



**Part II** Organizational Action *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_  
[See Attached Statement](#)

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**18** Can any resulting loss be recognized? ▶ \_\_\_\_\_  
[See Attached Statement](#)

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_  
[See Attached Statement](#)

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**Sign Here**  
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.  
Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_  
Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Boart Longyear Limited**  
**EIN:**  
**Form 8937 Statement**  
**Senior Unsecured Notes and Successor Boart Common Stock and Warrants**  
**Date of Action – September 23, 2021**

**Disclaimer**

The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any shareholder's or debt holder's specific circumstances. Shareholders and debt holders are urged to consult their own tax advisors regarding the US tax consequences of the transactions described herein and the impact to tax basis resulting from the transactions.

**Part II, Line 14**

The organizational action address by this Form 8937 response relates specifically to the senior unsecured note exchange discussed below.

On May 12, 2021, Boart Longyear Limited (“**BLY**”) and its direct and indirect subsidiaries (collectively, the “**BLY Group**”) reached an agreement with the holders of a majority of the BLY Group's outstanding indebtedness to *inter alia* issue new BLY equity in exchange for various BLY Group external indebtedness, in accordance with the terms set forth in that certain Restructuring Support Agreement, dated May 12, 2021, by and among BLY, certain of its subsidiaries and the other parties thereto (the “**RSA**” and the transactions contemplated by the RSA and as subsequently effectuated, the “**Restructuring**”).

BLY is an entity legally domiciled in Australia with subsidiaries located in many countries including Canada and the United States. The BLY Group indebtedness to be equitized included (i) the Term Loan A due 2022 issued by BL Capital Management LLC (the “**Term Loan A**”), (ii) the Term Loan B due 2022 by BL Capital Management LLC (the “**Term Loan B**” and together with the Term Loan A, the “**Term Loans**”), (iii) the 12.00%/10.00% Senior Secured PIK Toggle Notes due 2022 issued by Boart Longyear Management Pty Limited (the “**SSNs**”), and (iv) the 1.50% Subordinated PIK Notes due 2022 issued by Boart Longyear Management Pty Limited (the “**SUNs**”).

The RSA provided that the Restructuring would be implemented in part through two creditor schemes of arrangement as described under relevant Australian law and approved by an Australian court. Two such proposed schemes of arrangement (together, the “**Schemes**”) were filed and were subsequently approved by an Australian court on September 16, 2021.

In connection with the Restructuring, the following recapitalization transactions occurred (the “**Recapitalization Transactions**”):

1. On September 22, 2021, the outstanding BLY ordinary shares, options, and warrants were subject to 20 for 1 consolidation in which every 20 BLY ordinary shares were converted into 1 BLY ordinary share, every 20 BLY options were converted into 1 BLY option, and every 20 BLY warrants were converted into 1 BLY warrant, in each case, rounded up to the nearest whole number of shares in the case of any entitlement to fractional shares, options, or warrants, as applicable (the “**Share Consolidation**”).
2. On September 23, 2021, in exchange for the Term Loans, the holders of the Term Loans received newly issued ordinary shares of BLY.

3. On September 23, 2021, in exchange for the SSNs, the holders of the SSNs received newly issued ordinary shares of BLY.
4. On September 23, 2021, in exchange for the SUNs, the holders of the SUNs received (i) newly issued ordinary shares of BLY and (ii) warrants exercisable for additional ordinary shares of BLY.
5. BLY issued new ordinary shares to the extent provided by the “Share Purchase Plan,” which offered certain existing shareholders of BLY the ability to acquire additional ordinary shares of BLY for cash.
6. BLY repurchased certain of its outstanding ordinary shares to the extent provided by the “Selective Buy-Back” plan, which offered certain existing shareholders the right to have BLY retire some or all of their ordinary shares.

Following the Recapitalization Transactions, on October 5, 2021, and pursuant to a separate vote of the BLY shareholders, the stock and warrants of BLY, including those received in the Recapitalization Transactions, were exchanged for stock and warrants, respectively, of a newly formed Canadian holding corporation, Boart Longyear Group Ltd. (“**New BLY**” and such transaction, the “**Redomicile Transaction**”).

#### **Part II, Line 15**

Assuming the Restructuring and Redomicile Transaction are respected as separate transactions, to the extent that the SUNs constitute “securities” for purposes of the tax-free reorganization rules (“**Tax Securities**”), the exchange of interests in the SUNs for new BLY shares and warrants would be expected to be treated as a tax-free exchange under IRC Section 368(a) in which a holder’s aggregate tax basis in the new BLY shares and warrants received (other than any amounts treated as received in satisfaction of accrued interest) would generally be equal to such holder’s aggregate tax basis in the SUNs surrendered. Such aggregate basis in the BLY shares and warrants received would be allocated between the shares and warrants in accordance with their relative fair market values. In addition, subject to the receipt of any BLY shares or warrants attributable to accrued interest, a US holder of SUNs would generally not recognize gain or loss in the exchange.

If the SUNs are not Tax Securities, each US holder will generally recognize gain or loss upon the receipt of new BLY shares and warrants under IRC Section 1001 in an amount equal to the difference between the fair market value of the new BLY shares and warrants received (other than any amounts treated as received in satisfaction of accrued interest) and the US holder’s tax basis in the SUNs surrendered.

The holders of the SUNs (the “**Holders**”) should consult their tax advisors as to the particular US tax consequences to them as a result of the exchange of the SUNs for BLY shares and warrants.

#### **Part II, Line 16**

To the extent that the SUNs constitute Tax Securities, the exchange of interests in the SUNs for new BLY shares and warrants would be expected to be treated as a tax-free exchange in which the Holder’s basis in the new BLY shares and warrants (other than any amounts treated as received in satisfaction of accrued interest) would generally be equal to the Holder’s aggregate tax basis in its interests in the SUNs exchanged, and such aggregate basis in such BLY shares and warrants would be allocated between the shares and warrants in accordance with their relative fair market values.

To the extent that the SUNs do not constitute Tax Securities, each Holder will recognize gain or loss upon the receipt of new BLY shares and warrants in an amount equal to the difference between the fair market value of the new BLY shares and warrants received (other than any amounts treated as received in satisfaction of accrued interest) and the U.S. holder's tax basis in the SUNs surrendered.

**Part II, Line 17**

IRC Sections 354, 356, 358, 368, 1001, and 1012.

**Part II, Line 18**

The exchange of the SUNs for BLY shares and warrants generally should not result in a recognizable loss to the Holders to the extent that the SUNs constitute Tax Securities. To the extent that the SUNs do not constitute Tax Securities, the exchange of SUNs for BLY shares and warrants may result in a recognizable loss to a Holder to the extent such Holder's tax basis in the SUNs exceeds the fair market value of the new BLY shares and warrants received.

**Part II, Line 19**

The adjustment to basis would be recognized in the tax year during which the effective date of the transaction occurred: September 23, 2021. The reportable tax year for each Holder is the Holder's tax year that includes December 31, 2021 (2021 for a calendar year taxpayer).