Boart Longyear Annual General Meeting - CEO's Presentation

Please find attached for release to the market, the *President and CEO’s Presentation Slides* to be presented this morning to the Company’s Annual General Meeting.

**Authorised for lodgement by:**
Robert Closner,
Company Secretary

**About Boart Longyear**
Established in 1890, Boart Longyear is in its 130th year as the world’s leading provider of drilling services, orebody-data-collection technology, and innovative, safe and productivity-driven drilling equipment. With its main focus in mining and exploration activities spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals, the company also holds a substantial presence in the energy, oil sands exploration, and environmental sectors.

The Global Drilling Services division operates for a diverse mining customer base with drilling methods including diamond coring exploration, reverse circulation, large diameter rotary, mine dewatering, water supply drilling, pump services, production, and sonic drilling services.

The Geological Data Services division utilizes innovative scanning technology and down-hole instrumentation tools to capture detailed geological data from drilled core and chip samples. This valuable orebody knowledge gives mining companies the ability to make timely decisions for more efficient exploration activities.

The Global Products division offers sophisticated research and development and holds hundreds of patented designs to manufacture, market, and service reliable drill rigs, innovative drill string products, rugged performance tooling, durable drilling consumables, and quality parts for customers worldwide. Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia (ASX:BLY). More information about Boart Longyear can be found at [www.boartlongyear.com](http://www.boartlongyear.com). To get Boart Longyear news direct, follow us on [Twitter](http://twitter.com), [LinkedIn](http://linkedin.com) and [Facebook](http://facebook.com).

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• Due care and attention should be undertaken when considering and analysing the financial performance of the Company.

• All references to dollars are to United States currency unless otherwise stated, and financial results presented are not audited.
Boart Longyear is

The world’s leading provider of drilling services

An expert in providing valuable orebody knowledge

A pioneer in drilling equipment and performance tooling
FULL YEAR 2019 HIGHLIGHTS
- Return to meaningful operating cash generation

**Financial Performance**

- **Revenue**: 1.3% growth (2018: 0%)
- **Net Profit After Tax**: Neg US$45M (2018: Neg US$44M)
- **Adjusted EBITDA**: US$87M (2018: US$81M)
- **Operating Cash Flow**: US$35M (2018: $4M)

**Strategic Objectives**

- **GEOLOGICAL DATA SERVICES**: Revenue growth >60%
- **Next Maturing Debt Facility**: July 2022
- **MAINTAINED BALANCE SHEET DISCIPLINE**
- **Cash Return on Investment**: 10.5%

**Safety**

- **LTIR**: 0.02 (2018: 0.10) 1
  - Over 14 million hours worked LTI free
- **TCIR**: 1.37 (2018: 1.90) 1
  - Lowest reported result over last 4 years
World’s leading provider... of drilling services, equipment, tooling and resource knowledge

- Building our customers’ orebody knowledge
- Innovative drilling products and data management
- Safe, reliable, cost-efficient performance

Commodity Revenue

- Gold: 63%
- Copper: 18%
- Non-Mining Water: 7%
- Other Metals: 5%
- Energy: 3%
- Nickel: 2%
- Iron: 1%
- Other: 1%

Regional Revenue

- USA: 27%
- Asia Pacific: 23%
- Canada: 19%
- EMEA: 18%
- Latin America: 13%
Geological Data Services
- Digital technologies unlocking Orebody Knowledge

Significant Growth Opportunities
- Substantial whitespace with existing customers, including many global accounts
- New customer opportunities with major and junior mining houses
- New product introductions will significantly increase current offerings to customers
- Growth opportunities in production mining and mineral processing

Market Opportunity

Current Key Clients
- "[…] this technology provides data vital for our geologists to make more accurate and timely decisions, through faster and smarter targeting. [...] this is transforming how we explore."

Newcrest Mining Limited
2019 Annual Report

Rio Tinto

NOTES
1. 2019 estimate of global annual reserves
2. Team analysis based on customer research and available market size information (Research & Markets Global Geophysical Services Market Analysis 2019 and Zion Market Research Global Geochemical Services Market 2015)
Global Exploration Market
- Strong Leading Indicators point to increased demand for exploration spend

**Industry Cashflows**
- Cashflow = Excess Cash

**Industry Balance Sheet**
- Balance Sheet = Capacity

**Industry Returns**
- Returns = Investor Appetite

**Industry Capital**
- Capital = Discretionary Spend

### Exploration Spend

**Strong Leading Indicators:**
- **Cashflow** – Commodity prices & revenues back at 2012 levels
  - Strong operating margins
  - Strong FCF generation
- **Balance Sheets** – Mining House balance sheets are strong
  - Strongest position in prior 15 years
  - 3rd strongest sector globally
- **Returns** – Significant investment interest returning to sector
  - MSCI & Gold Indices close to 2012
  - Nearing peak dividend yield ~5%
  - 2012 EBITDA Margins achieved
- **Industry Capital** – Starting to see increased capex investment
  - 5+ years of under-investment
  - HME has similar discretionary nature to exploration spend
First Quarter 2020 – BUSINESS METRICS
- Management implemented business continuity plan to combat impacts of Covid-19

<table>
<thead>
<tr>
<th>VOLUMES</th>
<th>PROFITABILITY</th>
<th>OPERATING CASH FLOW</th>
<th>LIQUIDITY</th>
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<tbody>
<tr>
<td></td>
<td>Results impacted by Covid-19 on March along with additional expenditures to support recently awarded contracts</td>
<td>Improved net cash flow provided by operating activities with NWC initiatives achieving targets</td>
<td>Business holds liquidity levels to meet its forward looking commitments</td>
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<tr>
<th>CAPITAL DEPLOYED</th>
<th>LEVERAGE</th>
<th>CASH RETURN ON INVESTMENT</th>
<th>SAFETY PERFORMANCE</th>
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<tr>
<td>US$ 7.4M (2019 – US$10M)</td>
<td>Net Debt/EBITDA Leverage 10.4x (2019 – 8.1x)</td>
<td>9.4% (2019 – 10.3%)</td>
<td>LTIR 0.19 (2019 – 0.0)</td>
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After eliminating impacts of FX. Impacts of Covid-19 started through March

Adjusted EBITDA²

Investment in Organic opportunities

Business maintaining returns through more efficient use of assets

Net Debt/EBITDA Leverage

Delivering on Strategic Objectives
We build our customers’ orebody knowledge

Demonstrating strong improvement
- Achieved over 14 million hours Lost Time Injury Free
- Adjusted EBITDA up 8% on comparable revenue over 2019
- Reinvesting in business to capitalise on market growth, adding 35 technology advanced rigs in 2019

Progressing with strong upside potential
- Gold prices strengthening (>1800/oz) which supports business with ~65% revenue from sector
- Prolonged underinvestment in new capital and new projects to meet increasing demand
- Market conditions favourable for solid organic growth

Stabilising Net Debt to EBITDA; next Debt maturity 2022
- Continuing to invest in technology, growth & productivity
- Secured additional liquidity through refinancing of Senior Secured Notes

Advancing towards a healthier business
- Building track record of operating and financial performance and discipline
- Meaningful growth in Data Tools and Services (GDS) expected
- COVID-19 outbreak has had adverse impact on the business through the second quarter
Footnote Disclosures

- **Footnote 1**: Per 200,000 work hours.

- **Footnote 2**: Loss from Trading Activities, Adjusted Gross Margin, Adjusted Operating Loss, Adjusted SG&A, Adjusted EBITDA and are non-IFRS measures and are used internally by management to assess the underlying performance of the business and have been derived from the Company’s financial results by adding back significant items (i.e., charges relating to recapitalization, impairments, restructuring, and employee and related costs). In the case of Pro Forma Adjusted EBITDA, additional adjustments are made to account for one-time items. In the case of Loss from Trading Activities, adjustments are made to Adjusted Operating Loss to remove other expense/income.

- **Footnote 3**: Volume has been calculated on a comparable basis and eliminates impacts of FX

- **Footnote 4**: Transactions between segments are carried out at arm’s length and are eliminated on consolidation.

- **Footnote 5**: Source: S&P Global Market Intelligence.
Questions?