BANKRUPTCY AUCTION

Big Horn Coal, KCP Properties and Rosebud Coal

(being sold as 5 lots)

BANKRUPTCY AUCTION

(Lighthouse Resources Inc., et.al, U.S. Bankruptcy Court, D.DE Case # 20-13056)

Bid Deadline: February 19 @ 5pm ET / 3pm MT

Auction : February 26 @ 11am ET / 9am MT

Complete data room, including the Bidding Procedures, available via Virtual Data Room: www.BigHornBankruptcyAuction.com

KEEN-SUMMIT CAPITAL PARTNERS LLC

CENTURY 21 FARM & RANCH BHJ Realty, Inc.

Disclaimer

Lighthouse Resources Inc., et at., ("Debtor" or "Company"), U.S. Bankruptcy Court District of Delaware Case No. 20-13056 ("Bankruptcy Court"), has retained Keen-Summit Capital Partners LLC and BHJ Realty, Inc. ("Broker"), as its exclusive real estate broker for the sale of certain parcels of real properties (collectively, the "Real Properties" and sometimes described herein individually as a "Lot" and collectively as the "Lots"). The sale of the Real Properties is subject to approval by the Bankruptcy Court.

By receiving this Information Memorandum and/ or participating in the sale process and/ or contacting Debtor and/ or Broker, you agree to the following terms and conditions. If you do not agree to these terms and conditions, immediately return this Information Memorandum to Broker and do not participate in the sale.

All transactions are subject to Bankruptcy Court approval.

There may be discrepancies in deeded property lines and fence boundaries. In this area, it is known that many fences follow convenient topography or lines where fence construction is easier, rather than precise property boundaries.

There are no warranties with regard to specific acreage and/ or water and/ or mineral rights. To the extent the Debtor is selling its surface estate, it may be subject to the rights of the mineral estates of third parties. It is common for mineral and surface estates to be owned separately, which means that transfer of the surface estate may or may not include transfer of all mineral estates. **SELECTED PORTIONS OF THE REAL PROPERTIES ARE BEING SOLD SUBJECT TO MINERAL ESTATES OWNED BY THIRD PARTIES. A SELECTED PORTION OF THE PROPERTY IS SUBJECT TO A RIGHT OF FIRST REFUSAL.** We recommend that you seek legal counsel on these matters. It is your responsibility to determine what level of mineral rights and water rights research is appropriate and whether the existing rights meet your expectations.

Please note that there is a discrepancy in the calculation of the acreage between what is reported by the Sheridan County Tax Assessor and ArcGIS mapping software with respect to Lot # 2. The acreage reported herein is what the Debtor believes to be accurate. The Debtor has worked to correct this with the Tax Assessor and corrections will be made.

Some or all of the auction Lots include private roads which may be used to access the other auction Lots. Accordingly, each separate auction Lot may be sold subject to a reservation of rights to use any of the private roads lying across such auction Lot for the benefit of one or more of the other auction Lots.

In connection with your request for information ("Information") related to the Real Properties and your interest in consummating a Transaction, the Debtor hereby agrees to disclose information to you ("Prospect") and to engage in conversations and negotiations with you, subject to the terms and conditions of a non-disclosure agreement ("NDA"). The terms and conditions of the NDA are incorporated by reference herein. Without limiting the NDA, selected provisions are highlighted below, as follows:

1. Prospect agrees that no contract or agreement providing for any Transaction shall be deemed to exist between Prospect and the Company unless and until Prospect and the Company execute and deliver a final definitive agreement relating thereto (a "Transaction Agreement") and it is approved by order of the Bankruptcy Court, and Prospect hereby waives, in advance, any claims (including, without limitation, breach of contract) in connection with any Transaction unless and until Prospect and the Company shall have executed and delivered a Transaction Agreement as has been approved by the Bankruptcy Court. Prospect also agrees that unless and until Prospect and the Company shall have executed and delivered a Transaction Agreement that is approved by order of the Bankruptcy Court, neither Prospect nor the Company will be under any legal obligation of any kind whatsoever with respect to a Transaction by virtue of this Agreement except for the matters specifically agreed to herein. Prospect further acknowledges and agrees that the Company reserves the right, in its sole discretion, to reject any and all proposals made by Prospect or Prospect's Representatives with regard to a Transaction, and to terminate discussions and negotiations with Prospect at any time. Prospect further understands that the Company shall be free to establish and change any process or procedure with respect to a Transaction as the Company in its sole discretion shall determine (including, without limitation, negotiating with any other interested party and entering into a Transaction Agreement with any other party without prior notice to Prospect or any other person).

Disclaimer

2. Although the Company and Broker will endeavor to include in the Confidential Information known to them which they believe to be relevant for the purpose of Prospect's investigation, Prospect understands and agrees that, except pursuant the Transaction Agreement, the Company, Broker nor any of their respective Representatives (i) have made or make any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information or (ii) shall have any liability whatsoever to Prospect or any of Prospect's Representatives relating to or resulting from the use of the Confidential Information or any errors therein or omissions therefrom.

3. Prospect understands and agrees that, except pursuant to the Transaction Agreement to be entered between the Company and Prospect, the Company, Broker nor any of their respective Representatives:

    a. have made or make and expressly disclaim making any written or oral statements, representations, warranties, promises or guarantees, whether express or implied or by operation of law or otherwise, with respect to the Real Properties or with respect to the accuracy, reliability or completeness of the Confidential Information;

    b. to the fullest extent permitted by law, shall have any liability whatsoever to Prospect or any of Prospect's Representatives on any basis (including, without limitation, in contract, tort, under federal, foreign or state securities laws or otherwise) as a result of, relating or pertaining to, or resulting or arising from Prospect's or Prospect's Representatives reliance on the Confidential Information, or Prospect's or Prospect's Representatives use or non-use of the Confidential Information, for any alleged acts or omissions of Company, Broker or any of their respective Representatives, or any errors or omissions in the Confidential Information;

    c. shall have any liability or responsibility for any decisions made by Prospect or its Representatives in reliance on any Confidential Information;

    d. will be under any obligation or duty (express or implied) to make available to Prospect or its Representatives any Confidential Information; and

    e. will be under any duty or obligation (express or implied) to update, supplement, revise or correct any Confidential Information disclosed under this Agreement, regardless of the circumstances.

4. The Real Properties are being sold AS-IS, WHERE-IS, and WITH ALL FAULTS. Prospects are advised to conduct their own due diligence prior to submitting an offer for the Real Properties and to engage the services of legal counsel, accountants and such other financial advisors as may be required to understand the Real Properties.

5. Without limiting the generality of the immediately preceding paragraphs, the Confidential Information may include certain statements, estimates and projections with respect to the Real Properties. Such statements, estimates and projections reflect various assumptions made by the Company, which assumptions may or may not prove to be correct. No representations are made as to the accuracy of such assumptions, statements, estimates or projections. The only information that will have any legal effect will be specifically represented in the Transaction Agreement, subject to such limitations and restrictions as may be specified therein.

Disclaimer

6. A broker representing a buyer must be paid by the buyer. Prospect warrants and represents that it is a principal acting on its own behalf, and not as a broker, finder or agent acting on another's behalf. Prospect acknowledges that it will not look to the Debtor and/ or Broker and their respective Representatives for the payment of any fee or commission. Prospect hereby agrees to indemnify, defend and hold Debtor and Broker and their respective Representatives harmless from and against any and all claims, damages, losses and liabilities, costs and expenses (including reasonable attorneys' fees and disbursements) arising out of any claim or claims by any broker, finder or similar agent for commissions, fees or other compensation who allege that they have dealt with the Debtor and/ or Broker in connection with the Business as an agent of Prospect. Prospect understands that the Debtor and Broker and their respective Representatives have not agreed to pay any brokerage commissions, finder's fee or other compensation in connection with Prospect's possible Transaction. If Prospect is working with a broker or finder other than Broker, Prospect agrees that Prospect shall be responsible for the payment of any fees, if any, to such broker, finder or agent.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflict of law principles (that might dictate the application of the laws of another jurisdiction). Prospect and its Representatives irrevocably and unconditionally consent to and submit to the exclusive jurisdiction and venue of the Bankruptcy Court for any lawsuits, claims or other proceedings arising out of or relating to this Agreement, and hereby further irrevocably and unconditionally waive the right and agree not to plead or claim in any such court that any such lawsuit, claim or other proceeding brought in any such court has been brought in an inconvenient forum or that the Bankruptcy Court lacks jurisdiction over such party. EACH OF THE PARTIES HERETO EXPRESSLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

8. It is understood that Broker will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise directed by the Company, all:

    1. communications regarding the Transaction,
    2. requests for additional information in connection with the Transaction,
    3. requests for Real Properties inspections in connection with the Transaction,
    4. discussions regarding making an offer in connection with the Transaction, and/ or
    5. discussions or questions regarding procedures in connection with the Transaction,

    must be submitted or directed exclusively to Broker. Unless otherwise directed by the Company, neither Prospect nor Prospect's Representatives will initiate or cause to be initiated any communication with anyone known to Prospect to be an employee of the Company, to be a customer of Company, to be a supplier to Company, to be a lessor of the Company, to be a lessee of the Company, and/ or to be a lender to Company concerning the Confidential Information or the Transaction without Company or Broker's prior written consent.

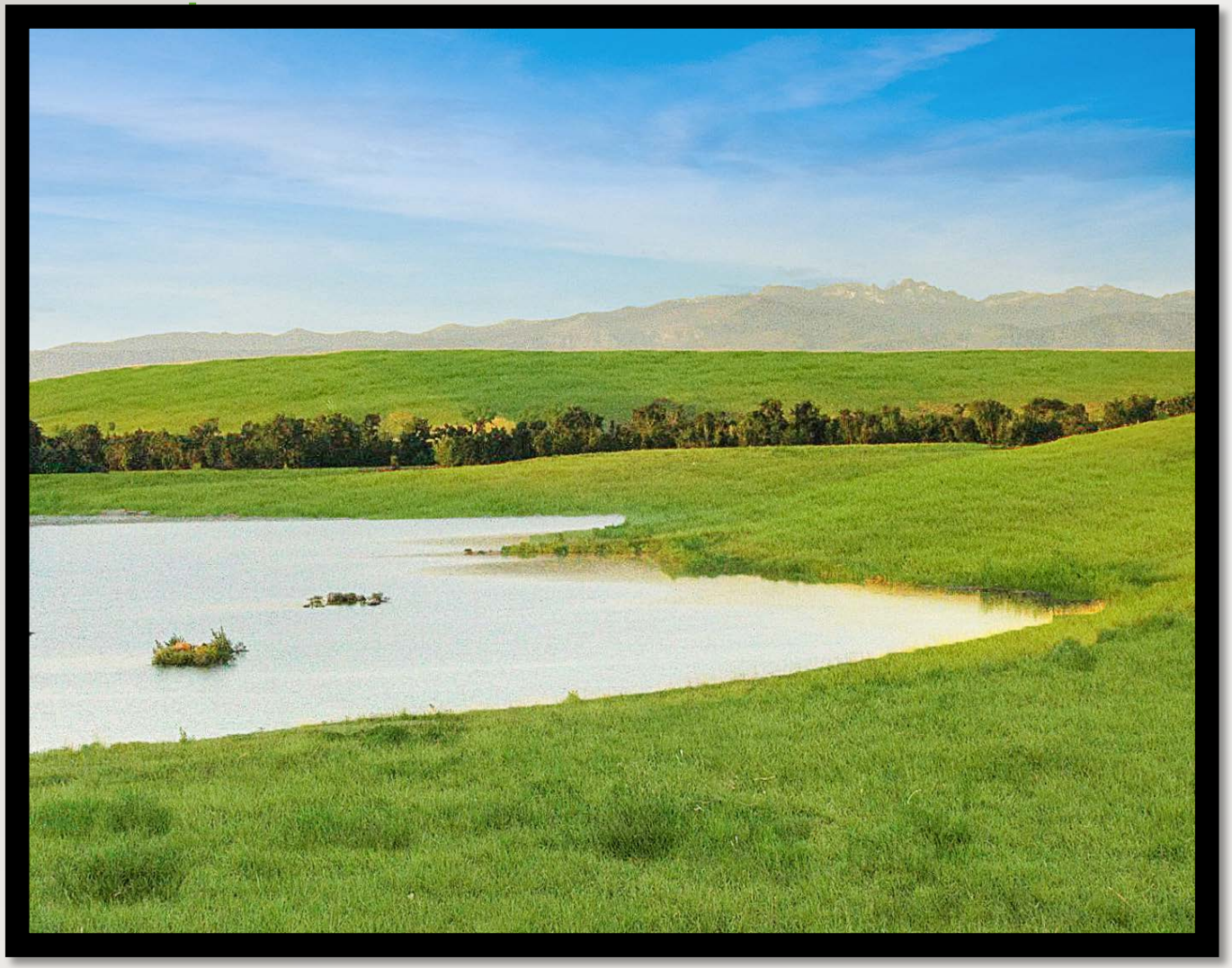
    Contact the Broker as follows:

    - Century 21 BHJ Realty, Inc., Bruce Garber 307 672 5838 and c. 307 752 2013, and Paul Wallop, 307-751-3580.
    - Keen-Summit Capital Partners LLC, Harold Bordwin, Chris Mahoney and Heather Milazzo, 646-381-9222.

Summary of 6,400 Acre Sale
Lot #1 (Big Horn Grazing Land), Lot #2 (KCP Properties), & Lot #3 (Padlock ROFR)

- Approximately 6,400 ± acres of surface ownership; located about 6 miles north of Sheridan, Wyoming.
  - Lot # 1: approx. 2,496± acres .
    - The GIS mapping system of the Seller/ Debtor indicates that Lot # 1 is 85 acres larger than the records of the county tax assessor. For purposes of bidding *apples-to-apples*, bidders are advised to bid based upon the Seller/ Debtor's records, 2,496± acres. There will be no closing adjustments based upon this discrepancy.
  - Lot # 2: approx. 3,498.77 + acres.
  - Lot # 3: approx. 405.72 + acres.
- Available in whole or in lots.
- Agricultural land that includes industrial and residential acreage.
- Goose Creek & Tongue River frontage.
- Property includes post-mine reclamation reservoir.
- Access to the mainline of the BNSF railroad; Property has its own rail siding that connects to the mainline.
- Approximately 28,000 square foot shop.
- Agricultural fields currently used for irrigation and crop production.
- Property holds 2 state coal leases. Geological report available upon request to bona fide prospects.

Hunting & Recreation



These lands total approximately 6,400+/- acres of diverse terrain along Goose Creek and Tongue River.

Good pastureland with excellent hunting and fishing opportunities.

The combination of upland pasture and irrigated bottom lands provide superior wildlife habitat for big game species such as mule deer, white tail deer, antelope and upland game birds such as Sharp-tailed Grouse, Hungarian Partridge, Wild Turkeys and the occasional pheasant.

The reservoirs and rivers provide excellent waterfowl habitat as well.

Agricultural & Natural Resources

Premium water rights for approximately 326 acres of irrigated lands.

There is a beautiful large reservoir with 2,748-acre feet capacity providing excellent bass fishing and wildlife habitat and other stock water improvements.

Approximately 4 ½ miles of meandering river running through the property.

State coal lease that has an estimated 90 million recoverable coal reserves. Geological report available upon request.

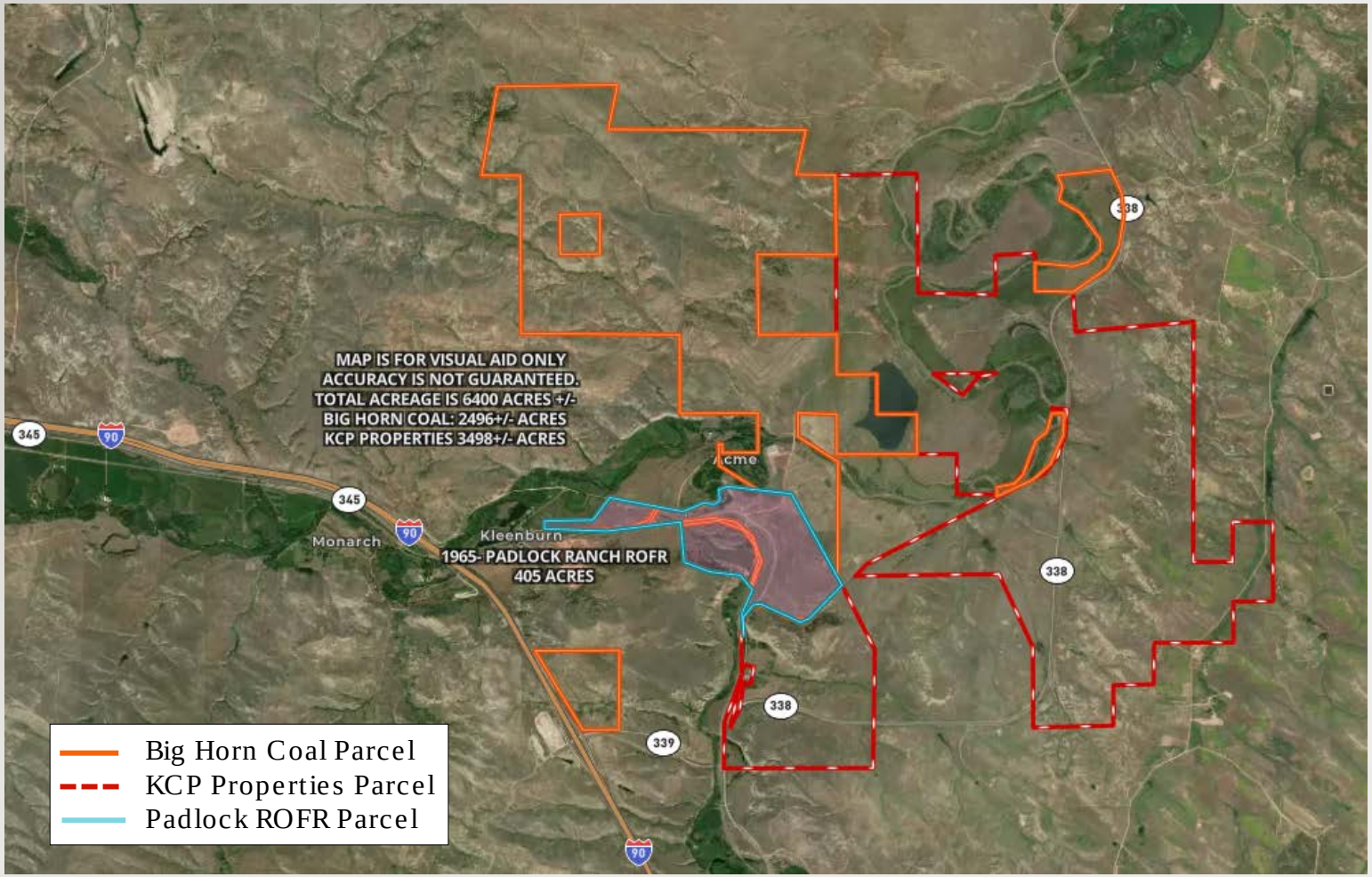
Miscellaneous irrigation equipment included with the sale; consisting of irrigation pumps, irrigation sprinklers, side roll sprinklers, aluminum pipe, discharge hoses, flow meters, etc.

Improvements

- 2± mile rail spur (Lots # 1&3).**
- 28,000 s.f. shop with industrial zoning; shop includes two 20-ton cranes and two five-ton cranes certified within 3 years (Lot # 1).**
- This area could be a revenue generator or later subdivided for sale (Lots # 1&3).**
- 2 residential homes (subject to leases that expire no later than April 22, 2022) (Lot # 1&2).
- There is a reclamation bond in effect (Lots # 1&3).

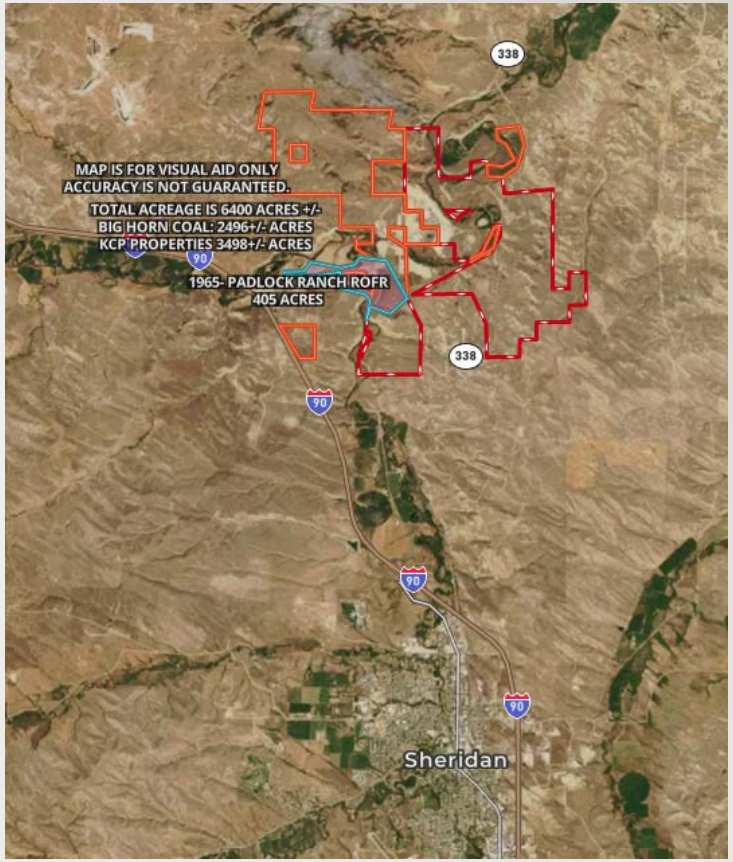
**Subject to the reclamation bond and any requirements of any applicable regulatory agencies in connection with postmining land use changes. See data room for additional information.

Auction Lots #1 (Big Horn), #2 (KCP) & #3 (Padlock ROFR)

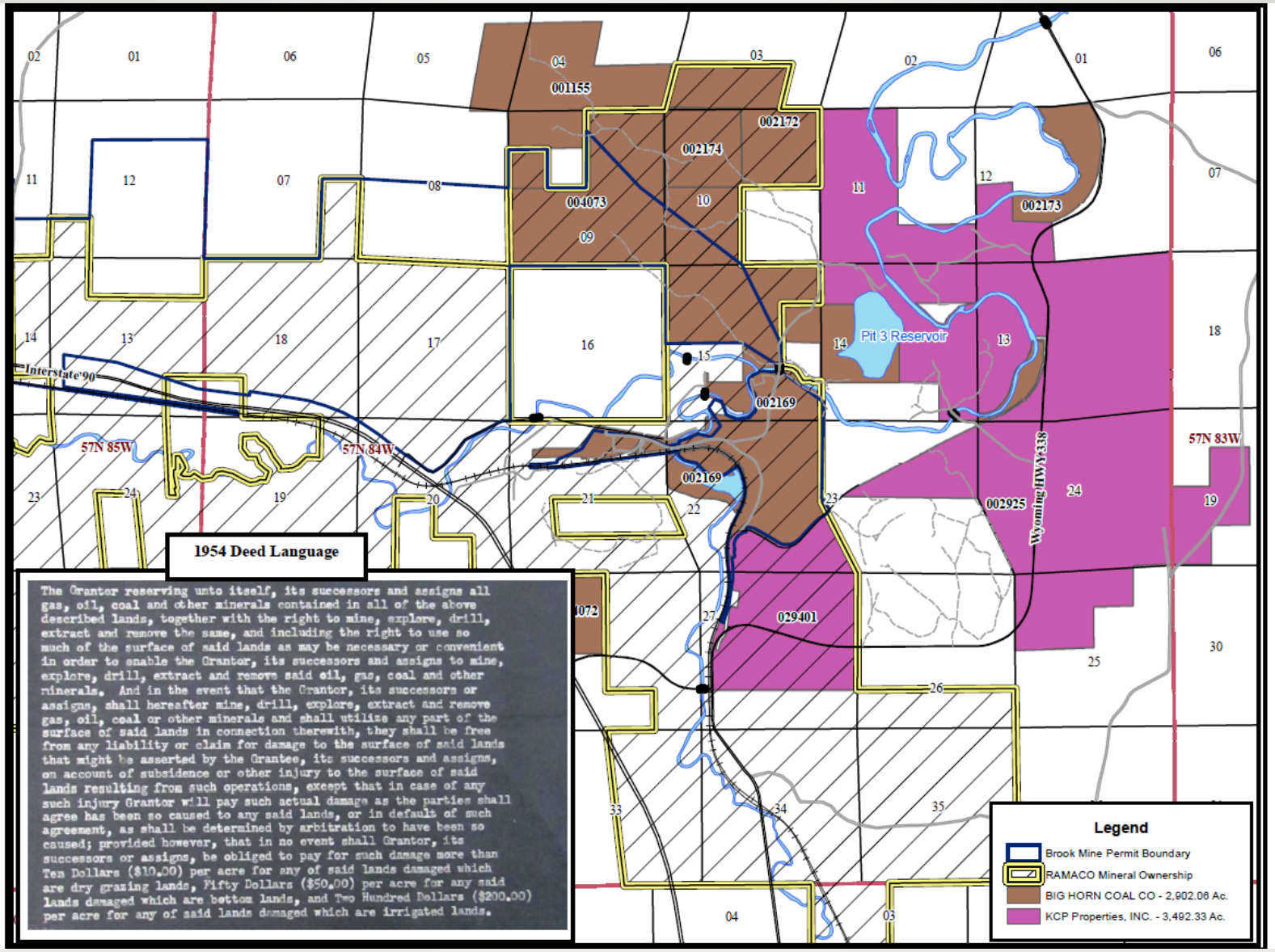


135 miles from Billings, Montana
422 miles from Denver, Colorado

6 miles from Sheridan, Wyoming



Areas Subject to Certain Mineral Rights Reserved in 1954 Deed



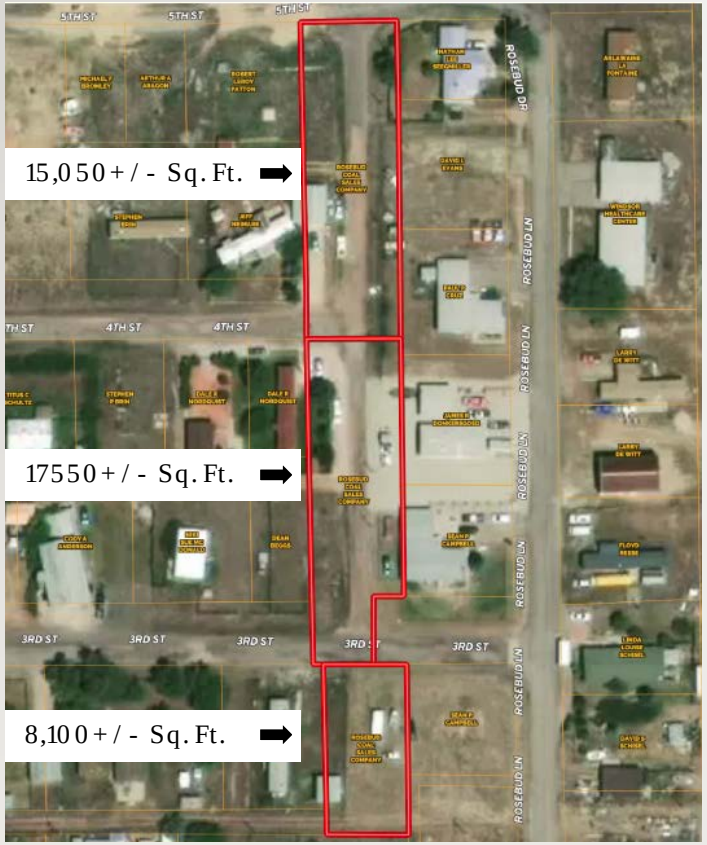
Auction Lot #4 - > Sheridan, Wyoming City Lots

- 1225 N BROADWAY ST.
- TOTAL SQ FT = 33,885.
- Zoned M1.
- Easily accessible lots.
- Approximately 3 blocks from 5th St. (one of Sheridan's 3 main entry points)

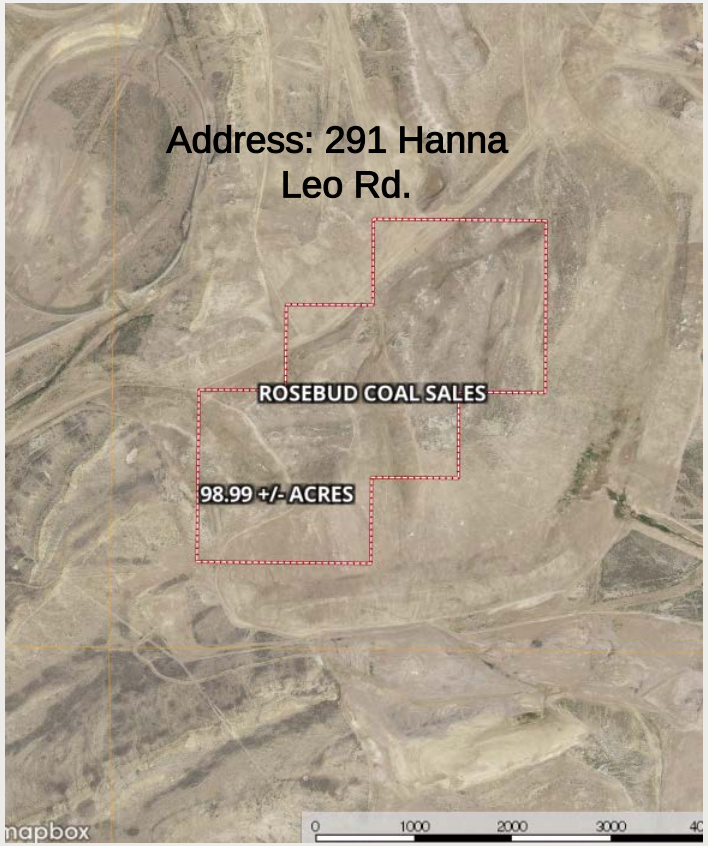
Auction Lot #5 -> Hanna, Wyoming:

3 in - town lots & 2 lots just North of town

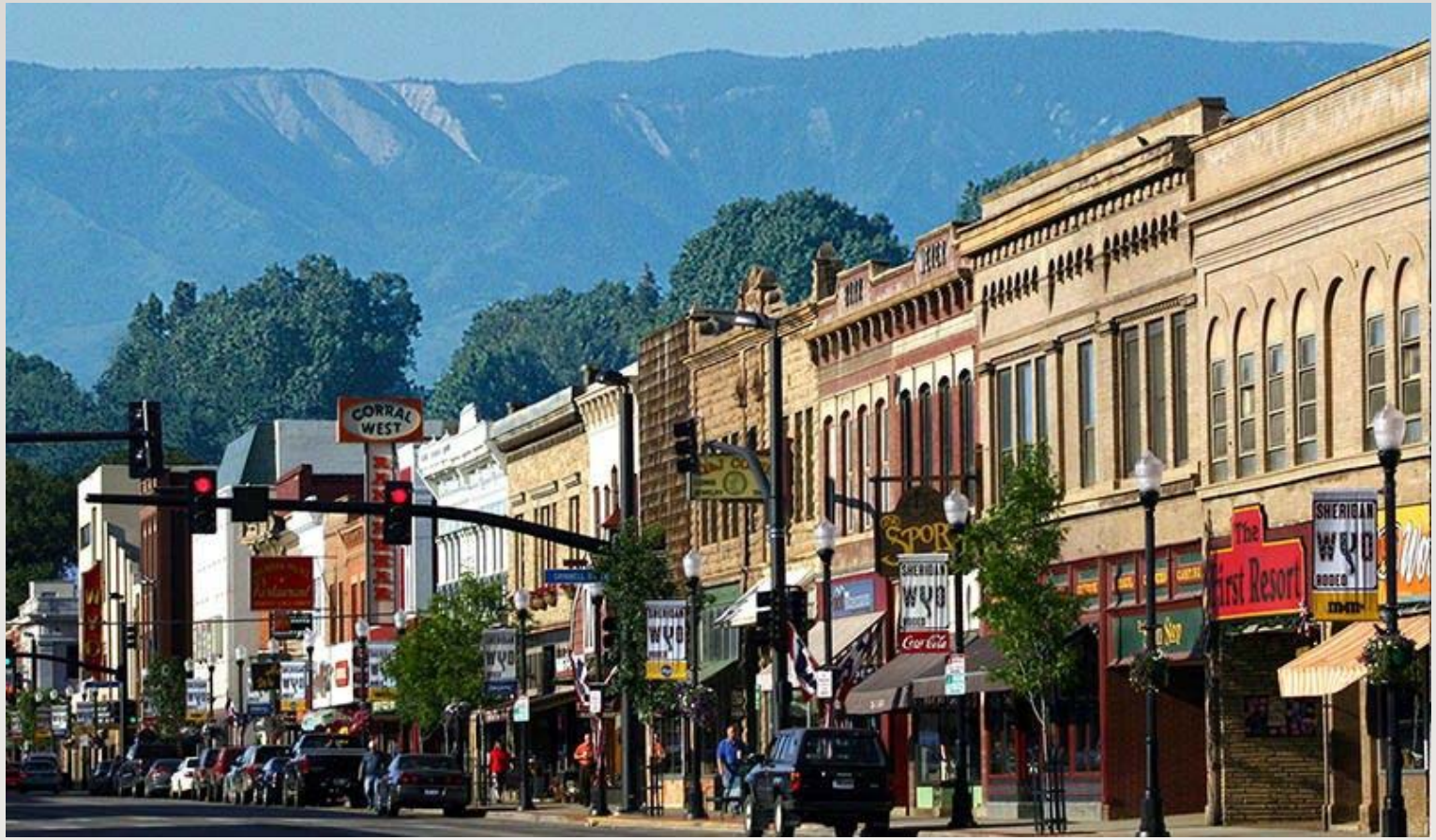
Residential Vacant Land



Commercial Vacant Land



Industrial Vacant Land



The City of Sheridan, Wyoming is a welcoming community of 17,000. Known for its devotion to the arts and western heritage, Sheridan attracts people in search of a small-town lifestyle with the benefits of big-city culture, dining, and boutique shopping.
Air Service is available to the community via Denver International Airport with 2 daily flights.
The local airport is equipped to handle all private aircraft.

Virtual Resources

Additional Information Available via Virtual Data Room:

www.BigHornBankruptcyAuction.com

Digital Map Link for Lots # 1 & 2 & 3:

https://mapright.com/ranching/maps/e2e2271d63b4777b6a10808b1d5f123b/embed/unbranded

Virtual Tour Link for Lots # 1 & 2 & 3 :

https://vimeo.com/498411926

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Thank You for taking the
time to consider this auction
of the assets of
The Big Horn Coal,
KCP Properties, and
Rosebud Coal

Lighthouse Resources: A Dive into the 2021 Asset Sale of the Year

Harold J. Bordwin and Chacey R. Malhouitre

The coal bankruptcy sale at issue was integral to the innovative and successful use of a cost-effective bankruptcy process to obtain confirmation of a chapter 11 plan. Not only was the sale itself integral to the process, but it was also complicated by an expedited timeline, a need for creative marketing, and the disparate nature of the real property itself. With the ongoing challenges to the coal industry, coal companies in distress have fewer means to wind down or otherwise dispose of their assets. Recent coal bankruptcy cases have resulted in cases with sales of assets that remain subject to disputes over payments of expenses and over the failure to effect transfers of coal mining permits, leaving environmental reclamation obligations to be dealt with by surety companies and state and federal governments. Such a result was avoided in this case, with a non-prepackaged chapter 11 plan confirmed in approximately four months and with no environmental obligations being "left behind." The sale described below is notable not for the dollar amount of its proceeds, but for what those proceeds enabled: a creative and cost-effective means to wind down the assets of a coal mining company.

I. Background and Events Necessitating the Chapter 11 Filing

On December 3, 2020, Lighthouse Resources, Inc. ("Lighthouse") and 13 of its subsidiaries filed for chapter 11 relief in the United States Bankruptcy Court for District of Delaware before Judge John T. Dorsey, consolidated under case number 20-13056. The Debtors consisted of various active and inactive entities with assets or operations related to the coal mining industry in Wyoming, Montana, and Washington. The Debtors' only active mines at the time of the filing were located in Big Horn County, Montana (the "Decker Mines"). The Debtors also operated a 540-acre port facility in Washington (the "Millennium Facility"), which it was attempting to

permit as a coal export terminal ("CET") capable of exporting 44 million metric tons of coal. The State of Washington denied the CET permit, and the denial was the subject of pending appeals in the federal courts. However, the Millennium Facility was a high-cost operation, and the Debtors had accrued over $400 Million in prepetition debt. Due to a combination of an inability to obtain a permit for the Millennium Facility and other challenges in the coal industry, the Debtors were left with insufficient cash to support continued operations at the Millennium Facility and the Decker Mines. The Debtors could not obtain additional financing, refinancing, or even potential debtor-in-possession financing. In addition, the Debtors' sole domestic customer at the Decker Mines chose not to purchase any future tons of coal after December 2020. The Debtors were thus forced to idle mining at the Decker Mines and limited to selling coal stockpiled or in the pit.

Filing for a chapter 7 liquidation was not a viable option. Even with mining idled, the Decker Mines still required funds and staff to sell the remaining coal and for security, monitoring, and maintenance. In addition, upon closure, the Decker Mines required environmental reclamation, which would take years.

After prepetition efforts to sell their assets failed and after exploring options with their prepetition lenders and the sureties holding funds securing reclamation obligations, the Debtors, with the assistance of BDO Consulting Group, LLC as CRO, were able to determine a way to use its cash collateral to fund a "skinny" chapter 11 proceeding. The workability of that solution hinged on two things: (1) the near immediate liquidation of the Millennium Facility and related assets to stop the bleeding of cash and (2) the Debtors' ability to sell its other non-operating real property located in and around Sheridan County, Wyoming, to supply the funds necessary to pay priority tax claims owed to federal, state, and local tax authorities totaling $10,593,775.72. If these two things worked, the Debtors' remaining assets–the Decker Mines, bonding collateral, and cash

generated from a 50% ownership interest in an operating coal mine in Wyoming–would be transferred to a reclamation trust (the "Reclamation Trust") that would reclaim the Decker Mines and make certain payments to the secured and unsecured creditors. Because the Debtors' amount of incoming cash was fixed by the tons of coal it had remaining at the Decker Mine to sell, time was of the essence. Funds were projected to run out by April 2021. Once those funds were exhausted, the Debtors had no ability to fund payroll or professionals or to reach confirmation and the goal of reclaiming the Decker Mines.

Thus, an integral part of the making the Debtors' case work was the Debtors expedited liquidation of their Wyoming real property assets owned by Big Horn Coal Company ("Big Horn"), KCP Properties, Inc. ("KCP"), and Rosebud Coal Sales Company ("Rosebud"). Absent funds sufficient from those sales to settle with the taxing authorities, the Debtors would not be able to confirm a chapter 11 plan.

II. The Assets Subject to the § 363 Sale

Big Horn owned approximately 2,900 acres of surface property, formerly a coal mine, outside of Sheridan, Wyoming that was, at the time of the bankruptcy, primarily leased to third parties for grazing purposes. Most of the property had been reclaimed and received final bond release from the State of Wyoming. Complete bond release hinged on the approval of a land use change for a rail spur and shop that affected 24 acres of the property. Big Horn also owned a city lot in Sheridan, Wyoming. KCP owned approximately 3,500 acres of surface estate directly adjacent to Big Horn's property.

In Hanna, Wyoming, about four hours south of Sheridan, Rosebud owned 219 acres of real property that was the site of a fully reclaimed coal mine and considered rangeland. Rosebud also owned 1 acre of vacant lots and alleys inside the town of Elmo, Wyoming (adjacent to Hanna).

To complete the challenging task of selling this wide variety of property in an abbreviated time frame to generate the maximum value to the creditors, the Debtors jointly engaged Keen-Summit Capital Partners LLC and BHJ Realty, Inc. d/b/a Century 21 as a broker to sell the Wyoming real property. Keen-Summit, led by Harold Bordwin and Heather Milazzo, has a history of marketing and selling distressed assets in and out of bankruptcy. BHJ is located locally in Sheridan, Wyoming, and its agents, Paul Wallop and Bruce Garber, are experts in the local real estate market as well as "boots on the ground" to allow potential purchasers to visit the property in person.

III. Complications with the Sale

There were a number of issues that threatened to jeopardize the sale, and ultimately the prospect of confirming a plan that would create the Reclamation Trust, protect the environment, and provide value to the creditors.

First, there was little time to market the properties. The Debtors filed bankruptcy on December 3, 2020. Using all the cash remaining on hand, the budget approved by the Bankruptcy Court and the prepetition lenders would only fund operations through early April 2021—which left only four months to confirm a plan. Moving quickly, the Debtors obtained approval for bidding procedures on January 20, 2021, with bids due on February 19, 2021. In a parallel process, the Debtors filed their disclosure statement and motion to confirm its plan. The sale had to be concluded and approved before the confirmation hearing so that the Debtors would have a confirmable plan.

Second, the property was disjointed in terms of the location of the various parcels and their use. Selling the property in its entirety (or as one auction "lot") would be difficult because a limited number of buyers would be interested in such a wide-ranging type of properties and large amount

of acreage. Furthermore, the Big Horn grazing land was, in part, burdened by the remaining reclamation obligations and pending final bond release, and any buyer would have to be approved by the Wyoming Department of Environmental Quality (the "DEQ").

Third, certain third parties complicated the sale process by objecting to the sale based on assertions of various rights in certain of the property. In one instance, an unrelated mining company held an active mining permit and claimed to hold rights to use the surface of and to enter on portions of the Big Horn and KCP properties. In addition, two neighboring property owners claimed unrecorded rights of first refusal ("ROFR") on several pieces of the Big Horn and KCP properties. All these issues had to be addressed prior to any auction.

Fourth, prospective bidders had to come to terms with a combination of unusual circumstances, including a decades-long ongoing underground coal fire, subsidence issues, and public rights of way to a river, and a recorded ROFR on a 405.72-acre parcel.

Finally, Covid-19 was still a real threat. Because many of the parties and buyers remained remote, the auction itself could not be held in person.

IV. Steps to Overcome Complications and Conduct the § 363 Sale

The Debtors and the brokers addressed the above issues in creative ways that allowed them to maximize the value of the property.

A. The Brokers Took Steps to Market the Property Efficiently and Effectively.

First, to address the issues raised by the variety of locations, different uses, and necessary remaining reclamation and bond release, the property was broken up into 5 different bidding lots that the Debtors and their professionals believed would be the most marketable:

(a) Lot 1 – Big Horn Grazing Land: 2,496 acres with rail spur and shop;

(b) Lot 2 – KCP Properties: 3,498.77 acres;

(c) Lot 3 – Padlock ROFR: 405.72 acres with rail spur;

(d) Lot 4 – Sheridan, WY city lot; and

(e) Lot 5 – Hanna, WY Lots.

Bidders would be allowed to bid on any combination of lots–which made for an interesting auction process as described below.

Second, before there could be an auction, and to meet the short turnaround time, the property had to be marketed aggressively, locally and nationally. BHJ met with or spoke to over 33 potential buyers and gave 10 in-person showings of the property owned by Big Horn and KCP. There was a robust data room with information for potential purchasers. These efforts resulted in 162 prospective purchasers, 127 of which executed a non-disclosure agreement and gained access to the online data room. Debtors and the brokers also worked with bidders to answer questions and provide draft purchase agreements to be submitted with bids.

B. The Debtors Structured the Sale Process to Address Legal Issues and Claims Prior to the Sale Hearing.

In many bankruptcy sales processes under 11 U.S.C. § 363, objections to the ability to sell property free and clear of interests under § 363 or whether an agreement is executory and subject to assumption or rejection under 11 U.S.C. § 365 are often addressed at the sale hearing, creating uncertainty for the sale process and the bidders. With the tight deadlines and suspected and known claims various parties were asserting, the Debtors structured the sale process to seek clarity before the auction by including an early objection deadline and hearing date before the auction.

This deadline strategy worked well to address the legal issues raised by the claimed ROFRs. After review, the Debtors determined that two of the ROFRs were rights based in contract that were not recorded and did not otherwise run with the land. The Debtors participated in several hearings, including evidentiary proceedings, to successfully reject these two contractual ROFRs. The third ROFR was a recorded real property right, and the Debtors recognized that right and

created the Lot 3 designation noted above. Thus, potential purchasers were aware of the existence of this ROFR and that their bid could be matched by its holder. Bidders on multiple lots were allowed to assign a portion of their bid to Lot 3 to allow the ROFR holder to know the price it had to meet to exercise the ROFR. Further, the bidding procedures did not allow a bidder to back out if the ROFR was exercised and the bid included lots in addition to Lot 3.

For Lot 1, the Debtors worked with the Wyoming DEQ to determine what a buyer needed to do to qualify to purchase the property subject to the remaining reclamation obligations and bond and what conditions had to be met to release the bond and rezone the property for light industrial use. Prospective bidders were provided this information during the bidding process and the draft purchase agreements were drafted to address the issue for the buyer that purchased Lot 1.

Thus, the advanced planning to divide and market the lots, as well as address as many issues as possible prior to the auction, allowed for a smoother process and more certainty for buyers.

V. The Auction

By the February 19, 2021, bid deadline, the brokers received a total of twenty-four (24) bid packages from eighteen (18) bidders, of which seventeen (17) were deemed qualified by the Debtors. The offers included:

(a) 1 offer for Lot 1 – Big Horn Grazing Land: 2,496 acres with rail spur and shop;

(b) 4 offers for Lot 2 – KCP Properties: 3,498.77 acres;

(c) 3 offers for Lot 3 – Padlock ROFR: 405.72 acres w rail spur;

(d) 7 offers for Lot 4 – Sheridan, WY city lot;

(e) 2 offers for Lot 5 – Hanna, WY lots;

(f) 3 offers for a package of Lots 1 & 2;

(g) 1 offer for a package of Lots 1, 2, 3 & 4; and

(h) 2 offers for all the lots as a package.

Following the receipt of the bids, the brokers, in conjunction with the Debtors' professionals, worked to confirm the qualifications of each bidder and reviewed the bids to determine which bid or combination of bids offered the maximum value to the Debtors' estate and would be the opening bid. Pursuant to the Bidding Procedures, bidders were notified on February 25, 2021, that they were qualified to participate in the auction.

On February 26, 2021, the Debtors, Debtors' professionals, brokers, qualified bidders, and court reporter participated in the live auction via the Zoom video meeting platform. The auction began at 11:00 am ET and concluded at approximately 4:00 pm ET. Harold Bordwin of Keen-Summit conducted the auction. The highest and best qualified bid which became the starting point for the auction was a combination bid from Black Gold Land Company LLC in the amount of $5,000,000 for all lots except Lot 5 and Clove Hitch in the amount of $35,000 for Lot 5. The auction itself was an interesting process and involved several moving pieces:

- With the various bid permutations, bidding was first initiated with the two qualified bidders (Horseshoe Ranch LLC and Black Gold) for the entire portfolio of Lots 1 through 5. This initial round of bidding resulted in an offer from Black Gold of $6,600,000.
- Bidding then commenced on the individual lots in the following order: Lot 5, Lot 4, Lot 2, Lot 3, and Lot 1.
- After completing the initial round of bidding for each of the individual lots, the sum of the individual lot offers was higher than Black Gold's package bid for all the lots.
- At this time, Black Gold increased its bid for all the lots to $7,200,000 to overbid the assembly of individual lot bidders.
- Horseshoe Ranch returned to the bidding process with a package bid amount higher than Black Gold's increased bid.

- The individual lot bidders and Black Gold were then provided a break-out video conference room to discuss their position and worked collectively to compete against Horseshoe Ranch's package bid. This was quite noteworthy because some bidders had been competing for the same lots, but then were working together against the remaining package bidder.

- The individual bidders on Lots 1 and 2 continued to increase their bids against Horseshoe Ranch's offer for all assets (and against each other).

- At the end of bidding, Horseshoe Ranch made a final package bid of $8,275,000. The assembly of the following individual lot buyers topped that bid with a collective bid amount of $8,495,000, resulting in the highest and best offer:

Auction Lot	Successful Bidder	Successful Bid
Lot #1	Black Gold Land Company, LLC	$ 2,800,000.00
Lot #2	Black Gold Land Company, LLC	$ 4,600,000.00
Lot #3	Megan and Beau Single	$ 800,000.00
Lot #4	Bernard Investment Group, LLC	$ 230,000.00
Lot #5	Seith Konrath and Ann Calvert	$ 65,000.00
	TOTAL OF ALL SUCCESSFUL BIDS	**$ 8,495,000.00**

VI. Sale Approval, Closing, and Plan Confirmation

The order approving the sales brokered at the auction was entered on March 8, 2021, with no objections.

The closings were to all occur simultaneously on the same day with the option that any of the above successful bidders could back up the offer of any bidder that would not close. If any of the lots did not close, then in the Debtors' discretion, all the lots could be sold to the backup bidder, Horseshoe Ranch, for $8,275,000. All the successful bidders (each with a separate sales agreement), however, closed on March 12, 2021. Lot 3 closed in escrow pending the expiration of the Padlock ROFR.

The chapter 11 plan, with the agreement with the priority tax claim holders to accept the net proceeds from the above sale and other consideration, was confirmed on March 10 and became

effective on April 7, 2021. The Reclamation Trust is currently in the process of supervising the reorganized Debtor entities, including the entity reclaiming the Decker Mines.

Without the sale of the real property assets in Wyoming, the Debtors would not have been able to confirm their plan and provide for the efficient reclamation of the Decker Mines, for a meaningful recovery to the secured creditors, or for any recovery for the unsecured creditors.

VII. Conclusion and Takeaways

This sale took place on an expedited basis considering the timing issues in the overall case and lack of postpetition funding. Nevertheless, strategic planning by the Debtors and their professionals allowed for an efficient process. Some takeaways from this process are as follows:

- Work with your broker or other professional to structure the sale process. You hired a professional to help you market the assets, likely because that professional regularly markets and sells those specific types of assets. So, listen to their ideas.

- While allowing the buyers to determine the division of the assets they intend to purchase can sometimes be preferable, advanced planning and a division of assets into marketable lots may help attract more buyers for a higher total purchase price.

- Sometimes it is helpful to force objections to be asserted early in the process to streamline the subsequent auction and sale hearing. Many times we set objection deadlines in bid procedures not wanting to provoke any objection. But in instances like this, where an objection may unwind a bid after the auction, it is best to plan in advance.

- Look out for regulatory issues and communicate with the agencies involved to avoid any surprises.

- Draft the sale order to provide that it is recordable by the debtor or the purchaser to effectuate the free and clear sale.

- We can learn from our COVID experiences, and we should not be quick to ditch all the changes. This case was only financially viable only because it occurred during COVID, meaning all hearings were remote, which significantly reduced administrative expenses in a couple of ways: (i) travel time was virtually eliminated and (ii) while Delaware local counsel played a significant role, most hours could be billed at primary counsel's much lower, Kentucky rates. Many judges and counsel are excited to return to court in person. While there are benefits to in person experiences in many types of law, bankruptcy proceedings have become extremely costly. Techniques developed during COVID could help many other debtors in the

future reach results that they might not otherwise be able to afford. These lessons should be carefully considered by counsel and courts nationwide as we decide what our bankruptcy courts look like going forward.

Faculty: Lighthouse Resources: A Dive into the 2021 Asset Sale of the Year

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