Coal to Products

A “Carbon Valley” for Coal
Starting the Conversation
Does Coal Have a Future?

- The jury is out... Thermal Coal may not prevail against renewables and gas in the “race to the bottom” as the cheapest base load fuel for power generation.

- Yet, the United States has the world’s largest and cheapest coal reserves.

- The Problem-Currently, 95% of all coal produced worldwide is burned for power generation.

- Only 5% is used to make higher value products, think met coal for steel. Met coal sells for a higher price, ~20x PRB coal prices.
Diversify the Coal Industry

The Opportunity:
Coal is the cheapest source of carbon. But most carbon products are expensive. They now come from petroleum. Let’s use carbon from coal.

The Objective:
- Create a large volume (high margin) product use for coal based carbon.
- Build an innovative higher tech future for the coal industry, independent of power trends and environmental issues.
Positive Disruption

- Carbon is becoming the dominant “advanced material” … think carbon fiber, graphene, graphite and carbon resins.

- Make these advanced materials for less from coal. This could be vastly disruptive. They could replace or enhance most metals (i.e. steel, aluminum,) and basic building materials (i.e. cement, asphalt, rebar, roof shingles).

- Carbon also has applications in chemicals and even life sciences.

- All of these are fast-growing, game changing uses, and can require tremendous volumes of coal. In some cases think 100 million tons+ per use. The US mined 725 million tons in 2017.

- A few new uses creates a demand inflection point for the industry.
Who We Are

Ramaco Coal, founded in 2011, is a coal-based conglomerate with operations in five coal producing states, and three separate companies:


- **Ramaco Royalty, LP**: A private company that owns approximately 200 million tons of metallurgical coal reserves in Central Appalachia.

Ramaco Carbon is the first pure “Coal-Tech” company. We are the only strategic coal group pursuing an integrated resource, technology and manufacturing based approach to new coal uses. We are an incubator of “Coal to Products”. Our operations are:

- **COAL RESERVE: Brook Mine**, with 1.1 billion tons of coal resource on a 15,000 acre site six miles north of Sheridan, WY. Now under final permit review.

- **RESEARCH PARK (iCAM - Carbon Advanced Materials Center)**: Breaking ground this summer. The iCAM will house national laboratories, university and private research groups and strategic manufacturing partners. We will conduct applied research to commercialize coal-based carbon products. Bench to pilot stage.

- **INDUSTRIAL PARK (Wyoming iPark)**: A 100+ acre “coal to products” mine-mouth industrial park. Plants will use research from the iCAM, coal from the Brook Mine and manufacture advanced carbon products.
The Trilogy…the First Coal-Tech” company
Coal Resource, Research and Advanced Manufacturing Center
Partners

- **Ramaco** is privileged to be working with some of the top U.S. **research institutes, universities, and strategic groups**, who form the core research and development team.

- Some members are:
  - Western Research Institute
  - Carbon, Inc.
  - Fluor Corporation
  - Oak Ridge National Laboratory
  - MIT- The Grossman Materials Group
  - Southern Research Institute

- Also working with Western Research and other partners, on a **U.S. Department of Energy grant** to develop coal as a low cost precursor for carbon fiber to be used in vehicles. We call it **“Coal to Cars.”**
Our Focus

- Ramaco is focusing on **three** broad uses:
  1) Coal to Chemicals
  2) Coal to Carbon Fiber
  3) Coal to Building Products

- We seek uses that can marry **advanced materials and advanced manufacturing technologies**.

- These uses have a higher margin value proposition and can require large coal volumes.

- **The Key**: Displace petroleum as the preferred **lower cost carbon feedstock**.
The Displacement Potential of Coal

- Coal’s Potential is to make Advanced Materials that are Stronger and Lighter... and Cheaper.

- Example: Carbon Fibers
  - Carbon fiber is 50% the weight of aluminum but 4X as strong.
  - Carbon fiber is only 25% the weight of steel but 2X as strong.

- The “Key” to Coal’s Advantage... is cost. Materials from coal can be made cheaper, than from petroleum.
Material Displacement Opportunities are Huge

<table>
<thead>
<tr>
<th>Material</th>
<th>Annual Replacement (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Fiber</td>
<td>225,000 MT</td>
</tr>
<tr>
<td>Titanium</td>
<td>1,054,000 MT</td>
</tr>
<tr>
<td>Glass Fiber</td>
<td>25,827,000 MT</td>
</tr>
<tr>
<td>Aluminum</td>
<td>136,577,000 MT</td>
</tr>
<tr>
<td>Plastics</td>
<td>764,902,000 MT</td>
</tr>
<tr>
<td>Steel</td>
<td>2,167,691,000 MT</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,096,276,000 MT</strong></td>
</tr>
</tbody>
</table>
The Coal Products Tree

Coal Mine

Coal “Distillery”

- carbon capture
- ethanol
- building materials
- value-added products

- heat and power

- metallurgical coal
- activated carbon
- mesoporous carbon
- graphene
- nuclear graphite

- carbon fibers
- electronic components
- Electrodes (Li-ion batteries)

- building and construction materials
- thermal insulation
- thermal conduction

Lara-Curzio et al. (2016)
Coal to Carbon Fiber

Carbon Fiber is used today, with reinforced plastics (CFRP), to displace steel and aluminum everywhere where “light weighting” is important, and cost is not. Examples include:

- Fishing rods, bikes, golf shafts, tennis racquets
- 40% of commercial airliners, 31% of fighter jets

THE PROBLEM IS COST: Today, carbon fiber is 8x more expensive than steel and 2x more expensive than aluminum.

THE REASON IS PETROLEUM: Carbon fiber precursor currently comes from petroleum. The cost is about $15+ per pound.

If through R&D we can drop the price of carbon fiber precursor below $5 per pound, it is game over. Carbon Fiber replaces steel and aluminum.
Coal to Cars

- Of roughly 100 million vehicles made each year, carbon fiber is used in less than 100,000. The barrier is carbon fiber’s high cost.

- We need to drive the price of the coal-based precursor beneath the “tipping point.” Carbon fiber then becomes an affordable alternative to steel.

- Carbon fiber cars then move from a niche market to mass market.
Coal to Cars...The Evolution

FIRST
High End & Niche

NOW
Low Volume Production of Affordable Car

NEXT
Mass Market Appeal

High End Low Volume Hand Layup

Low Volume Production

High Volume Production
Ramaco’s New Carbon Fiber Family Car

(aka the all CF McLaren Carbon Series LT “Special Edition”)
Coal Seeks New Life as Carbon Fiber for Submarines

By Tim Loh and Patrick Martin
September 13, 2017, 7:00 PM EDT  Updated on September 14, 2017, 9:53 AM EDT
From Climate Change

One of many uses scientists study as U.S. utilities burn less
New markets won’t restore lost mine jobs, but may halt slide

The 30-foot hull of an experimental mini-sub is helping to show how the U.S. may be able to redeploy the mountain of coal that power plants are no longer burning.

Researchers at the Oak Ridge National Laboratory in Tennessee used carbon fibers to build the submersible for the U.S. Navy with a 3-D printer, demonstrating the promise of new manufacturing techniques that are faster, cheaper and more flexible. But it also offers inspiration to scientists looking to turn America’s vast reserves of coal into advanced materials, including carbon fibers now made using petroleum-based polymers.
Coal to Building Products

- Another disruptive market for coal is "Building Products."

- Building products have the potential to require greater coal volumes than carbon fiber.

- The range of product uses is practically endless.
  - **Rebar:** Carbon fiber rebar can provide flexibility to concrete structures, is lighter than current rebar, and does not rust.
  - **Coal Based Asphalt Roof Shingles**
    - **Repair Aging Infrastructure (think bridge renovations):** Can be molded around existing older infrastructure to provide structural strength. The life span of infrastructure can be increased by 2-3x.
Coal to Chemicals

- Coal to chemicals has been **practiced for decades**. We are first targeting Resins for 3D Advanced manufacturing.
- The growth of the olefins markets, as well as price dynamics in coal and other feedstocks (CH4 and CO2) create other new opportunities.
- We are exploring some of these technologies with our partners, specifically Fluor, who was the EPC contractor for coal to liquids projects like Sasol II and III, as well as WRI and SR.
Silicon Valley-based company Carbon, Inc., is revolutionizing 3D printing. Its “CLIP-Continuous Liquid Interface Process” uses ultraviolet light, oxygen and carbon resins to print solid materials.

Ramaco Carbon has entered into a production partnership with Carbon, Inc. to create advanced carbon-based products, ultimately from coal based carbon resins.

Ford, BMW and Adidas are already working with Carbon, Inc.

Ramaco takes delivery of several Carbon 3D printers this spring to manufacture a wide range of products.

This is not “smoke stack” manufacturing...
Wyoming iPark
Manufacturing in 3D Printing “Farms”
Our Assembly Line- “Speedcell” 3D Printers
A Demonstration- “The Transformers” meet Coal
The Way Forward

- The past few years have been very difficult for coal industry. We must adapt and innovate to survive... it is time to think outside the box. Be Optimistic!

- Coal needs its own “Carbon Valley”. Ramaco is building one.

- U.S. has both the resource base and the technological prowess to fundamentally reorient the coal industry. We can be the cornerstone of an advanced materials and manufacturing revolution.

- Innovation and research is the first step. We need R&D and new forms of processing.

- But R&D needs to lead to widespread Commercial applications. Create the volume usage.

- Ramaco’s “Coal-Tech” efforts in Wyoming are the first targeted steps by an industry partner.

- But Government support is essential to realizing the scale of the opportunity.

- Remember... It starts with a lump of coal and the Power of Carbon....
Disclaimer

• **Ramaco Carbon, LLC** its licensors, licensees and business partners maintain an extensive portfolio of intellectual property rights including but not limited to patents, patents pending, preliminary patent applications, trademarks, copyrights and trade secrets. We vigorously assert and defend our intellectual property rights and nothing in this presentation should be construed as a waiver of those rights or a public disclosure of proprietary information.

• An affiliate of **Ramaco Carbon, LLC**, which is **Ramaco Resources, Inc.**, has filed a registration statement (including a prospectus) with the SEC for the offering of securities. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Any such offering of securities will only be made by means of the registration statement (including the prospectus) filed with the SEC, after such registration statement becomes effective. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov).

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

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