

Randall W. Atkins  
Chairman and CEO

April 9, 2013

Mr. Wayne Fahsholtz  
President  
Padlock Ranch Company  
8420 US Highway 14  
Ranchester, Wyoming 82839

Dear Wayne,

I am writing you with respect to the meeting held in your counsel's office on March 25, a communication conveyed to our counsel at the Throne Law office on April 3 and the email you sent me on April 4.

On Padlock's property, Ramaco *already* controls the legal right to access the surface land for core drilling, pre-permit monitoring or any other pre mining activities. Ramaco does not require any approval from Padlock to do this. Given our ongoing mine planning we intend to access the property in the near future to initiate our core drilling and related pre-permit activities. We will provide Padlock appropriate notice.

Ramaco also has the right to submit a mining and reclamation permit plan, and subject to a DEQ approved mine permit, to mine coal. Padlock, as a surface owner has the right at the appropriate time to review our plans and consent, or not consent. If Padlock refuses to offer its consent to a compliant mine and reclamation plan, Ramaco can, and will, petition the Wyoming Environmental Quality Council (EQC) for an order in lieu of consent.

When I met with Homer Scott months ago, I told him that in the spirit of trying to be fair to everyone, we would offer Padlock the same business deal, which we have afforded other surface owners who have superior surface rights to Padlock. We have already executed surface leases with those parties. You have chosen neither to accept our offer or to negotiate. That offer is now withdrawn. Ramaco will now simply proceed with our development of the property.

Padlock is only legally entitled to what is in the deed between our predecessors. Specifically, that is the 1954 deed between Sheridan Wyoming Coal Company, Inc. ("SWC") and Big Horn Coal Company, which later conveyed some surface land to Flying V ("Padlock"). Padlock's surface ownership is subject to this 1954 severance deed between SWC and Big Horn Coal. Those rights reserved in that deed, entitle Ramaco to use so much of the surface area covered by that deed as necessary or convenient to explore, drill for, extract and mine coal and to pay damage to the surface owner of \$10, \$50 or \$200 per acre of damaged land, dependent on land type.

By preliminary estimates there may be approximately 60 million tons of mineable coal on Padlock property subject to the reserved surface rights. If Padlock had accepted Ramaco's offer, Padlock could potentially have received roughly \$7.5 million in production payments. Since we have now withdrawn our offer, Padlock will instead receive, using a mid point value, approximately \$34,000.

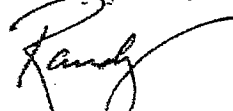
As to your request that we consent to an AML reclamation plan on what is referred to as the Plachek Pit area, we indicated that we were willing to discuss that project with the AML representatives and other affected parties. To date, Ramaco has not been provided any technical plans or other information with respect to the reclamation project. As stated in our March 25 meeting, any reclamation project must not adversely affect our planned mining operations or minerals. We are also puzzled that Ramaco, as the mineral owner, was not approached by Padlock or any other party until a few weeks ago.

Our local counsel was advised on April 4, that Padlock has been in discussion with the Sheridan Community Land Trust to establish some form of conservation easement on surface area within Ramaco's area of mineral control, and subject to the surface use rights reserved in the 1954 deed. Once again, any such action must not adversely affect our planned mining operations or minerals. Ramaco assumes that Padlock knows that, under Wyoming law, a conservation easement cannot affect the primacy of the mineral estate or the mineral owner's right to reasonable use of the surface for purposes of mineral exploration and production.

Relative to your stated efforts to organize stakeholders of the Tongue River Initiative, Ramaco is curious relative to its primary purpose. Ramaco's activities will almost certainly benefit the overall quality of the Tongue River.

We regret that our discussions reached this difficult point. Ramaco would have preferred to have a cooperative relationship with Padlock. As stated above Ramaco will now proceed to plan, permit and develop our minerals per our reserved surface and mining rights.

Cordially yours,



Randall W. Atkins  
Chief Executive Officer

Cc: Homer A. Scott, Jr.  
Michael D. Bauersachs  
Haultain E. Corbett, Esq.  
S. Thomas Throne, Esq.  
Thomas L. Sansonetti, Esq.