



VIA CERTIFIED MAIL # *Fed. Exp. N*
RETURN RECEIPT REQUESTED

December 15, 2014

Mr. Everett C. King
President/Director
Big Horn Coal Company
170 South Main Street
Suite 700
Salt Lake City, UT 84101

**RE: Offer to Purchase Certain Big Horn Coal Property
Required for the Brook Mine Project**

**Property Description: LEGAL DESCRIPTION FOR BROOK MINE RAIL LOAD-
OUT AND FACILITIES**

Dear Everett:

As you know, Brook Mining Co., LLC ("**Brook**") and Ramaco Wyoming Coal, LLC ("**Ramaco Wyoming**") (collectively Brook and Ramaco Wyoming are referred to as "**Ramaco**"), have immediate plans to develop a coal mine, using various mining techniques, to extract sub-bituminous coals from and in the vicinity of the above-described property owned by Big Horn Coal Company ("**Big Horn**"). This property is located approximately 6 miles north of the city of Sheridan, Wyoming. Brook is developing the mine based upon a lease of the coal and associated coal mining rights from Ramaco Wyoming.

Ramaco intends to acquire approximately 452 acres more or less of surface property owned by Big Horn, (the "**BH Property**"), over mineral property owned by Ramaco Wyoming. Attached hereto as Exhibit A is a map, including a metes and bounds legal description, showing the precise location and layout of the BH Property. The BH Property is required for the construction and operation of a coal mine processing and rail load-out facility to be developed by Ramaco. The BH Property is necessary for the project.

Brook recently filed an application for permit for the mining and reclamation of coal with the State of Wyoming Department of Environmental Quality (Land Quality Division) ("**WDEQ**") and that application is of public record with WDEQ under Permit Filing No. TFN 6 2/025 (the "**Permit Application**"). That application provides detailed descriptions and explanations of the coal mining and coal mining related uses that Ramaco intends to make of the BH Property for these purposes. The information in that Permit filing is expressly incorporated into this letter.

The 1954 Warranty Deed between Ramaco's predecessor in interest, Sheridan Wyoming Coal, and Big Horn (the "**1954 Deed**", enclosed herewith as Exhibit "B") provides for and reserves Ramaco's legal right to use the surface of your property for the purpose of mining the



underlying coal and related support activities. The 1954 Deed also sets forth the amount to be paid for any surface disturbance of any portion of the BH Property caused by Ramaco's mining operations. The 1954 Deed provides for specific damages to Big Horn of Ten Dollars (\$10.00 US) per acre for damage to any dry grazing lands, damage payments of Fifty Dollars (\$50.00 US) per acre for any bottom lands, and damage payments of Two Hundred Dollars (\$200.00) per acre for irrigated lands. The 1954 Deed is unambiguous and expressly limits all potential monetary damages payments due to mining.

Ramaco intends to acquire the BH Property and also to exercise all its legal rights under the 1954 Deed to actively mine, process and ship coal underlying the BH Property and underlying other adjacent properties. Ramaco acquired its right to the coal underlying your property by virtue of the 2011 and 2014 Mineral Deeds enclosed herewith as Exhibit "C."

As you are also aware, Ramaco recently filed a Complaint for Declaratory Judgment against Big Horn which is pending in the Fourth Judicial District for Sheridan County, Wyoming. The Complaint seeks a declaration regarding the rights of the respective parties under the 1954 Deed. That case addresses the parties' specific relative interests, ownership and use of the surface associated with coal mining activity of the lands described in the reservation in the 1954 Deed. Nothing in this letter is intended to waive any of the rights reserved in the 1954 Deed.

Ramaco requires possession of and to the BH Property from Big Horn for the Brook Mine as described herein. Without in any way waiving any of its rights under the 1954 Deed, Ramaco hereby makes a formal offer to acquire such BH Property for the sum of Two Hundred Ninety Three Thousand, Eight Hundred Dollars (\$293,800.00).

Ramaco retained a licensed certified objective third-party Wyoming real estate appraiser qualified to appraise the BH Property. That appraiser has conducted an appraisal of the property's current fair market value. A complete copy of the full report for that appraisal is enclosed. According to the appraisal report, the fair market value of the BH Property appraised in fee is Two Hundred Ninety Three Thousand, Eight Hundred Dollars (\$293,800.00).

Ramaco is offering to pay the full fair market value for the full ownership of the BH Property to be used for the development, operation, maintenance, use and reclamation of the Brook Mine, consistent with the Permit Application, as that mine plan exists now and may change over time.

Although Ramaco intends to use the entirety of the BH Property referenced here, Big Horn will retain surface ownership of the balance of the surface property interests not included in this Offer, subject to the terms of the 1954 Deed. Once mining operations are complete, Ramaco, or its successor, will reclaim the property consistent with the terms of its mining and reclamation permit.

Other than the shop building and bridge on the BH Property, Ramaco is not aware of any improvements within the BH Property that must be removed or relocated. The Brook Mine will only have a marginal impact on existing man-made structures. Any structure within the Brook

Mine Area that is directly affected by mining activities will be properly abandoned and removed or relocated before mining activities commence. Relocation and/or abandonment criteria and procedures will be established to minimize significant impacts to the post-mining land use plan. If mining operations disrupt power or phone lines, the lines will be relocated and put into service before the old lines are abandoned.

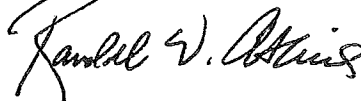
Wyoming law allows sixty-five (65) consecutive calendar days from the receipt of this letter for you to respond to this offer to purchase. Ramaco has immediate development plans in this area and would like to begin using the BH Property as soon as possible. Once you have had a chance to review this information, please contact me with any questions. If you think it would be beneficial, a representative from Ramaco would be willing to tour the BH Property with your representative and discuss the development plans and locations or any other questions you have regarding this good faith offer.

As required by law, Ramaco advises you that you are not obligated to accept this offer, but a timely good faith response is required to preserve your rights. If you do not respond in writing within sixty-five (65) consecutive calendar days of this notice, you may waive your right to contest the good faith basis of Ramaco's attempts to purchase the BH Property.

Wyoming law imposes the requirement of good faith negotiations on both the condemnor and landowners. If good faith negotiations fail, Ramaco may move forward with legal proceedings under the Wyoming Eminent Domain Act. You have the right to seek advice from a lawyer, real estate appraiser, or any other person during these negotiations.

Ramaco is prepared to communicate with you in good faith to reach an agreement with you concerning this offer.

Cordially yours,

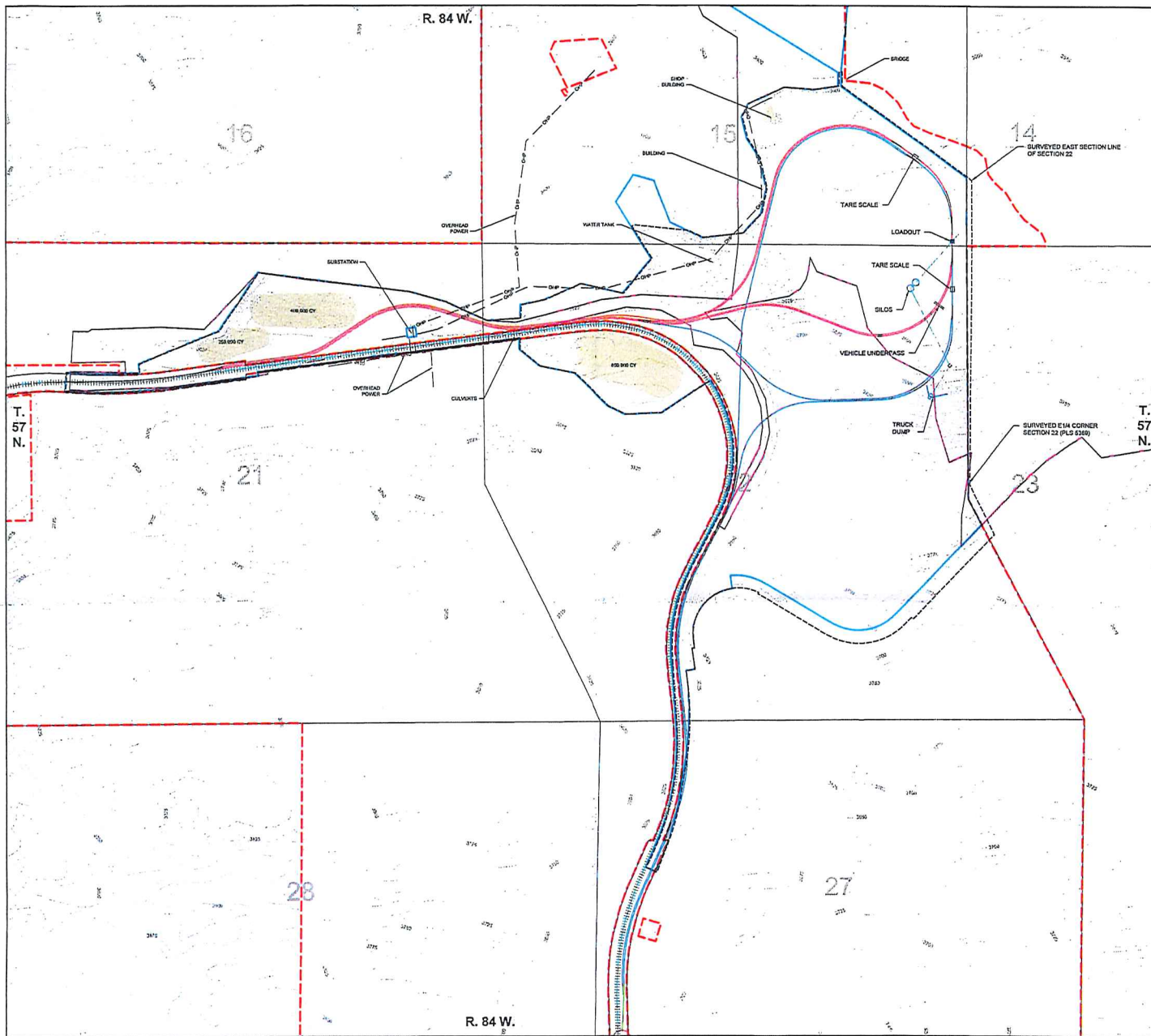


Randall W. Atkins
Chief Executive Officer

Enclosures

cc: Jon Dyre
Lynne Boomgaarden
Anthony T. Wendtland
Isaac N. Stuptin
Thomas L. Sansonetti

EXHIBIT A



LEGEND

- +++++ EXISTING MAIN LINE
- PROPOSED PHASE II RAIL LOOP
- PROPOSED PHASE III RAIL LOOP
- AREA OF CONTROL
- BHT PROPERTY (43.7 ACRES)
- BROOK MINE PERMIT BOUNDARY
- 500' HORIZONTAL PERMIT BOUNDARY (PERMIT NO. 215)

NOTE: BHT PROPERTY DISPLAYED AS DESCRIBED USING SURVEYED POINT OF BEGINNING AND BEARING AND DISTANCE DESCRIPTION.

		BROOK MINE SHERIDAN COUNTY, WY. 1101 SUGARVIEW DR, STE. 201 SHERIDAN, WY 82801	
		EXHIBIT A BROOK MINE RAIL LOAD-OUT AND FACILITIES	
REVISIONS Date Description		Drawn by: DGL Checked by: JGB Date: 11/03/14	
FILE: EXHIBIT_A.dwg			

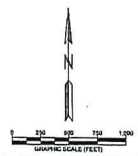


Exhibit A

LEGAL DESCRIPTION FOR BROOK MINE RAIL LOAD-OUT AND FACILITIES

December 11, 2014

5:30PM

A tract of land situated in the S½ Section 15, N½ Section 21, Section 22, W½NW¼ Section 27, Township 57 North, Range 84 West, 6th Principal Meridian, Sheridan County Wyoming, said tract being more particularly described as follows:

Beginning at the E¼ Corner of said Section 22 monumented with a cap per PLS 5369;

Thence continuing along the East line S26°14'47"E, 623.40 feet to the old abandoned South right-of-way line of Wyoming Highway #338 the following courses and distances:

Thence S43°27'00"W, 1292.11 feet along said right of way line to a point;

Thence N46°33'00"W, 25.00 feet along said right of way line to the beginning of a spiral curve to the right having a chord bearing of S45°18'34"W, and a chord length of 145.88 feet to the beginning of a simple curve to the right;

Thence through said curve having a central angle of 66°07'04", a radius of 689.80 feet, an arc length of 796.01 feet, a chord bearing of S80°39'09"W, and a chord length of 752.57 feet to the beginning of a spiral curve to the right;

Thence through said spiral having a chord bearing of N63°57'46"W, and a chord length of 86.39 feet;

Thence N58°51'29"W, 798.34 feet to the beginning of a spiral curve to the left;

Thence through said spiral having a chord bearing of N60°57'06"W, and a chord length of 63.39 feet to the beginning of a simple curve to the left;

Thence N25°40'06"E 17.93 feet along said south right of way line to the point of beginning of a curve to the left

Thence through said curve having a central angle of 113°26'08", a radius of 495.79 feet, an arc length of 981.58 feet, a chord bearing of S59°39'11"W, and a chord length of 828.94 feet to a point-way;

Thence through said curve to the left having a chord bearing of S04°01'34"E, and a chord length of 190.49 feet to a right-of-way jog;

Thence through said jog S82°18'00"W, 25.01 feet;

Thence S07°42'00"E, 228.85 feet to a gate;

Thence leaving said East right-of-way line S81°25'19"W, 98.55 feet to the West right-of-way line;

Thence continuing along said West line the following courses and distances:

Thence S07°42'00"E, 91.12 feet to a simple curve to the right;

Thence through said curve having a central angle of 14°53'47", a radius of 3168.94 feet, an arc length of 823.89 feet, a chord bearing of S00°41'30"W, and a chord length of 821.58 feet;

Thence S09°05'00"W, 463.92 feet to a simple curve to the right;

Thence through said curve having a central angle of 12°27'51", a radius of 2597.82 feet, an arc length of 565.13 feet, a chord bearing of S14°50'00"W, and a chord length of 564.02 feet;

Thence S20°35'00"W, 310.14 feet;

Thence leaving said West line N65°32'00"W, 127.80 feet to the centerline of a railroad track;

Thence following said railroad track the following courses and distances;

Thence N24°37'40"E, 183.75 feet to a curve to the left;

Thence through said curve having a central angle of 28°20'53", a radius of 2864.93 feet, an arc length of 1417.47 feet, a chord bearing of N10°27'14"E, and a chord length of 1403.05 feet;

Thence N03°43'13"W, 735.63 feet to a curve to the right;

Thence through said curve having a central angle of 31°07'01", a radius of 1910.08 feet, an arc length of 1037.35 feet, a chord bearing of N11°50'18"E, and a chord length of 1024.65 feet;

Thence N27°23'48"E, 642.86 feet to a curve to the left;

Thence through said curve having a central angle of 61°49'07", a radius of 1432.69 feet, an arc length of 1545.78 feet, a chord bearing of N03°30'45"W, and a chord length of 1471.89 feet;

Thence leaving said railroad track S56°33'58"W, 638.91 feet to a line on the East side of Goose Creek;

Thence following said East line the following courses and distances;

Thence S87°52'01"W, 392.09 feet;

Thence N64°20'48"W, 207.88 feet;

Thence N45°35'38"W, 510.99 feet;

Thence N78°03'43"W, 388.05 feet;

Thence N50°16'13"W, 282.68 feet;

Thence N01°26'23"E, 126.76 feet to point on the south right of way line of the Burlington Northern Railroad fifty (50) feet southerly of the centerline of said railroad; thence S82°34'31"W, 2869.42 feet along said south right of way fifty (50) feet south and parallel to said centerline to a point; thence S06°31'02"E, 50.00 feet along said south right of way to a point one hundred (100) feet south of said centerline; thence S82°34'30"W, 904.95 feet along said south right of way line one hundred feet south and parallel to said centerline to a point of beginning of a tangent curve; thence, along said right of way line through a curve to the right, having a central angle of 10°50'00", a radius of 5829.42 feet, an arc length of 1102.21 feet, a chord bearing of S87°59'30"W, and a chord length of 1100.57 feet to a point; thence N86°35'30"W, 100.00 feet along said right of way line to a point; thence N03°24'30"E, 200.00 feet to a point on the north right of way of said railroad being one hundred (100) feet north of said centerline; thence S86°35'30"E, 100.00 feet along said north right of way line to a point of a tangent curve; thence, along said right of way through a curve to the left, having a central angle of 07°03'29", a radius of 5629.42 feet, an arc length of 693.48 feet, a chord bearing of N89°52'45"E, and a chord length of 693.04 feet to a point on said north right of way line intersecting with a north-south fence line; thence N02°34'37"W, 94.27 feet along said fence line to a point; thence N67°34'30"E, 937.85 feet to a point; thence N33°51'13"E, 772.31 feet to a point; thence S82°47'16"E, 1651.26 feet to a point; thence S74°30'06"E, 412.76 feet to a point; thence S65°08'13"E, 497.68 feet to a point; thence N85°30'00"E, 358.23 feet;

Thence N01°26'23"E, 145.72 feet;

Thence N77°48'00"E, 266.43 feet;

Thence N66°04'55"E, 425.97 feet;

Thence S77°11'21"E, 471.71 feet;

Thence N39°29'11"E, 486.87 feet;

Thence N31°32'01"W, 417.54 feet to a point on the north line of the reserved Big Horn Coal lands described in Book 152 of Deeds, Page 30;

Thence N70°10'36"E, 31.73 feet along said north line to a point;

Thence S84°07'21"E, 594.37 feet along said north line to a point;

Thence leaving said north line S64°04'42"E, 176.16 feet to a point;

Thence N83°37'41"E, 438.34 feet;

Thence N43°20'25"E, 294.31 feet;

Thence N11°30'39"E, 280.50 feet;

Thence N12°47'59"W, 340.22 feet;

Thence N32°29'06"W, 253.75 feet;

Thence N14°01'59"W, 249.78 feet;

Thence N28°00'06"E, 163.24 feet;

Thence N64°51'44"E, 427.46 feet;

Thence S85°32'36"E, 322.76 feet;

Thence N81°47'45"E, 269.20 feet to the South side of a bridge across Tongue River;
Thence N00°02'23"W, 149.21 feet across said bridge to the North side of said river;
Thence S89°56'03"E, 32.19 feet along the north side of said bridge to a point;
Thence across said bridge S00°00'16"E, 149.27 feet to a point on the South end of said bridge;
Thence S53°42'54"E, 1746.01 feet to a point 660 feet South of the S1/16 Corner between Section 14 and said Section 15;
Thence along the East line of said Section 15 S00°29'36"E, 658.41 feet to the NE Corner of said Section 22 monumented with a cap per PLS 2615;
Thence along the East line of said Section 22 S00°20'40"W, 2646.25 feet to the POINT OF BEGINNING,
Excepting lands owned by the CB&Q Railroad containing 28 Acres of land more or less
Excepting the tract of land describing the MDU substation situated in the NE¼NE¼ of said Section 21 and recorded in Book 207 of Deeds, Page 222, said parcel containing 0.2 acres, more or less.

Said Tract contains 452 Acres of land more or less.

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