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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2023

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
Common Stock, $0.01 par value	**METC**	**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	X
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 X

As of April 30, 2023, the registrant had 44,414,085 shares of common stock outstanding.

TABLE OF CONTENTS

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, 2022 (the "Annual Report") filed with the United States Securities and Exchange Commission (the "SEC") on March 14, 2023 and amended on April 7, 2023, as well as other filings of the Company with the SEC.

Forward-looking statements may include statements about:

- risks related to the impact of the novel coronavirus "COVID-19" global pandemic, such as the scope and duration of the outbreak, the health and safety of our employees, government actions and restrictive measures implemented in response, delays and cancellations of customer sales, supply chain disruptions and other impacts to the business, or our ability to execute our business continuity plans;
- 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 as currently contemplated 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 the long-term impacts of the COVID-19 global pandemic;
- risks related to weakened global economic conditions and inflation; and
- other risks identified in this Quarterly Report that are not historical.

We caution you that these forward-looking statements are subject to a number of risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond our control, incident to the development, production, gathering and sale of coal. Moreover, we operate in a very competitive and rapidly changing environment and 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

In thousands, except share and per share information	March 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 36,616	$ 35,613
Accounts receivable	71,099	41,174
Inventories	50,971	44,973
Prepaid expenses and other	19,005	25,729
Total current assets	177,691	147,489
Property, plant, and equipment, net	444,075	429,842
Financing lease right-of-use assets, net	12,443	12,905
Advanced coal royalties	3,277	3,271
Other	3,830	2,832
Total Assets	$ 641,316	$ 596,339
Liabilities and Stockholders' Equity		
Liabilities		
Current liabilities		
Accounts payable	$ 49,850	$ 34,825
Accrued liabilities	33,070	41,806
Current portion of asset retirement obligations	29	29
Current portion of long-term debt	29,684	35,639
Current portion of related party debt	30,000	40,000
Current portion of financing lease obligations	6,114	5,969
Insurance financing liability	2,415	4,577
Total current liabilities	151,162	162,845
Asset retirement obligations, net	29,206	28,856
Long-term debt, net	45,567	18,757
Long-term financing lease obligations, net	3,980	4,917
Senior notes, net	32,945	32,830
Deferred tax liability, net	37,791	35,637
Other long-term liabilities	3,742	3,299
Total liabilities	304,393	287,141
Commitments and contingencies	—	—
Stockholders' Equity		
Preferred stock, $0.01 par value, 50,000,000 shares authorized, none issued and outstanding	—	—
Common stock, $0.01 par value, 260,000,000 shares authorized, 44,418,879 at March 31, 2023 and 44,155,735 at December 31, 2022 shares issued and outstanding	444	442
Additional paid-in capital	171,531	168,711
Retained earnings	164,948	140,045
Total stockholders' equity	336,923	309,198
Total Liabilities and Stockholders' Equity	$ 641,316	$ 596,339

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

Ramaco Resources, Inc.
Unaudited Condensed Consolidated Statements of Operations

In thousands, except per-share amounts	Three months ended March 31, 2023	Three months ended March 31, 2022
Revenue	$ 166,360	$ 154,882
Costs and expenses		
Cost of sales (exclusive of items shown separately below)	110,549	81,253
Asset retirement obligations accretion	350	235
Depreciation, depletion, and amortization	11,852	8,680
Selling, general, and administrative	11,742	11,824
Total costs and expenses	134,493	101,992
Operating income	31,867	52,890
Other income, net	1,247	366
Interest expense, net	(2,309)	(1,130)
Income before tax	30,805	52,126
Income tax expense	5,548	10,655
Net income	$ 25,257	$ 41,471
Earnings per common share		
Basic	$ 0.57	$ 0.94
Diluted	$ 0.57	$ 0.92
Basic weighted average shares outstanding	44,281	44,181
Diluted weighted average shares outstanding	44,692	44,908

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

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

In thousands	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
Balance at January 1, 2023	$ 442	$ 168,711	$ 140,045	$ 309,198
Stock-based compensation	3	2,934	—	2,937
Restricted stock 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
Balance at January 1, 2022	$ 441	$ 163,566	$ 47,067	$ 211,074
Stock-based compensation	2	1,885	—	1,887
Dividends declared	—	—	(2,497)	(2,497)
Net income	—	—	41,471	41,471
Balance at March 31, 2022	$ 443	$ 165,451	$ 86,041	$ 251,935

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

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

In thousands	Three months ended March 31, 2023	2022
Cash flows from operating activities:		
Net income	$ 25,257	$ 41,471
Adjustments to reconcile net income to net cash from operating activities:		
Accretion of asset retirement obligations	350	235
Depreciation, depletion, and amortization	11,852	8,680
Amortization of debt issuance costs	149	121
Stock-based compensation	2,937	1,887
Deferred income taxes	2,154	5,015
Changes in operating assets and liabilities:		
Accounts receivable	(29,925)	(3,194)
Prepaid expenses and other current assets	4,779	1,807
Inventories	(5,998)	(3,752)
Other assets and liabilities	(823)	(591)
Accounts payable	13,902	18,653
Accrued liabilities	(3,272)	7,037
Net cash provided by operating activities	21,362	77,369
Cash flow from investing activities:		
Capital expenditures	(23,546)	(19,742)
Maben acquisition bond recovery	1,182	—
Net cash used for investing activities	(22,364)	(19,742)
Cash flows from financing activities:		
Proceeds from borrowings	45,000	1,337
Payment of dividends	(5,556)	(4,998)
Repayment of borrowings	(24,145)	(2,519)
Repayment of Ramaco Coal acquisition financing - related party	(10,000)	—
Repayments of insurance financing	(1,433)	(105)
Repayments of equipment finance leases	(1,746)	(1,635)
Shares surrendered for withholding taxes payable	(115)	—
Net cash provided by (used for) financing activities	2,005	(7,920)
Net change in cash and cash equivalents and restricted cash	1,003	49,707
Cash and cash equivalents and restricted cash, beginning of period	36,473	22,806
Cash and cash equivalents and restricted cash, end of period	$ 37,476	$ 72,513
Non-cash investing and financing activities:		
Leased assets obtained under new financing leases	954	3,624
Capital expenditures included in accounts payable and accrued liabilities	13,812	13,059
Financed insurance	407	—
Accrued dividends payable adjustment	322	—

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," "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, southwestern Virginia, and southwestern Pennsylvania. We also control mineral deposits near Sheridan, Wyoming as part of the Company's initiatives regarding the potential recovery of rare earth elements as well as the potential commercialization of coal-to-carbon-based products and materials.

Economic Conditions—Renewed global economic concerns, including those related to the military conflict involving Russia and Ukraine, have caused volatility in the commodity markets. This volatility, including market expectations of potential changes in coal prices and inflationary pressures on steel products, has had a significant effect on market prices and may affect overall demand for our coal as well as the cost of supplies and equipment.

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, 2022.

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 March 31, 2023, 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 first quarter of 2023.

NOTE 2—INVENTORIES

Inventories consisted of the following:

(In thousands)	March 31, 2023	December 31, 2022
Raw coal	$ 32,449	$ 22,414
Saleable coal	14,186	18,223
Supplies	4,336	4,336
Total inventories	$ 50,971	$ 44,973

NOTE 3—PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment consisted of the following:

(In thousands)	March 31, 2023	December 31, 2022
Plant and equipment	$ 243,421	$ 232,885
Mining property and mineral rights	120,760	120,760
Construction in process	44,457	34,698
Capitalized mine development costs	157,345	153,436
Less: accumulated depreciation and amortization	(121,908)	(111,937)
Total property, plant and equipment, net	$ 444,075	$ 429,842

On July 10, 2022, the Company experienced a methane ignition at the Berwind No. 1 mine, which was one of the active mines at our Berwind mining complex. The other mines resumed production while the Berwind No. 1 mine was idled until a full investigation could be conducted. There were no personnel in the mine at the time of the incident and no injuries or fatalities occurred. Production from the Berwind No. 1 mine restarted in the first quarter of 2023.

Depreciation, depletion, and amortization included:

	Three months ended March 31,	
(In thousands)	2023	2022
Depreciation of plant and equipment	$ 6,769	$ 4,754
Amortization of right of use assets (finance leases)	1,881	714
Amortization and depletion of capitalized mine development costs and mineral rights	3,202	3,212
Total depreciation, depletion, and amortization	$ 11,852	$ 8,680

NOTE 4—DEBT

Outstanding debt consisted of the following:

(In thousands)	March 31, 2023	December 31, 2022
Revolving Credit Facility	$ 50,000	$ 25,000
Equipment loans	6,651	8,396
Senior Notes, net	32,945	32,830
Financing of Ramaco Coal acquisition - Related party debt	30,000	40,000
Financing of Maben Coal acquisition	18,600	21,000
Total debt	$ 138,196	$ 127,226
Current portion of long-term debt	59,684	75,639
Long-term debt, net	$ 78,512	$ 51,587

Revolving Credit Facility—On February 15, 2023, the Company entered into the Second Amended and Restated Credit and Security Agreement, which includes multiple lending parties and provides additional borrowing capacity compared to the facility utilized in 2022. The new facility, which has a maturity date of February 15, 2026, provides an initial aggregate revolving commitment of $125.0 million as well as an accordion feature of $50.0 million subject to certain terms and conditions, including the lenders' consents. The Company utilized the new facility to pay down $10.0 million of related-party debt during the quarter associated with the 2022 acquisition of Ramaco Coal. The remaining availability under the facility after borrowing base limitations and outstanding borrowings was $28.8 million at March 31, 2023.

Revolving loans under the new facility bear interest at either the base rate plus 1.50% or the Secured Overnight Financing Rate plus 2.00%. The base rate equals the highest of the administrative agent's prime rate, the Federal Funds Effective Rate plus 0.5%, or 3%.

The terms of the new 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 new facility also require the Company to maintain certain covenants, including fixed charge coverage ratio and compensating balance requirements, with which the Company was in compliance at March 31, 2023.

The Company's Senior Notes had an estimated fair value of $36 million at both March 31, 2023 and December 31, 2022. 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.

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 March 31, 2023 consisted of accrued compensation and related benefits of $11.1 million, accrued purchases of $6.9 million, and various other liabilities. Accrued liabilities at December 31, 2022 consisted of accrued compensation and related benefits of $14.3 million, accrued purchases of $11.5 million, and various other liabilities. The decrease in accrued compensation and related benefits was driven by the payment of annual bonuses earned and accrued in 2022. The decrease in accrued purchases was offset by the increase in accounts payable during the first quarter of 2023.

Self-Insurance—We are 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. Starting in 2023, the Company also elected to self-insure employee medical expenses. We purchase insurance coverage to reduce our 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 current and historical claims experience and certain actuarial assumptions. These estimates are subject to uncertainty due to a variety of factors, including extended lag times in the reporting and resolution of claims, trends or changes in claim settlement patterns, and future cost trends. As a result, actual costs could differ significantly from the estimated amounts.

The estimated aggregate liability for these items totaled $4.8 million and $3.6 million as of March 31, 2023 and December 31, 2022, respectively. Of the aggregate liability, the amounts included in other long-term liabilities were $2.9 million and $2.7 million as of March 31, 2023 and December 31, 2022, 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 $0.9 million at March 31, 2023 and December 31, 2022.

NOTE 6—EQUITY

Stock-Based Compensation Awards—Stock-based compensation expense totaled $2.9 million and $1.9 million for the three months ended March 31, 2023 and March 31, 2022, respectively. During the first quarter of 2023, the Company granted new stock-based awards and modified certain awards previously granted as discussed below.

Restricted Stock—We granted 296,115 shares of restricted stock to certain senior executives, key employees, and directors during the first quarter of 2023, having a grant-date fair value of $10.61 per share. The aggregate fair value of restricted stock granted to employees during the quarter was $2.5 million, which will be recognized ratably as expense over the three-year service period unless forfeited. The aggregate fair value of restricted stock granted to directors during the quarter was $0.6 million, which will be recognized ratably as expense over 2023 unless forfeited. During the vesting period, the participants have voting rights and may receive dividends.

Restricted Stock Units—We granted 518,348 restricted stock units to certain senior executives and key employees during the first quarter of 2023, having a grant-date fair value of $10.61 per share. The aggregate fair value of these awards was $5.5 million, which will be 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. Upon vesting and within 30 days thereafter, the recipient will receive one share of common stock for each stock unit.

Performance Stock Units—We granted performance stock units to certain senior executives and key employees. 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 have the potential to 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. Upon vesting and within 30 days thereafter, the recipient will receive one share of common stock for each stock unit.

The target number of performance stock units granted during the quarter, or 518,348 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 $18.09 per unit. The aggregate fair value of these awards was $9.4 million, which will be recognized ratably as expense over the three-year period.

In addition, performance stock units granted in 2022, or 248,706 units at target, were modified during the first quarter of 2023. Modifications to these awards were made up primarily of changes in the composition of the peer group as well as changes in the way relative total shareholder return is evaluated against the updated peer group. The modification resulted in incremental fair value of $1.2 million to be recognized as expense over 2023 and 2024.

Dividends – On December 8, 2022, the Company announced that its Board of Directors declared a quarterly cash dividend of approximately $0.1250 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. Refer to Note 12 for information regarding dividends declared after the date of the financial statements.

On February 18, 2022, the Company announced that its Board of Directors approved an increase in its initial quarterly cash dividend to $5.0 million from the formerly approved $2.5 million that was declared and accrued in December 2021. Dividends in the amount of $5.0 million, or approximately $0.11 per share of common stock, were paid on March 15, 2022 to shareholders of record on March 1, 2022.

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 March 31, 2023 totaled approximately $26.0 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 expense was $9.0 million and $10.2 million for the three months ended March 31, 2023 and March 31, 2022, 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 March 31, 2023, the Company's remaining commitments under take-or-pay arrangements totaled $39.9 million, the majority of which relates to a new five-year contract with a total commitment of $22.5 million. The level of these commitments will 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. No amounts have been recognized as contingent liabilities related to take-or-pay arrangements.

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

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 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 compensatory damages and on July 16, 2021, made an additional award of $25.0 million for 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. The parties fully briefed the motion, and it stood submitted on August 31, 2021. 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, based largely on the court's decision to vacate and set aside, in its entirety, the jury award of damages for inconvenience and aggravation. 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. The matter has been fully briefed by the parties, and the court heard oral argument on January 27, 2023. The matter is now pending before the court.

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 our revenue is presented below:

	Three months ended March 31,	
(In thousands)	**2023**	**2022**
Coal Sales		
North American revenue	$ 40,027	$ 60,094
Export revenue, excluding Canada	126,333	94,788
Total revenue	$ 166,360	$ 154,882

As of March 31, 2023, the Company had outstanding performance obligations of approximately 1.9 million tons for contracts with fixed sales prices averaging $197 per ton, excluding freight, which will generally be satisfied within the next year, and 0.8 million tons for contracts with index-based pricing mechanisms. 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 March 31, 2023, sales to our top four customers accounted for approximately 63% of our total revenue. The balance due from these four customers at March 31, 2023 was approximately 61% of total accounts receivable. During the three months ended March 31, 2022, sales to our top four customers accounted for approximately 70% of total revenue. The number of customers comprising the concentrations above is based on a threshold of 10% or more of total revenues and related receivables.

NOTE 9—INCOME TAXES

Income tax provisions for interim quarterly 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 March 31, 2023 and March 31, 2022 was 18.0% and 19.5%, respectively. The primary difference from the federal statutory rate of 21% in each period is related to state taxes, non-deductible expenses, the foreign derived intangible income deduction, and depletion expense for income tax purposes.

NOTE 10—EARNINGS PER SHARE

The following is the computation of basic and diluted EPS:

	Three months ended March 31,	
(In thousands, except per share amounts)	**2023**	**2022**
Numerator		
Net income	$ 25,257	$ 41,471
Denominator		
Weighted average shares used to compute basic earnings per share	44,281	44,181
Dilutive effect of stock option awards	411	605
Dilutive effect of restricted stock units	—	122
Weighted average shares used to compute diluted earnings per share	44,692	44,908
Earnings per share		
Basic	$ 0.57	$ 0.94
Diluted	$ 0.57	$ 0.92

Diluted earnings per share for the three months ended March 31, 2023, excludes all outstanding restricted stock units (396 thousand units on a weighted average outstanding basis) because the effect would have been antidilutive. In addition, diluted earnings per share for the three months ended March 31, 2023 and March 31, 2022 exclude all performance stock units, as discussed earlier in Note 6. The performance stock units were excluded based on the guidance for contingently issuable shares, which requires exclusion when the shares would not be issuable if the end of the reporting period were the end of the contingency period, or, otherwise, the effect would have been antidilutive.

NOTE 11—RELATED PARTY TRANSACTIONS

Ramaco Coal Deferred Purchase Price—As part of the financing of the acquisition of Ramaco Coal that occurred in the second quarter of 2022, the Company incurred interest expense of $0.8 million for the three months ended March 31, 2023. The Company paid down $10.0 million of related-party debt during the first quarter of 2023, leaving a balance of $30.0 million.

Mineral Lease and Surface Rights Agreements—Prior to the acquisition of Ramaco Coal, much of the coal reserves and surface rights that we control were acquired through a series of mineral leases and surface rights agreements with Ramaco Coal, who was a related party. Royalties paid to Ramaco Coal during the three months ended March 31, 2022 totaled $2.0 million.

Administrative Services—Also prior to the acquisition of Ramaco Coal, the Company and Ramaco Coal agreed to share the services of certain of each company's employees pursuant to a mutual service agreement. Charges to Ramaco Coal were $23 thousand for the three months ended March 31, 2022.

Legal Services—Some of the professional legal services we receive are provided by Jones & Associates ("Jones"), a related party. Legal services payable to Jones totaled $0.6 million at March 31, 2023 and were included in accrued liabilities in the consolidated balance sheet. There were no legal expenses recognized for Jones during the three months ended March 31, 2023.

NOTE 12—SUBSEQUENT EVENTS

On April 12, 2023, the Company announced that its Board of Directors declared a quarterly cash dividend of $0.1250 per share of common stock to be paid on June 15, 2023 to shareholders of record on June 1, 2023.

On April 26, 2023, the Company filed a definitive proxy statement regarding a special meeting of shareholders to be held on June 12, 2023. At the meeting, which will be held virtually, shareholders will be asked to vote for a charter amendment proposal to approve the adoption of an amendment and restatement of our amended and restated certificate of incorporation. Such amendment contemplates, among other things, (1) reclassifying our existing common stock as shares of Class A common stock, par value $0.01 per share, (2) creating a separate Class B common stock (a tracking stock), par value $0.01 per share, and (3) providing our board of directors the option, in its sole discretion, to exchange all outstanding shares of the Class B common stock into shares of Class A common stock based on an exchange ratio determined by a 20-day trailing volume-weighted average price for each class of stock.

* * * * *

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, southwestern Virginia, and southwestern Pennsylvania. Our executive offices are located in Lexington, Kentucky, with operational offices in Charleston, West Virginia and Sheridan, Wyoming. We are a pure play metallurgical coal company with 62 million reserve tons and 1,156 million of measured and indicated resource tons of high-quality metallurgical coal.

Our development portfolio primarily includes the following properties: Elk Creek, Berwind, Knox Creek and RAM Mine. 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 target 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 as well as the potential commercialization of coal-to-carbon-based products and materials.

On July 10, 2022, the Company experienced a methane ignition at the Berwind No. 1 mine, which was one of the active mines at our Berwind mining complex. The other mines resumed production while the Berwind No. 1 mine was idled until a full investigation could be conducted. There were no personnel in the mine at the time of the incident and no injuries or fatalities occurred. Production from the Berwind No. 1 mine restarted in the first quarter of 2023.

Renewed global economic concerns, including those related to the military conflict involving Russia and Ukraine, have caused volatility in the commodity markets. This volatility, including market expectations of potential changes in coal prices and inflationary pressures on steel products, has had a significant effect on market prices and may affect overall demand for our coal as well as the cost of supplies and equipment.

During the first quarter of 2023, we sold 0.8 million tons of coal and recognized $166.4 million of revenue. Of this amount, 24% was sold in North American markets, including Canada, and 76% was sold into export markets. During the same period of 2022, we sold 0.6 million tons of coal and recognized $154.9 million of revenue. Of this amount, 39% of our sales were sold in North American markets, including Canada, with the remaining 61% being sold into the export markets.

As of March 31, 2023, the Company had outstanding performance obligations of approximately 1.9 million tons for contracts with fixed sales prices averaging $197 per ton, excluding freight, which will generally be satisfied within the next year, and 0.8 million tons for contracts with index-based pricing mechanisms.

Recent Developments

The Company continues to assess its potential rare earth element deposit in Wyoming, and core analysis performed to date shows high relative concentrations of heavy rare earth elements such as Terbium and Dysprosium as well as lighter rare earth elements such as Neodymium and Praseodymium. Refer to the Company's Current Report on Form 8-K filed on May 3, 2023 for additional information. The exploration target 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.

Results of Operations

	Three months ended March 31,	
(In thousands, except per share amounts)	**2023**	**2022**
Revenue	$ 166,360	$ 154,882
Costs and expenses		
Cost of sales (exclusive of items shown separately below)	110,549	81,253
Asset retirement obligations accretion	350	235
Depreciation, depletion, and amortization	11,852	8,680
Selling, general and administrative expenses	11,742	11,824
Total costs and expenses	134,493	101,992
Operating income	31,867	52,890
Other income, net	1,247	366
Interest expense, net	(2,309)	(1,130)
Income before tax	30,805	52,126
Income tax expense	5,548	10,655
Net income	$ 25,257	$ 41,471
Earnings per common share		
Basic	$ 0.57	$ 0.94
Diluted	$ 0.57	$ 0.92
Adjusted EBITDA	$ 48,253	$ 64,058

During the three months ended March 31, 2023, our net income and Adjusted EBITDA were lower compared to the same period in 2022, which was largely due to lower margins on coal sales driven by the negative impact of pricing.

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Revenue. 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.

Coal sales information is summarized as follows:

(In thousands)	Three months ended March 31, 2023	2022	Increase (Decrease)
Company Produced			
Coal sales revenue	$ 158,959	$ 150,929	$ 8,030
Tons sold	727	573	154
Purchased from Third Parties			
Coal sales revenue	$ 7,401	$ 3,953	$ 3,448
Tons sold	29	10	19
Totals			
Coal sales revenue	$ 166,360	$ 154,882	$ 11,478
Tons sold	757	583	173

Coal sales revenue in the first quarter of 2023 was $166.4 million, which increased 7% compared to the first quarter of 2022, despite the negative impact of pricing, due to the increase in tons sold. Revenue per ton sold decreased 17% from $266 per ton in 2022 to $220 per ton in 2023. Revenue per ton sold (FOB mine), which excludes transportation revenues, decreased 20% from $236 per ton in 2022 to $188 per ton in 2023.

During the second quarter of 2023, U.S. metallurgical coal spot pricing declined almost 25% from first quarter 2023 averages on the back of renewed global economic concerns. If indices remain at such levels for the duration of the second quarter, the Company estimates that average pricing for the second quarter could fall roughly 10% from first quarter levels.

Cost of sales. Our cost of sales totaled $110.5 million for the first quarter of 2023 as compared to $81.3 million for the first quarter of 2022. The 36% increase versus the prior year was driven by the increase in tons sold. Total cost per ton sold increased 5% from $139 per ton in 2022 to $146 per ton in 2023. Total *cash* cost per ton sold *(FOB mine)*, which excludes transportation costs and idle mine costs related to the Berwind ignition event, was flat year-to-year at $110 per ton sold.

Asset retirement obligation accretion. Asset retirement obligation accretion was $0.4 million for the three-month period ended March 31, 2023 and $0.2 million for the three-month period ended March 31, 2022.

Depreciation, depletion, and amortization. Depreciation, depletion, and amortization expense totaled $11.9 million and $8.7 million for the three-month periods ended March 31, 2023 and March 31, 2022, respectively. The increase was primarily due to additional mining equipment placed in service as well as new equipment leases compared to the previous year.

Selling, general and administrative. Selling, general and administrative expenses were nearly flat year over year.

Other income, net. Other income was $1.2 million for the three months ended March 31, 2023 compared to $0.4 million for the same period in 2022.

Interest expense, net. Interest expense, net was approximately $2.3 million during the three months ended March 31, 2023 compared to $1.1 million during the same period in 2022. The increase in interest expense is generally due to higher debt levels, including debt incurred to finance acquisitions in the second and third quarters of 2022.

Income tax expense. The effective tax rate for the three months ended March 31, 2023 and March 31, 2022 was 18.0% and 19.5%, respectively. The primary difference from the federal statutory rate of 21% in each period is related to state taxes, non-deductible expenses, the foreign derived intangible income deduction, and depletion expense for income tax purposes.

Liquidity and Capital Resources

At March 31, 2023, we had $36.6 million of cash and cash equivalents and $28.8 million available under our Revolving Credit Facility for future borrowings. In the first quarter of 2023, the Company entered into an arrangement whereby our cash and cash equivalents are placed at various banks in amounts no greater than the $250,000 FDIC insured limit to help safeguard against potential losses in the financial sector.

Significant sources and uses of cash during the first three months of 2023

Sources of cash:

- Cash flows from operating activities were $21.4 million driven by cash earnings and the increase in accounts payable during the quarter. These activities were offset partially by the increase in accounts receivable during the first quarter of 2023 driven by the increase in revenues compared to the fourth quarter of 2022.
- Net borrowings from the Revolving Credit Facility increased by $25.0 million (gross proceeds of $45.0 million less repayments of $20.0 million). Proceeds were used to pay down $10.0 million of related party debt (below) as well as for the management of our normal operating cash position.

Uses of cash:

- Capital expenditures were $23.5 million driven by growth projects
- We made repayments of $10.0 million and $2.4 million against debt incurred from the 2022 acquisitions of Ramaco Coal (a related party) and Maben assets, respectively.
- We paid dividends of $5.6 million.

Future sources and uses of cash

Our primary use of cash includes capital expenditures for mine development, ongoing operating expenses and deferred cash payments in connection with the Ramaco Coal and Maben Coal acquisitions. We expect to fund our capital and liquidity requirements with cash on hand, borrowings under the Revolving Credit Facility, and projected cash flow from operations. Factors that could adversely impact our future liquidity and ability to carry out our capital expenditure program include the following:

- Timely delivery of our product by rail and other transportation carriers;
- 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.

Indebtedness

Refer to Note 4 of Part I, Item 1 for information regarding the Company's indebtedness. During April 2023, shortly after the balance sheet date, the Company repaid $15.0 million of its outstanding borrowings under the Revolving Credit Facility using funds from current operations.

Critical Accounting Estimates

A discussion of our critical accounting policies is included in the Annual Report. There were no material changes to our critical accounting policies during the first quarter of 2023.

Off-Balance Sheet Arrangements

A discussion of off-balance sheet arrangements is included in the Annual Report. There were no material changes during the first quarter of 2023.

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 non-operating expenses (charitable contributions). A reconciliation of net 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.

	Three months ended March 31,	
(In thousands)	**2023**	**2022**
Reconciliation of Net Income to Adjusted EBITDA		
Net income	$ 25,257	$ 41,471
Depreciation, depletion, and amortization	11,852	8,680
Interest expense, net	2,309	1,130
Income tax expense	5,548	10,655
EBITDA	44,966	61,936
Stock-based compensation	2,937	1,887
Accretion of asset retirement obligation	350	235
Adjusted EBITDA	$ 48,253	$ 64,058

Non-GAAP revenue per ton - Non-GAAP revenue per ton (FOB mine) is calculated as coal sales revenue less transportation costs, divided by tons sold. We believe revenue per ton (FOB mine) provides useful information to investors as it enables investors to compare revenue per ton 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.

	Three months ended March 31, 2023			Three months ended March 31, 2022		
(In thousands, except per ton amounts)	Company Produced	Purchased Coal	Total	Company Produced	Purchased Coal	Total
Revenue	$ 158,959	$ 7,401	$ 166,360	$ 150,929	$ 3,953	$ 154,882
Less: Adjustments to reconcile to Non-GAAP revenue (FOB mine)						
Transportation costs	(24,270)	(176)	(24,446)	(17,131)	(239)	(17,370)
Non-GAAP revenue (FOB mine)	$ 134,689	$ 7,225	$ 141,914	$ 133,798	$ 3,714	$ 137,512
Tons sold	727	29	757	573	10	583
Revenue per ton sold (FOB mine)	$ 185	$ 245	$ 188	$ 234	$ 354	$ 236

Non-GAAP cash cost per ton sold - Non-GAAP cash cost per ton sold is calculated as cash cost of sales less transportation costs and idle mine 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. The adjustments made to arrive at these measures are significant in understanding and assessing our financial performance. Cash cost per ton sold is not a measure of financial performance in accordance with U.S. GAAP and, therefore, should not be considered as a substitute to cost of sales under U.S. GAAP.

	Three months ended March 31, 2023			Three months ended March 31, 2022		
(In thousands, except per ton amounts)	Company Produced	Purchased Coal	Total	Company Produced	Purchased Coal	Total
Cost of sales	$ 104,246	$ 6,303	$ 110,549	$ 77,863	$ 3,390	$ 81,253
Less: Adjustments to reconcile to Non-GAAP cash cost of sales						
Transportation costs	(24,347)	(134)	(24,481)	(17,134)	(239)	(17,373)
Idle mine costs	(2,559)	—	(2,559)	—	—	—
Non-GAAP cash cost of sales	$ 77,340	$ 6,169	$ 83,509	$ 60,729	$ 3,151	$ 63,880
Tons sold	727	29	757	573	10	583
Cash cost per ton sold	$ 106	$ 209	$ 110	$ 106	$ 300	$ 110

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 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. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

Changes in Internal Control over Financial Reporting

There were no changes in our system of internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended March 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls and Procedures

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

Our 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

None

Item 6. Exhibits

+10.1	Second Amended and Restated Credit and Security Agreement, dated February 15, 2023, by and among Ramaco Resources, Inc., Ramaco Development, LLC, Ram Mining, LLC, Ramaco Coal Sales, LLC, Ramaco Resources, LLC, Ramaco Resources Land Holdings, LLC, Maben Coal LLC, Carbon Resources Development, Inc., Ramaco Coal, Inc. as borrowers, the lenders party thereto and KeyBank National Association, as agent, lender, swing line lender, and the issuer (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K (File No. 001-38003) filed with the Commission on February 17, 2023)
*31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
**32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
**32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*95.1	Mine Safety Disclosure
*101.INS	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.

\+ Certain schedules and similar attachments have been omitted in reliance on Item 601(a)(5) of Regulation S-K. The Company will provide, on a supplemental basis, a copy of any omitted schedule or attachment to the SEC or its staff upon request.

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.

May 9, 2023	By:	/s/ Randall W. Atkins
		Randall W. Atkins Chairman, Chief Executive Officer and Director (Principal Executive Officer)
May 9, 2023	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 March 31, 2023 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: May 9, 2023

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

Exhibit 31.2

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

I, Jeremy R. Sussman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 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: May 9, 2023

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

Exhibit 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 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: May 9, 2023

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

Exhibit 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 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: May 9, 2023

/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.

Mine or Operating Name / MSHA Identification Number		*Section 104(a) S&S Citations*(1)	*Section 104(b) Orders*(2)	*Section 104(d) Citations and Orders*(3)	*Section 110(b)(2) Violations*(4)	*Section 107(a) Orders*(5)	*Total Dollar Value of MSHA Assessments Proposed (in thousands)*(6)	
Active Operations								
Eagle Seam Deep Mine	- 46-09495	4	0	0	0	0	$	50.75
Stonecoal Branch Mine No. 2	- 46-08663	13	0	0	0	0	$	2
No. 2 Gas Deep Mine	- 46-09541	4	0	0	0	0	$	3.42
Michael Powellton Deep Mine	– 46-09602	9	0	2	0	0	$	62.09
Crucible Deep Mine	- 46-09614	5	0	0	0	0	$	2.93
Ram Surface Mine No. 1	- 46-09537	2	0	2	0	0	$	6.85
Highwall Miner No. 1	- 46-09219	0	0	0	0	0	$	0.14
Elk Creek Prep Plant	- 46-02444	2	0	0	0	0	$	0
Maben Surface Mine	- 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	10	0	0	0	0	$	181.92
Laurel Fork	- 46-09084	8	0	0	0	0	$	21.66
Jawbone Mine No. 1	- 44-07369	0	0	0	0	0	$	2.67
Triad No. 2	- 46-09628	8	0	0	0	0	$	10.57
Big Creek Surface Mine	- 44-07162	0	0	0	0	0	$	0
Triple S – HWM No. 3	- 46-09001	0	0	0	0	0	$	0
Coal Creek Prep Plant (VA)	- 44-05236	3	0	0	0	0	$	0.61
Berwind Prep Plant	- 46-05449	0	0	0	0	0	$	0.16

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	18	4	0
Stonecoal Branch Mine No. 2	- 46-08663	0	No	3	0	6
No. 2 Gas	- 46-09541	0	No	0	0	0
Michael Powellton Deep Mine	- 46-09602	0	No	6	0	0
Crucible Deep Mine	- 46-09614	0	No	0	0	0
Ram Surface Mine No. 1	- 46-09537	0	No	2	2	0
Highwall Miner No. 1	- 46-09219	0	No	0	0	0
Elk Creek Prep Plant	- 46-02444	0	No	0	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	0	0	0
Laurel Fork	- 46-09084	0	No	3	3	0
Jawbone Mine No. 1	- 44-07369	0	No	0	0	0
Triad No. 2	- 46-09628	0	No	0	0	0
Big Creek Surface Mine	- 44-07162	0	No	0	0	0
Triple S – HWM No. 3	- 46-09001	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

The number of legal actions pending before the Federal Mine Safety and Health Review Commission as of March 31, 2023 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	18	0	0	0	0	0
Stonecoal Branch Mine No. 2	- 46-08663	3	0	0	0	0	0
No. 2 Gas	- 46-09541	0	0	0	0	0	0
Michael Powellton Deep Mine	- 46-09602	6	0	0	0	0	0
Crucible Deep Mine	- 46-09614	0	0	0	0	0	0
Ram Surface Mine No. 1	- 46-09537	2	0	0	0	0	0
Highwall Miner No. 1	- 46-09219	0	0	0	0	0	0
Elk Creek Prep Plant	- 46-02444	0	0	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	0	0	0	0	0
Laurel Fork	- 46-09084	3	0	0	0	0	0
Jawbone Mine No. 1	- 44-07369	0	0	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
Triple S – HWM No. 3	- 46-09001	0	0	0	0	0	0
Coal Creek Prep Plant (VA)	- 44-05236	0	0	0	0	0	0
Berwind Prep Plant	- 46-05449	0	0	0	0	0	0

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(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.

(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.