granted Class A performance stock units to certain senior executives and key employees during the first quarter of 2024. These awards cliff-vest approximately three years from the date of grant based on the achievement of targeted performance levels related to pre-established relative total shareholder return goals. These performance stock units may be earned from 0% to 200% of target depending on actual results. During the vesting period, the participants have no voting rights and no dividend rights; however, participants are entitled to receive dividend equivalents, which shall be subject to the same conditions applicable to the units and payable at the time the units vest. The recipient will receive one share of Class A common stock for each stock unit vested.

Performance stock units are accounted for as awards with a market condition since vesting depends on total shareholder return relative to a group of peer companies. The target number of performance stock units granted during the first quarter of 2024, or 315,941 units, were valued relative to the total shareholder return of a peer group based on a Monte Carlo simulation, which resulted in a grant date fair value of \$28.72 per unit. The aggregate fair value of these awards was \$9.1 million, which is recognized ratably as expense over the three-year period.

Modification— The resignation of one of the Company’s executive officers and the separation agreement between the employee and the Company that occurred during the first quarter of 2024 resulted in a net charge to stock compensation expense of \$1.2 million during the period. Incremental value of \$ 1.8 million resulted from the continued equity vesting provision included in the separation agreement applicable to the employee’s restricted stock awards, which was recognized as expense. This amount was offset partially by the \$0.6 million reversal of previously recognized compensation expense related to the pre-modified restricted stock award (\$0.3 million) as well as the forfeiture of restricted stock units and performance stock units (collectively \$0.3 million).

Dividends—On December 6, 2023, the Company announced that the Board of Directors declared a cash dividend on Class A common stock of \$0.1375 per share of Class A common stock, which was paid on March 15, 2024 to shareholders of record on March 1, 2024 in the amount of \$6.1 million. Dividends of \$6.0 million were accrued in December 2023 for the declaration of the Class A cash dividends. In addition, previously accrued dividend equivalents of \$0.1 million were paid to employees who satisfied restricted stock unit service conditions during the first quarter of 2024. On February 1, 2024, the Company announced that the Board of Directors declared a cash dividend of \$0.2416 per share of Class B common stock, which was paid on March 15, 2024 to shareholders of record on March 1, 2024 in the amount of \$2.1 million.

On May 8, 2024, the Company announced that its Board of Directors declared cash dividends of \$ 0.1375 per share of Class A common stock and \$0.2376 per share of Class B common stock, which were paid on June 15, 2024 to shareholders of record on June 1, 2024, in the amount of \$6.1 million and \$2.1 million, respectively. On August 7, 2024, the Company announced that its Board of Directors declared cash dividends of \$0.1375 per share of Class A common stock and \$0.2246 per share of Class B common stock, which were paid on September 13, 2024 to shareholders of record on August 30, 2024, in the amount of \$6.0 and \$2.0 million, respectively, bringing the total cash dividends paid for the nine months ended September 30, 2024 to \$24.5 million. The Company also accrued \$0.7 million of forfeitable dividend equivalents during 2024.

On December 8, 2022, the Company announced that its Board of Directors declared a quarterly cash dividend of approximately \$0.125 per share of common stock. Estimated dividends of \$5.5 million were accrued in December 2022 and were paid on March 15, 2023 to shareholders of record on March 1, 2023 in the amount of \$5.6 million.

Cash dividends in the amount of \$5.6 million, or approximately \$0.125 per share of common stock, were paid on June 15, 2023, to shareholders of record on June 1, 2023. In addition, cash dividends of \$0.125 per share of Class A common stock and \$0.165 per share of Class B common stock were paid on September 15, 2023 to shareholders of record on September 1, 2023, in the amount of \$5.5 million and \$1.5 million, respectively, bringing the total cash dividends paid for the nine months ended September 30, 2023 to \$18.0 million.

NOTE 7—COMMITMENTS AND CONTINGENCIES

Environmental Liabilities—Environmental liabilities are recognized when the expenditures are considered probable and can be reasonably estimated. Measurement of liabilities is based on currently enacted laws and regulations, existing technology, and undiscounted site-specific costs. Generally, such recognition would coincide with a commitment to a formal plan of action. No amounts have been recognized for environmental liabilities.

Surety Bond—In accordance with state laws, we are required to post reclamation bonds to assure that reclamation work is completed. We also have a smaller amount of surety bonds that secure performance obligations. Bonds outstanding at September 30, 2024 totaled approximately \$31.2 million.

Coal Leases and Associated Royalty Commitments—We lease coal reserves under agreements that require royalties to be paid as the coal is mined and sold. Many of these agreements require minimum annual royalties to be paid regardless of the amount of coal mined and sold. Total royalty expenses were \$6.4 million and \$9.0 million for the three months ended September 30, 2024 and September 30, 2023, and \$19.5 million and \$25.0 million for the nine months ended September 30, 2024 and September 30, 2023, respectively. These agreements generally have terms running through exhaustion of all the mineable and merchantable coal covered by the respective lease. Royalties or throughput payments are based on a percentage of the gross selling price received for the coal we mine.

Contingent Transportation 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, 2024, the Company's remaining commitments under take-or-pay arrangements totaled \$19.6 million, the majority of which relates to a multi-year contract with a total remaining commitment of \$17.5 million until the term expires in the first quarter of 2028. The level of these commitments will generally be reduced at a per ton rate as such rail and export terminal services are utilized against the required minimum tonnage amounts over the contract term stipulated in such rail and export terminal contracts. However, as of September 30, 2024, the Company has an accrued liability of \$0.2 million related to volume shortfall. The accrued liability for the expected shortfall was \$0.8 million at December 31, 2023.

Litigation—From time to time, we are subject to various litigation and other claims in the normal course of business. Losses related to such contingencies are accrued when/if loss is probable and the amount is reasonably estimable. No losses have been accrued in the consolidated financial statements with respect to such matters. Losses from certain injury-related matters are reasonably possible of occurring; however, an estimate of the possible range of loss cannot be made at this time as such litigation has not yet progressed sufficiently through discovery and development of important facts and legal issues.

On November 5, 2018, one of our three raw coal storage silos that fed our Elk Creek plant experienced a partial structural failure. A temporary conveying system completed in late-November 2018 restored approximately 80% of our plant capacity. We completed a permanent belt workaround and restored the preparation plant to its full processing capacity in mid-2019. Our insurance carrier, Federal Insurance Company, disputed our claim for coverage based on certain exclusions to the applicable policy and, therefore, on August 21, 2019, we filed suit against Federal Insurance Company and Chubb INA Holdings, Inc. in Logan County Circuit Court in West Virginia seeking a declaratory judgment that the partial silo collapse was an insurable event and to require coverage under our policy. Defendants removed the case to the United States District Court for the Southern District of West Virginia, and upon removal, we

[Table of Contents](#)

substituted ACE American Insurance Company as a defendant in place of Chubb INA Holdings, Inc. The trial in the matter commenced on June 29, 2021, in Charleston, West Virginia.

On July 15, 2021, the jury returned a verdict in our favor for \$ 7.7 million in contract damages and on July 16, 2021, made an additional award of \$25.0 million for damages for wrongful denial of the claim under *Hayseeds, Inc. v. State Farm Fire & Cas.*, 177 W. Va. 323, 352 S.E. 2d 73 (W. Va. 1986), including inconvenience and aggravation. On August 12, 2021, the defendants filed a post-trial motion for judgment as a matter of law or in the alternative to alter or amend the judgment or for a new trial. On March 4, 2022, the court entered its memorandum opinion and order on the motion reducing the jury award to a total of \$1.8 million, including pre-judgment interest, and also vacated and set aside, in its entirety, the jury award of *Hayseeds* damages. The same day, the court entered the judgment in accordance with the memorandum opinion and order.

On April 1, 2022, we filed a notice of appeal with the U.S. Court of Appeals for the Fourth Circuit. On July 20, 2023, the court rendered a decision reinstating the jury's \$7.7 million contract damages verdict. The court further determined that we are entitled to attorney's fees in an amount to be determined on remand. Finally, the court held that we are entitled to *Hayseeds* damages for wrongful denial of the claim but remanded for a new trial on the amount of such damages after affirming that the original \$25 million award was excessive. On August 3, 2023, the Defendants-Appellees filed a Petition of Rehearing and Rehearing *En Banc* with the Fourth Circuit. The petition was denied by order dated August 15, 2023. On August 29, 2023, the court clarified that the amount of attorney's fees to be determined on remand included appellate fees. On September 8, 2023, the court entered its amended judgment, which awarded post-judgment interest on the previously awarded and reinstated verdict related to contract (compensatory) damages and the Fourth Circuit thereafter issued its mandate on October 2, 2023. The matter is now pending before the District Court for a new trial for *Hayseeds* damages, as well as the court's determination and award of attorney's fees. On August 19, 2024, the Court issued a Memorandum Opinion and Order that the *Hayseeds* damages to be considered in the new trial would include annoyance and inconvenience up to October 2, 2023 with new discovery permitted for the time period of July 15, 2021 through October 2, 2023. The Court also ordered *Hayseeds* damages to be considered for net economic loss caused by the defendant's delay in settlement be allowed for the time period of July 15, 2021 through October 2, 2023 with new discovery to be permitted for that time period.

The defendants fully paid during 2023 the contract damages and interest portion of the judgment related to contract (compensatory) damages in the court's order and that portion of the matter is considered closed. On April 24, 2024, the Court stated Ramaco is entitled to reasonable attorney fees for both the appeal and the first trial, adding there will be a full *Hayseeds* trial under the timelines set forth above. Regarding the court's determination and award of attorney's fees, the Company accrued a loss recovery asset of approximately \$3.1 million during the second quarter of 2024. The Company considers that it is probable to recover at least this amount of previously recognized attorneys' fees expenses based on the developments above.

NOTE 8—REVENUE

Our revenue is derived from contracts for the sale of coal and is recognized when the performance obligations under the contract are satisfied, which is 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 be either fixed or derived against index-based pricing mechanisms. Sales completed with delivery to an export terminal are reported as export revenue.

Disaggregated information about *Revenue* is presented below:

(In thousands)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Coal Sales				
North American revenue	\$ 54,073	\$ 75,143	\$ 163,588	\$ 168,571
Export revenue, excluding Canada	113,338	111,823	331,815	322,224
Total revenue	<u>\$ 167,411</u>	<u>\$ 186,966</u>	<u>\$ 495,403</u>	<u>\$ 490,795</u>

[Table of Contents](#)

Revenue for the three months and nine months ended September 30, 2024 includes a \$ 0.4 million net decrease to revenue and a \$1.3 million net increase to revenue, respectively, related to adjustments for performance obligations satisfied in a previous reporting period. These adjustments were due to true-ups of previous estimates for provisional pricing and demurrage as well as price adjustments for minimum specifications or qualities of delivered coal.

As of September 30, 2024, the Company had outstanding performance obligations of approximately 1.7 million tons for contracts with fixed sales prices averaging \$151 per ton, excluding freight, as well as 1.6 million tons for contracts with index-based pricing mechanisms. The Company expects to satisfy approximately 36% of the committed tons in the fourth quarter of 2024, 63% in 2025, and 1% in 2026. Variable amounts, including index-based prices, have not been estimated for the purpose of disclosing remaining performance obligations as permitted under the revenue recognition guidance when variable consideration is allocated entirely to a wholly unsatisfied performance obligation.

Concentrations—During the three months ended September 30, 2024, sales to two individual customers were 10% or more of our total revenue. Sales to these customers represented 12% and 10% of our total revenue during the three-month period. During the nine months ended September 30, 2024, sales to two individual customers were 10% or more of our total revenue. Sales to these customers represented 13% and 10% of our total revenue during the nine-month period. For comparison purposes, during the three months ended September 30, 2023, sales to three individual customers were 10% or more of our total revenue and accounted for approximately 52%, collectively, of our total revenue. During the nine months ended September 30, 2023, sales to four individual customers were 10% or more of our total revenue and accounted for approximately 55%, collectively, of our total revenue. Four customers with individual accounts receivable balances equal to 10% or more of total accounts receivable made up approximately 17%, 17%, 15%, and 10% of the Company's accounts receivable balance as of September 30, 2024.

NOTE 9—INCOME TAXES

Income tax provisions for interim periods are generally 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. The income tax impacts of discrete items are recognized in the period these occur.

Our effective tax rate for the three months ended September 30, 2024 and September 30, 2023 was 9.3% and 22.0%, respectively, excluding the impact of discrete items. Our effective tax rate for the nine months ended September 30, 2024 and September 30, 2023, excluding discrete items, was 28.0% and 20.5%, respectively. Discrete items of \$1.0 million were recognized during the nine months ended September 30, 2024 related to excess tax benefits on share-based awards. The primary differences from the federal statutory rate of 21% are related to state taxes, non-deductible expenses, the foreign-derived intangible income deduction, and depletion expense for income tax purposes.

NOTE 10—EARNINGS (LOSS) PER SHARE

Earnings per share ("EPS") is not presented retrospectively for periods prior to the issuance of the tracking stock as the tracking stock was not a part of the Company's capital structure during those periods and the issuance of the tracking stock changes the common shareholders' relative residual interest in the Company. Therefore, EPS is presented for the Company's single class of common stock up to the time the tracking stock was issued and, subsequent to this date, EPS is presented prospectively under the two-class method.

The computation of basic and diluted EPS is shown on the following page:

[Table of Contents](#)

(In thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023

Earnings (loss) attribution

Single class of common stock (through 6/20/2023) *	\$ N/A	\$ N/A	\$ N/A	\$ 31,382
Class A common stock	\$ (1,245)	\$ 17,288	\$ 2,085	\$ 18,616
Class A restricted stock awards	52	721	282	824
Class B common stock	507	1,395	4,079	1,395
Class B restricted stock awards	9	58	152	58
Forfeitable dividends declared on unvested stock-based awards	438	—	736	—
Net income (loss)	\$ (239)	\$ 19,462	\$ 7,334	\$ 52,275

* Common stock and restricted stock participated in earnings 1:1 and are shown on a combined basis through 6/20/2023 consistent with historical presentation

	Three months ended September 30, 2024		Nine months ended September 30, 2024	
	Class A	Class B	Class A	Class B

2024 EPS calculations

Numerator

Net earnings (loss)	\$ (1,245)	\$ 507	\$ 2,085	\$ 4,079
Denominator				
Weighted average shares used to compute basic earnings per share	43,378	8,684	42,827	8,574
Dilutive effect of stock option awards	—	85	172	91
Dilutive effect of restricted stock units	—	35	64	31
Dilutive effect of performance stock units	—	166	283	159
Weighted average shares used to compute diluted earnings per share	43,378	8,970	43,346	8,855

Earnings (loss) per common share (dual-class structure)

Basic	\$ (0.03)	\$ 0.06	\$ 0.05	\$ 0.48
Diluted	\$ (0.03)	\$ 0.06	\$ 0.05	\$ 0.46

	Three months ended September 30, 2023		June 21 - September 30, 2023		Jan. 1 - June 20, 2023
	Class A	Class B	Class A	Class B	YTD 2023 Single Class

2023 EPS calculations (single class of common stock through 6/20/2023)

Numerator

Net earnings	\$ 17,288	\$ 1,395	\$ 18,616	\$ 1,395	\$ 31,382
Denominator					
Weighted average shares used to compute basic earnings per share	42,144	8,432	42,044	8,412	44,344
Dilutive effect of stock option awards	352	103	339	97	381
Dilutive effect of restricted stock units	85	49	62	41	—
Dilutive effect of performance stock units	302	102	263	92	27
Weighted average shares used to compute diluted earnings per share	42,883	8,686	42,708	8,642	44,752

Earnings per common share (single class of common stock)

Basic	\$ 0.41	\$ 0.17	\$ 0.44	\$ 0.17	\$ 0.71
Diluted	\$ 0.40	\$ 0.16	\$ 0.44	\$ 0.16	\$ 0.70

[Table of Contents](#)

Unvested restricted stock awards have the right to receive nonforfeitable dividends on the same basis as common shares; therefore, unvested restricted stock is considered a participating security for the purpose of calculating EPS. Prior to the initial distribution of Class B common stock in the second quarter of 2023, the Company showed EPS for its common stock and unvested restricted stock on a combined basis since both instruments participate on the same basis and the resulting EPS is typically the same. Starting under the two-class method, the Company reports separately the net earnings allocated away from holders of Class A and Class B common stock to holders of unvested restricted stock awards.

For accounting purposes, Class B's participation rights in net earnings are, in substance, discretionary based on the power of the Company's Board of Directors to add or modify expense allocation policies, redefine CORE assets, and redetermine CORE's per-ton usage fees at any time, in its sole discretion, without shareholder approval. Therefore, no amount of the Company's net earnings shall be allocated to Class B for the purpose of calculating EPS other than actual dividends declared during the period for the tracking stock. However, during the three months and nine months ended September 30, 2024, dividends declared by the Company were in excess of consolidated net income (loss) for the period, which resulted in an undistributed net loss for reporting purposes. The resulting undistributed net loss was allocated proportionately between outstanding Class A and Class B common stock based on the rights to residual net assets upon liquidation being equal between holders of Class A and Class B common stock. For the nine months ended September 30, 2024, three dividends were declared for Class B common stock while only two dividends were declared for Class A common stock due to the timing of declaration.

Diluted EPS is calculated using the treasury stock method for stock options and restricted stock units. For performance stock units, the awards are first evaluated under the contingently issuable shares guidance, which requires a determination as to whether shares would be issuable if the end of the reporting period were the end of the contingency period. For shares determined to be issuable under performance stock unit awards, the treasury stock method is then applied to determine the dilutive impact of the awards, if any. Unvested restricted stock awards are considered potential common shares as well as participating securities, as discussed previously, and are included in diluted EPS using the more dilutive of the treasury stock method or the two-class method. Since these awards share in dividends on a 1:1 basis with common shares, applying the treasury stock method is antidilutive compared to the basic EPS calculation that allocates earnings to participating securities under the two-class method discussed previously.

For the three months ended September 30, 2024, diluted EPS for Class A Common stock excluded all outstanding awards of potential common stock because of the allocated net loss discussed above, and, therefore, the inclusion of any potential common shares would be antidilutive. Excluded Class A common stock awards were 649 thousand options to purchase Class A common stock, 718 thousand RSUs, and 1,057 thousand PSUs (at target). For the nine months ended September 30, 2024, diluted EPS for Class A common stock excluded only the RSUs and PSUs granted in the first quarter of 2024, as discussed in Note 6, because the effect would have been antidilutive under the treasury stock method or, in the third quarter, because of the evaluation of such PSUs under the guidance for contingently issuable shares. No potential common shares were excluded from the calculation of diluted EPS for Class B common stock.

For the third quarter of 2023 and the period from June 21, 2023 through September 30, 2023, diluted EPS for Class A common stock excluded 166 thousand RSUs because the effect would have been antidilutive under the treasury stock method. Class A diluted EPS for these periods also excluded outstanding PSUs originally granted in 2022, or approximately 153 thousand units if September 30, 2023 were the end of the contingency period, because the effect would have been antidilutive under the treasury stock method. The same PSUs, or 249 thousand units at target, were excluded in the second quarter of 2023 based on the guidance for contingently issuable shares.

For the third quarter of 2023 and the period from June 21, 2023 through September 30, 2023, diluted EPS for Class B common stock excluded certain PSUs, or approximately 31 thousand units if September 30, 2023 were the end of the contingency period, because the effect would have been antidilutive under the treasury stock method. The same awards, or 50 thousand units at target, were excluded in the second quarter of 2023 based on the guidance for contingently issuable shares.

Diluted EPS for the single class of common stock existing from January 1, 2023 through June 20, 2023, excluded all outstanding RSUs, or 684 thousand units in total, because the effect would have been antidilutive under the treasury

stock method. In addition, diluted EPS for the single class of common stock during this period excluded outstanding PSUs originally granted in 2022, or 249 thousand units at target, based on the guidance for contingently issuable shares.

NOTE 11—RELATED PARTY TRANSACTIONS

Ramaco Coal Deferred Purchase Price—A portion of the financing of the 2022 acquisition of Ramaco Coal was provided by Yorktown Partners, a related party. The Company incurred interest expense of \$0.4 million and \$1.7 million for the three months and nine months ended September 30, 2023, respectively, related to the financing. The Company repaid the related-party financing debt in full during the fourth quarter of 2023. No further amounts are owed to Yorktown Partners related to this matter.

Other Professional Services—The Company has also entered into professional services agreements with five other related parties, which have been aggregated due to immateriality. Professional service fees for these related party transactions totaled approximately \$0.2 million during the nine months ended September 30, 2024.

NOTE 12—SUBSEQUENT EVENTS

Subsequent to the date of the financial statements, the FASB issued ASU 2024-03, which was discussed earlier in Note 1.

* * * * *

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 and in this Quarterly 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

We are an operator and developer of high-quality, low-cost metallurgical coal in southern West Virginia and southwestern Virginia. Our development portfolio primarily includes the following properties: Elk Creek, Berwind, Knox Creek, and Maben. We believe each of these properties possesses geologic and logistical advantages that make our coal among the lowest delivered-cost U.S. metallurgical coal to our domestic customer base, North American blast furnace steel mills and coke plants, as well as international metallurgical coal consumers. We also control mineral deposits near Sheridan, Wyoming as part of the Company's initiatives regarding the potential recovery of rare earth elements and critical minerals as well as the potential commercialization of coal-to-carbon-based products and materials.

Our primary source of revenue is the sale of metallurgical coal. We are a pure-play metallurgical coal company with 59 million reserve tons and 1,119 million measured and indicated resource tons of high-quality metallurgical coal. Our plan is to continue development of our existing properties and grow annual production over the next few years to approximately seven million clean tons of metallurgical coal, subject to market conditions, permitting and additional capital deployment in the medium-term. We may make acquisitions of reserves or infrastructure that continue our focus on advantaged geology and lower costs.

The overall outlook of the metallurgical coal business is dependent on a variety of factors such as pricing, regulatory uncertainties, and global economic conditions. Coal consumption and production in the U.S. is driven by several market dynamics and trends including the U.S. and global economies, the U.S. dollar's strength relative to other currencies and accelerating production cuts. In addition, blast furnace steelmaking is more prevalent outside the U.S. compared to domestic steel production, which creates demand for exports of metallurgical coal.

Global metallurgical coal markets have softened in 2024 due to constrained economic growth in some regions of the world and continued conflict overseas. The global steel market has experienced slower growth, especially in China, resulting in elevated levels of Chinese steel exports. These conditions have led steel companies to both cut back on their own production and to reduce the price they are willing to pay for their metallurgical coal feedstock. Longer term, the Company believes that limited global investment in new coking coal production capacity and an eventual return to economic growth will support coking coal markets overall.

During the first nine months of 2024, we sold 2.9 million tons of coal and recognized \$495.4 million of revenue. Of this amount, 33% of our revenue was from sales into North American markets, including Canada, and 67% of our revenue was from sales into export markets. During the same period of 2023, we sold 2.5 million tons of coal and recognized \$490.8 million of revenue, of which 34% was from sales into North American markets, including Canada, and 66% was from sales into export markets. Sales into export markets, which often include index-based pricing, generally have greater exposure to variability in pricing from period to period. The Company's exports have not been materially delayed or otherwise affected by recent severe weather events or by dockworker labor disputes taking place at U.S. East Coast ports.

[Table of Contents](#)

As of September 30, 2024, the Company had outstanding performance obligations of approximately 1.7 million tons for contracts with fixed sales prices averaging \$151 per ton, excluding freight, as well as 1.6 million tons for contracts with index-based pricing mechanisms. The Company expects to satisfy approximately 36% of these commitments in the fourth quarter of 2024, 63% of these commitments in 2025, and the remaining 1% in 2026. Subsequent to the date of the financial statements, the Company obtained additional sales commitments of approximately 0.7 million tons.

The Company continues to assess its potential rare earth and critical minerals deposit in Wyoming and is making progress in terms of initial mine development and related chemical, metallurgical, and mineralogy testing. Analysis performed to date indicates elevated levels of rare earth elements along with significant concentrations of critical minerals Gallium and Germanium. The Company expects to complete its techno-economic analysis of the overall commercial aspects of the opportunity later this year and anticipates beginning construction of a demonstration processing facility in mid to late 2025. Our rare earth elements exploration target is currently in an exploration stage and does not represent, and should not be construed to be, a mineral resource or mineral reserve as such terms are used in subpart 1300 of Regulation S-K. The Company also continues its work to advance new carbon product technologies with the goal of commercializing products that use coal in both an improved economic and environmental manner.

Results of Operations

<i>(In thousands, except per share amounts)</i>	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 167,411	\$ 186,966	\$ 495,403	\$ 490,795
Costs and expenses				
Cost of sales (exclusive of items shown separately below)	134,731	144,635	397,214	354,383
Asset retirement obligations accretion	354	349	1,063	1,049
Depreciation, depletion, and amortization	17,811	14,443	48,909	39,850
Selling, general and administrative expenses	<u>12,921</u>	<u>11,458</u>	<u>37,932</u>	<u>37,519</u>
Total costs and expenses	<u>165,817</u>	<u>170,885</u>	<u>485,118</u>	<u>432,801</u>
Operating income	1,594	16,081	10,285	57,994
Other income (expense), net	(76)	11,333	3,075	15,076
Interest expense, net	<u>(1,696)</u>	<u>(2,447)</u>	<u>(4,509)</u>	<u>(7,274)</u>
Income (loss) before tax	<u>(178)</u>	<u>24,967</u>	<u>8,851</u>	<u>65,796</u>
Income tax expense	<u>61</u>	<u>5,505</u>	<u>1,517</u>	<u>13,521</u>
Net income (loss)	<u><u>\$ (239)</u></u>	<u><u>\$ 19,462</u></u>	<u><u>\$ 7,334</u></u>	<u><u>\$ 52,275</u></u>
Earnings (loss) per common share				
Basic - Single class (through 6/20/2023)	\$ —	\$ —	\$ —	\$ 0.71
Basic - Class A	<u>\$ (0.03)</u>	<u>\$ 0.41</u>	<u>\$ 0.05</u>	<u>\$ 0.44</u>
Total	<u>\$ (0.03)</u>	<u>\$ 0.41</u>	<u>\$ 0.05</u>	<u>\$ 1.15</u>
Basic - Class B	\$ 0.06	\$ 0.17	\$ 0.48	\$ 0.17
Diluted - Single class (through 6/20/23)	\$ —	\$ —	\$ —	\$ 0.70
Diluted - Class A	<u>\$ (0.03)</u>	<u>\$ 0.40</u>	<u>\$ 0.05</u>	<u>\$ 0.44</u>
Total	<u>\$ (0.03)</u>	<u>\$ 0.40</u>	<u>\$ 0.05</u>	<u>\$ 1.14</u>
Diluted - Class B	\$ 0.06	\$ 0.16	\$ 0.46	\$ 0.16
Adjusted EBITDA	<u><u>\$ 23,617</u></u>	<u><u>\$ 45,407</u></u>	<u><u>\$ 76,596</u></u>	<u><u>\$ 123,675</u></u>

Net income and Adjusted EBITDA for the three months and nine months ended September 30, 2024 were negatively impacted by the softening of global metallurgical coal markets and the decrease in metallurgical coal price indices. This occurred due to a variety of macroeconomic factors including the continued Chinese oversupply of steel into a muted global economic environment. Refer to *Non-GAAP Financial Measures* later in Item 2 for more information regarding Adjusted EBITDA.

[Table of Contents](#)

Coal sales information is summarized as follows:

(In thousands)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenue	\$ 167,411	\$ 186,966	\$ (19,555)	\$ 495,403	\$ 490,795	\$ 4,608
Tons sold	1,023	996	27	2,867	2,467	400
Total revenue per ton sold (GAAP basis)	\$ 164	\$ 188	\$ (24)	\$ 173	\$ 199	\$ (26)
Cost of sales	\$ 134,731	\$ 144,635	\$ (9,904)	\$ 397,214	\$ 354,383	\$ 42,831
Tons sold	1,023	996	27	2,867	2,467	400
Total cost of sales per ton sold (GAAP basis)	\$ 132	\$ 145	\$ (13)	\$ 139	\$ 144	\$ (5)

Refer to Non-GAAP Financial Measures for supplemental calculations of revenue per ton sold (FOB mine) and cash cost per ton sold (FOB mine)

Our revenue includes sales of Company produced coal and coal purchased from third parties. We include amounts billed by us for transportation to our customers within revenue and transportation costs incurred within cost of sales.

Three Months Ended September 30, 2024 Compared to Three Months Ended September 30, 2023

Revenue. Coal sales revenue for the three months ended September 30, 2024 was \$167.4 million, approximately 10% lower than the same period in 2023 driven by the negative impact of pricing offset partially by the 3% increase in tons sold. The increase in tons sold occurred in export markets, which increased 13% but were offset partially by the decrease in North America volumes. Revenue per ton sold decreased 13% from \$188 per ton for the three months ended September 30, 2023 to \$164 per ton for the three months ended September 30, 2024 and was driven by the variability in index-based pricing for export sales. Revenue per ton sold (FOB mine), a non-GAAP measure which excludes transportation revenues and demurrage, also decreased 13% from \$157 per ton for the three months ended September 30, 2023 to \$136 per ton for the three months ended September 30, 2024. Refer to *Non-GAAP Financial Measures* later in Item 2 for more information regarding this measure. The decrease in the Company's revenue per ton sold measures was due to the decrease in metallurgical coal prices as U.S. metallurgical coal indices continued to fall in the third quarter of 2024 by an average of 7% due to the macroeconomic conditions discussed earlier. We expect metallurgical coal prices to remain volatile in the near term.

There are no revenues from rare earth and critical minerals at this time.

Cost of sales. Our cost of coal sales for the three months ended September 30, 2024 was \$134.7 million, approximately 7% lower than the same period in 2023 despite the 3% increase in tons sold discussed above. Cost of sales per ton sold decreased 9% from \$145 per ton for the three months ended September 30, 2023 to \$132 per ton for the three months ended September 30, 2024. Cash cost per ton sold (FOB mine), a non-GAAP measure which excludes transportation costs, alternative mineral development costs, and idle mine costs, decreased 10% from \$113 per ton for the three months ended September 30, 2023 to \$102 per ton for the three months ended September 30, 2024. Refer to *Non-GAAP Financial Measures* later in Item 2 for more information regarding this measure. Mine costs for the third quarter of 2024 benefited from efficiencies gained from increased production versus the same period in 2023.

Depreciation, depletion, and amortization. Depreciation, depletion, and amortization expense totaled \$17.8 million and \$14.4 million for the three months ended September 30, 2024 and September 30, 2023, respectively. The increase year-to-year was related to \$1.3 million of additional amortization for the Knox Creek Jawbone mine, which is due to the closure of the mine, as well as the general increases in plant and equipment and production versus 2023.

[Table of Contents](#)

Selling, general, and administrative. Selling, general, and administrative ("SG&A") expenses were \$12.9 million and \$11.5 million for the three months ended September 30, 2024 and September 30, 2023, respectively. The \$1.5 million increase in 2024 was primarily due to the increase in stock-based compensation expense.

Other income (expense), net. Other income (expense), net was (\$0.1) million for the three months ended September 30, 2024, compared to \$11.3 million for the three months ended September 30, 2023. Other income, net in the third quarter of 2023 was due primarily to recognition of the \$7.8 million legal verdict for contract (compensatory) damages related to the 2018 Elk Creek silo failure as well as the receipt of \$3.0 million of insurance proceeds related to the methane ignition that occurred at our Berwind complex in 2022.

Interest expense, net. Interest expense, net was \$1.7 million for the three months ended September 30, 2024 compared to \$2.4 million for the same period in 2023. The decrease in 2024 was largely due to the repayment in full of related-party debt in the fourth quarter of 2023 associated with the financing of the acquisition of Ramaco Coal from Yorktown Partners. Interest expense related to this financing was \$0.4 million in the third quarter of 2023.

Income tax expense (benefit). The effective tax rate for the three months ended September 30, 2024 and September 30, 2023 was 9% and 22%, respectively, excluding the impact of discrete items. The primary differences from the federal statutory rate of 21% are related to state taxes, non-deductible expenses, the foreign-derived intangible income deduction, and depletion expense for income tax purposes.

Earnings (loss) per share. Refer to Note 10 of Part I, Item 1 for information regarding earnings per share calculations for Class A and Class B common stock.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Revenue. Coal sales revenue for the nine months ended September 30, 2024 was \$495.4 million, approximately 1% higher than the same period in 2023 due to the increase in tons sold, which was mostly offset by the negative impact of pricing. The 16% increase in tons sold occurred in both North America and export markets, with export volumes increasing by 20% and North America volumes increasing by 10%, and was aided by the Company's increased capacity for production achieved during late 2023. Revenue per ton sold decreased 13% from \$199 per ton for the nine months ended September 30, 2023 to \$173 per ton for the nine months ended September 30, 2024 and was driven by the variability in index-based pricing for export sales. Revenue per ton sold (*FOB mine*), a non-GAAP measure which excludes transportation revenues and demurrage, decreased 14% from \$169 per ton for the nine months ended September 30, 2023 to \$145 per ton for the nine months ended September 30, 2024. Refer to *Non-GAAP Financial Measures* later in Item 2 for more information regarding this measure. U.S. metallurgical coal price indices have fallen by roughly 32% on a year-to-date basis driven by the macroeconomic conditions discussed previously. We expect metallurgical coal prices to remain volatile in the near term.

There are no revenues from rare earth and critical minerals at this time.

Cost of sales. Our cost of coal sales totaled \$397.2 million for the nine months ended September 30, 2024 compared to \$354.4 million for the same period in 2023. The 12% increase was driven by the increase in tons sold, as discussed directly above. Cost of sales per ton sold decreased 3% from \$144 per ton for the nine months ended September 30, 2023 to \$139 per ton for the nine months ended September 30, 2024. Cash cost per ton sold (*FOB mine*), a non-GAAP measure which excludes transportation costs, alternative mineral development costs, and idle mine costs, decreased 2% from \$111 per ton for the nine months ended September 30, 2023 to \$109 per ton for the nine months ended September 30, 2024. Refer to *Non-GAAP Financial Measures* later in Item 2 for more information regarding this measure. Mine costs for 2024 were impacted negatively by challenging geology and labor constraints in the first quarter of 2024 but improved during the second and third quarters of 2024 due to efficiencies gained from increased production compared to the same periods in 2023.

Depreciation, depletion, and amortization. Depreciation, depletion, and amortization expense totaled \$48.9 million and \$39.9 million for the nine months ended September 30, 2024 and September 30, 2023, respectively. The increase

[Table of Contents](#)

year-to-year was related to \$1.2 million of additional amortization for the Knox Creek Jawbone mine, which is due to the closure of the mine, as well as the general increases in plant and equipment and production versus 2023.

Selling, general, and administrative. SG&A expenses were \$37.9 million and \$37.5 million for the nine months ended September 30, 2024 and September 30, 2023, respectively. SG&A expenses in 2024 include a \$3.1 million benefit accrued for the probable recovery of attorney fees related to the silo failure litigation developments, which is not indicative of future SG&A expenses. This matter offset most of the 2024 increase in stock-based compensation.

Other income (expense), net. Other income, net was \$3.1 million for the nine months ended September 30, 2024, which was primarily related to the \$2.2 million recovery of previously incurred demurrage and other transportation-related matters. Other income, net was \$15.1 million for the nine months ended September 30, 2023, which was due primarily to recognition of the \$7.8 million legal verdict for contract (compensatory) damages related to the 2018 Elk Creek silo failure as well as the \$4.9 million gain from the Company's insurance claim related to the methane ignition that occurred at our Berwind complex in 2022. The Company received \$6.0 million of proceeds during the nine months ended September 30, 2023 related to the Berwind ignition and had previously accrued a \$1.1 million loss recovery asset at year-end 2022. These activities are not indicative of future results.

Interest expense, net. Interest expense, net was \$4.5 million for the nine months ended September 30, 2024 compared to \$7.3 million for the same period in 2023. The decrease in 2024 was largely due to the repayment in full of related-party debt in 2023 associated with the financing of the acquisition of Ramaco Coal from Yorktown Partners. Interest expense related to this financing totaled \$1.7 million for the nine months ended September 30, 2023.

Income tax expense. The effective tax rate for the nine months ended September 30, 2024 and September 30, 2023 was 28% and 21%, respectively, excluding the \$1.0 million favorable impact of discrete items in 2024. The primary differences from the federal statutory rate of 21% are related to state taxes, non-deductible expenses, the foreign-derived intangible income deduction, and depletion expense for income tax purposes.

Earnings per share. Refer to Note 10 of Part I, Item 1 for information regarding earnings per share calculations for Class A and Class B common stock.

Liquidity and Capital Resources

The metallurgical coal markets are volatile in nature; therefore, the Company prioritizes managing its financial position and liquidity, while managing costs and capital expenditures and returning value to its shareholders.

On May 3, 2024, the Company entered into the First Amendment Agreement to the Second Amended and Restated Credit and Security Agreement in order to, among other things, extend the maturity date and increase the size of its existing Revolving Credit Facility. The amended facility has a maturity date of May 3, 2029, and provides an initial aggregate revolving commitment of \$200 million as well as an accordion feature to increase the size by an additional \$75 million subject to certain terms and conditions, including the lenders' consent. The amended facility provides the Company with additional flexibility to pursue further growth in production while meeting normal operating requirements. The terms of the amended facility also require the Company to maintain certain covenants, including fixed charge coverage ratio and compensating balance requirements. Borrowings under the amended facility may not exceed the borrowing base as determined under the amended formula included in the agreement.

At September 30, 2024, we had \$22.9 million of cash and cash equivalents and \$57.9 million of remaining availability under our Revolving Credit Facility for future borrowings. Cash and cash equivalents include \$7.5 million of compensating balances held in dedicated accounts to assure future credit availability under the revolver. The Company's total current assets were \$146.7 million and were in excess of total current liabilities by \$37.9 million as of the balance sheet date.

[Table of Contents](#)

Significant sources and uses of cash during the first nine months of 2024

Sources of cash:

- Cash flows provided by operating activities were \$97.0 million during the first nine months of 2024, which were driven primarily by net earnings adjusted for non-cash expenses including depreciation, depletion, and amortization as well as stock-based compensation. Changes in operating assets and liabilities also contributed to operating cash flow driven primarily by the decrease in accounts receivable due to the collection of fourth quarter 2023 revenues, which were \$35.3 million higher than third quarter 2024 revenues.

Uses of cash:

- Capital expenditures totaled \$57.9 million, including expenditures related to the preparation plant and expansion of our Maben complex. Capital expenditures for the Maben preparation plant totaled \$12.3 million, including approximately \$3 million for the initial purchase of the plant. The preparation plant at Maben was commissioned in October 2024, which should reduce trucking costs at the complex going forward. The Company anticipates lower capital spending in the fourth quarter of 2024 as most of the Company's annual growth capital expenditures occurred in the first half of 2024.
- Cash outflows for financing activities totaled \$58.0 million, which included:
 - net repayments of \$24.2 million on our existing debt, finance leases, and insurance financing and
 - net outflow of \$33.8 million to stockholders driven by dividend payments of \$24.5 million, which include \$18.2 million for Class A common stock and \$6.2 million for Class B common stock.

The Class B common stock dividends were calculated based on 20% of the previous quarter's CORE royalty and infrastructure fees as shown below. Refer to Note 6 of Part I, Item 1 for additional information regarding dividends.

(In thousands)	Three months ended September 30,	Three months ended June 30,	Three months ended March 31,	Three months ended December 31,
	2024	2024	2024	2023
Total Royalties	\$ 4,083	\$ 3,545	\$ 4,054	\$ 4,012
Infrastructure Fees				
Preparation Plants (Processing at \$5.00/ton)	\$ 4,254	\$ 4,314	\$ 4,475	\$ 4,432
Rail Load-outs (Loading at \$2.50/ton)	1,986	1,933	1,954	2,198
Total Infrastructure Fees (at \$7.50/ton)	\$ 6,240	\$ 6,247	\$ 6,429	\$ 6,630
CORE Royalty and Infrastructure Fees	\$ 10,323	\$ 9,792	\$ 10,483	\$ 10,642
Total Cash Available for Dividend for Class B Common Stock	\$ 10,323	\$ 9,792	\$ 10,483	\$ 10,642
20% of Cash Available for Dividend for Class B Common Stock	\$ 2,065	\$ 1,958	\$ 2,097	\$ 2,128

The Company anticipates declaring similar dividends on a quarterly basis in future periods; however, future declarations of dividends are subject to Board of Directors' approval and may be adjusted as business needs or market conditions change.

Future sources and uses of cash

Our primary use of cash includes capital expenditures for mine development and ongoing operating expenses. We expect to fund our capital and liquidity requirements for the next twelve months and the reasonably foreseeable future with cash on hand, borrowings under our revolving credit facility, projected cash flows from operations, and, if warranted, capital raised under the Company's shelf registration discussed below. 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;
- Late payments 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, processing plants and refuse disposal facilities, 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.

If future cash flows were to become insufficient to meet our liquidity needs or capital requirements, due to changes in macroeconomic conditions or otherwise, we may reduce our expected level of capital expenditures for new mine production and/or fund a portion of our capital expenditures through the issuance of debt or equity securities, new debt arrangements, or from other sources such as asset sales.

On September 1, 2023, the Company filed a shelf registration statement to sell any combination of Class A common stock, Class B common stock, preferred stock, depositary shares, debt securities, warrants, and rights at an aggregate initial offering price of up to \$400.0 million. No securities may be sold until a prospectus supplement describing the method and terms of any future offering is delivered.

Refer to Note 4 of Part I, Item 1 for information regarding the Company's Revolving Credit Facility and indebtedness.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the amounts of revenue and expenses reported for the period then ended. A discussion of our critical accounting policies and estimates is included in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" of the Annual Report. There were no material changes to our critical accounting policies during the first nine months of 2024.

Off-Balance Sheet Arrangements

A discussion of off-balance sheet arrangements is included under the heading "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Off-Balance Sheet Arrangements" in the Annual Report. There were no material changes during the first nine months of 2024.

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 plus net interest expense; stock-based compensation expense; depreciation, depletion, and amortization expenses; income taxes; accretion of asset retirement obligations; and, when applicable, certain other non-operating items (income tax penalties and charitable contributions). A reconciliation of net

[Table of Contents](#)

income to Adjusted EBITDA is included below. Adjusted EBITDA is not intended to serve as a substitute to U.S. GAAP measures of performance and may not be comparable to similarly-titled measures presented by other companies.

(In thousands)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Reconciliation of Net Income (Loss) to Adjusted EBITDA				
Net income (loss)	\$ (239)	\$ 19,462	\$ 7,334	\$ 52,275
Depreciation, depletion, and amortization	17,811	14,443	48,909	39,850
Interest expense, net	1,696	2,447	4,509	7,274
Income tax expense	61	5,505	1,517	13,521
EBITDA	19,329	41,857	62,269	112,920
Stock-based compensation	3,970	3,201	13,255	9,706
Other non-operating	(36)	—	9	—
Accretion of asset retirement obligation	354	349	1,063	1,049
Adjusted EBITDA	\$ 23,617	\$ 45,407	\$ 76,596	\$ 123,675

Non-GAAP revenue per ton sold- Non-GAAP revenue per ton sold (FOB mine) is calculated as coal sales revenue less transportation revenues and demurrage, divided by tons sold. We believe revenue per ton sold (FOB mine) provides useful information to investors as it enables investors to compare revenue per ton we generate 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 our financial performance. 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 a substitute to revenue under U.S. GAAP.

(In thousands)	Three months ended September 30,		Nine months ended September 30,			
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenue	\$ 167,411	\$ 186,966	\$ (19,555)	\$ 495,403	\$ 490,795	\$ 4,608
Less: Adjustments to reconcile to Non-GAAP revenue (FOB mine)						
Transportation	(28,582)	(30,433)	1,851	(81,086)	(74,610)	(6,476)
Non-GAAP revenue (FOB mine)	\$ 138,829	\$ 156,533	\$ (17,704)	\$ 414,317	\$ 416,185	\$ (1,868)
Tons sold	1,023	996	27	2,867	2,467	400
Non-GAAP revenue per ton sold (FOB mine)	\$ 136	\$ 157	\$ (21)	\$ 145	\$ 169	\$ (24)

Refer to coal sales information for revenue per ton sold (GAAP basis) calculations

Non-GAAP cash cost per ton sold - Non-GAAP cash cost per ton sold (FOB mine) is calculated as cash cost of sales less transportation costs, alternative mineral development costs, and idle and other costs, divided by tons sold. We believe cash cost per ton sold provides useful information to investors as it enables investors to compare our cash cost per ton 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, and alternative mineral costs, which are more developmentally focused at the present time. The adjustments made to arrive at these measures are significant in understanding and assessing our financial performance. Cash cost 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 a substitute to cost of sales under U.S. GAAP.

[Table of Contents](#)

(In thousands)	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Cost of Sales:	\$ 134,731	\$ 144,635	\$ (9,904)	\$ 397,214	\$ 354,383	\$ 42,831
Less: Adjustments to reconcile to Non-GAAP cash cost of sales						
Transportation costs	(28,551)	(30,254)	1,703	(80,299)	(74,467)	(5,832)
Alternative mineral development costs	(1,363)	(1,200)	(163)	(3,618)	(2,746)	(872)
Idle and other costs	(244)	(378)	134	(786)	(2,937)	2,151
Non-GAAP cash cost of sales	\$ 104,573	\$ 112,803	\$ (8,230)	\$ 312,511	\$ 274,233	\$ 38,278
Tons sold	1,023	996	27	2,867	2,467	400
Non-GAAP cash cost per ton sold (FOB mine)	\$ 102	\$ 113	\$ (11)	\$ 109	\$ 111	\$ (2)

Refer to coal sales information for cost per ton sold (GAAP basis) calculations

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Disclosures about market risk are included in Item 7A, “Quantitative and Qualitative Disclosures about Market Risk,” of our Annual Report.

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 chief executive officer, who serves as our principal executive officer, and our chief financial officer, who serves as our 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 disclosures, and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. However, based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level as of the end of the period covered by this quarterly report as a result of the two material weaknesses in internal control over financial reporting as described below.

Previously Reported Material Weakness

We previously identified a material weakness and concluded that our internal control over financial reporting was ineffective as of December 31, 2023. Based on that evaluation, management identified a material weakness related to a pervasive lack of sufficient documentation of accounting policies, procedures, and controls. This lack of sufficient documentation does not allow management to effectively assess its relevant risks and key controls to properly test for design and operating effectiveness. A material weakness is a control deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Remediation Plan

We have developed a plan of remediation to address this material weakness, which will include assessing, redesigning, and implementing modifications to our internal controls. We will not be able to fully remediate this material weakness until these steps have been completed and subsequent validation and testing of these internal controls have demonstrated their operating effectiveness over a sustained period of financial reporting cycles. Once the remediation plan is fully developed, we will be implementing process, control, and documentation improvements to address the above material weakness that include, but are not limited to, designing and implementing specific management review procedures to ensure completeness and accuracy of key financial and non-financial data utilized in our business; and implementing improved policies, procedures, and control activities over key financial data to ensure accuracy and completeness of this data as used in the aforementioned management review procedures.

Changes in Internal Control over Financial Reporting

We are actively improving our control environment by executing our remediation plan to address the material weakness, as described above. Our remediation process has resulted in changes to our control environment that we believe represent changes in our system of internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the period covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Additionally, during the most recent fiscal period, management determined that a material weakness existed related to inappropriate segregation of duties related to certain individuals having both system administrator responsibilities within the Company's Enterprise Resource Planning ("ERP") financial system and responsibilities for certain accounting and financial reporting functions. The inappropriate segregation of duties was not appropriately mitigated by the monitoring controls implemented to ensure individuals with system administrator access did not make unauthorized changes to the Company's information systems impacting the financial reporting of the Company. We have implemented an enhanced monitoring control as of the end of the third quarter of 2024, which we believe is designed effectively to remediate the aforementioned material weakness; however, additional testing will be required in the fourth quarter to ensure that the enhanced control activities are operating as designed before we can conclude the material weakness has been remediated.

Inherent Limitations on Effectiveness of Controls and Procedures

Senior members of management do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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. For a description of our legal proceedings, see Note 7 to the Condensed Consolidated Financial Statements included in Part I of this Quarterly Report.

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 business, financial condition, cash flows, or future results of operations.

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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

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 5. Other Information

During the period covered by this Quarterly Report, none of the Company's directors or executive officers has adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408 of Regulation S-K under the Securities Exchange Act of 1934, as amended).

Item 6. Exhibits

- 3.1 [Second Amended and Restated Bylaws, dated August 5, 2024 \(incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Commission on August 7, 2024\)](#)
- 10.1 [Ramaco Resources, Inc. Change in Control Severance Plan, effective as of July 9, 2024 \(incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Commission on July 15, 2024\)](#)
- *31.1 [Certification of Chief Executive Officer \(principal executive officer\) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- *31.2 [Certification of Chief Financial Officer \(principal financial officer\) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- **32.1 [Certification of Chief Executive Officer \(principal executive officer\) 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 \(principal financial officer\) 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 Inline 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

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

- * Exhibit filed herewith.
- ** Furnished herewith. Pursuant to SEC Release No. 33-8212, this certification will be treated as "accompanying" this Quarterly Report and not "filed" as part of such report for purposes of Section 18 of the Exchange Act or otherwise subject to the liability under 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 8, 2024

By: /s/ Randall W. Atkins
Randall W. Atkins
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)

November 8, 2024

By: /s/ Jeremy R. Sussman
Jeremy R. Sussman
Chief Financial Officer
(Principal Financial Officer)

**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, Randall W. Atkins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 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; and
 - 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 8, 2024

/s/ Randall W. Atkins

Randall W. Atkins
Chairman and Chief Executive Officer

**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, Jeremy R. Sussman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 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; and
 - 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 8, 2024

/s/ **Jeremy R. Sussman**
Jeremy R. Sussman
Chief Financial Officer

**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**

In connection with the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 of Ramaco Resources, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Randall W. Atkins, Chief Executive Officer of the Company, hereby 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 8, 2024

/s/ Randall W. Atkins

Randall W. Atkins

Chairman and Chief Executive Officer

**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**

In connection with the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 of Ramaco Resources, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeremy R. Sussman, Chief Financial Officer of the Company, hereby 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 8, 2024

/s/ Jeremy R. Sussman

Jeremy R. Sussman
Chief Financial Officer

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"). Mine Safety and Health Administration ("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.

Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and Item 104 of Regulation S-K require issuers to include in periodic reports filed with the U.S. Securities and Exchange Commission 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 and Item 104 of Regulation S-K for the current quarter. 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. The tables below do not include any orders or citations issued to independent contractors at our mines.

<i>Mine or Operating Name / MSHA Identification Number</i>	<i>Section 104(a) S&S Citations⁽¹⁾</i>	<i>Section 104(b) Orders⁽²⁾</i>	<i>Section 104(d) Citations and Orders⁽³⁾</i>	<i>Section 110(b)(2) Violations⁽⁴⁾</i>	<i>Section 107(a) Orders⁽⁵⁾</i>	<i>Total Dollar Value of MSHA Assessments Proposed (in thousands)⁽⁶⁾</i>
Active Operations						
Eagle Seam Deep Mine - 46-09495	9	0	0	0	0	\$ 0.0
Stonecoal Branch Mine No. 2 - 46-08663	28	0	0	0	0	\$ 0.0
No. 2 Gas Deep Mine - 46-09541	13	0	2	0	0	\$ 0.0
Michael Powellton Deep Mine - 46-09602	12	0	2	0	0	\$ 0.0
Crucible Deep Mine - 46-09614	2	0	0	0	0	\$ 0.0
Ram Surface Mine No. 1 - 46-09537	0	0	0	0	0	\$ 0.0
Highwall Miner No. 1 - 46-09219	0	0	0	0	0	\$ 0.0
Elk Creek Prep Plant - 46-02444	3	0	0	0	0	\$ 0.0
Maben Surface Mine - 46-09637	0	0	0	0	0	\$ 0.0
Highwall Miner No. 2 - 46-09638	0	0	0	0	0	\$ 0.0
Berwind Deep Mine - 46-09533	17	0	0	0	0	\$ 0.0
Laurel Fork - 46-09084	8	0	0	0	0	\$ 0.0
Jawbone Mine No. 1 - 44-07369	13	0	0	0	0	\$ 0.0
Triad No. 2 - 46-09628	0	0	0	0	0	\$ 0.0
Big Creek Surface Mine - 44-07162	0	0	0	0	0	\$ 0.0
Highwall Miner No. 3 - 15-19557	0	0	0	0	0	\$ 0.0
Coal Creek Prep Plant (VA) - 44-05236	0	0	0	0	0	\$ 0.0
Berwind Prep Plant - 46-05449	0	0	0	0	0	\$ 0.0
Ram Surface Mine No. 3 - 46-09578	3	0	0	0	0	\$ 0.0
Eagle – Mine No. 2 - 46-07437	0	0	0	0	0	\$ 0.0

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	6	6	10
Stonecoal Branch Mine No. 2 - 46-08663	0	No	14	6	5
No. 2 Gas - 46-09541	0	No	9	0	1
Michael Powellton Deep Mine - 46-09602	0	No	17	10	10
Crucible Deep Mine - 46-09614	0	No	13	7	2
Ram Surface Mine No. 1 - 46-09537	0	No	5	5	0
Highwall Miner No. 1 - 46-09219	0	No	1	1	0
Elk Creek Prep Plant - 46-02444	0	No	4	0	0
Maben Surface Mine - 46-09637	0	No	0	0	0
Highwall Miner No. 2 - 46-09638	0	No	0	0	0
Berwind Deep Mine - 46-09533	0	No	7	4	8
Laurel Fork - 46-09084	0	No	14	11	9
Jawbone Mine No. 1 - 44-07369	0	No	24	0	13
Triad No. 2 - 46-09628	0	No	0	0	0
Big Creek Surface Mine - 44-07162	0	No	0	0	1
Highwall Miner No. 3 - 15-19557	0	No	0	0	0
Coal Creek Prep Plant (VA) - 44-05236	0	No	0	0	0
Berwind Prep Plant - 46-05449	0	No	0	0	0
Ram Surface Mine No. 3 - 46-09578	0	No	0	0	0
Eagle – Mine No. 2 - 46-07437	0	No	0	0	0

The number of legal actions pending before the Federal Mine Safety and Health Review Commission as of September 30, 2024, 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	6	0	0	0	0
Stonecoal Branch Mine No. 2 - 46-08663	0	14	0	0	0	0
No. 2 Gas - 46-09541	0	9	0	0	0	0
Michael Powellton Deep Mine - 46-09602	0	17	0	0	0	0
Crucible Deep Mine - 46-09614	0	13	0	0	0	0
Ram Surface Mine No. 1 - 46-09537	0	5	0	0	0	0
Highwall Miner No. 1 - 46-09219	0	1	0	0	0	0
Elk Creek Prep Plant - 46-02444	0	4	0	0	0	0
Maben Surface - 46-09637	0	0	0	0	0	0
Highwall Miner No. 2 - 46-09638	0	0	0	0	0	0
Berwind Deep Mine - 46-09533	0	7	0	0	0	0
Laurel Fork - 46-09084	0	14	0	0	0	0
Jawbone Mine No. 1 - 44-07369	0	24	0	0	0	0
Triad No. 2 - 46-09628	0	0	0	0	0	0
Big Creek Surface - 44-07162	0	0	0	0	0	0

Highwall Miner No. 3 19557	- 15-	0	0	0	0	0	0
Coal Creek Prep Plant (VA) 05236	- 44-	0	0	0	0	0	0
Berwind Prep Plant 05449	- 46-	0	0	0	0	0	0
Ram Surface Mine No. 3 09578	- 46-	0	0	0	0	0	0
Eagle – Mine No. 2 07437	- 46-	0	0	0	0	0	0

(1) Mine Act Section 104(a) significant and substantial ("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 on all citations and orders, including those citations and orders that are not required to be included within the above chart.

Note: Due to an interruption in the mail provider service for MSHA’s Office of Assessments, we received no proposed assessments from MSHA during the third quarter of 2024. We expect to receive any assessments that would have been proposed during the third quarter in the fourth quarter of 2024 or beyond.

- (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.
