Boart Longyear Limited
ABN 49 123 052 728

26 Butler Boulevard, Burbridge Business Park
Adelaide Airport
South Australia 5950, Australia
Tel: +61 8 8375 8375 • Fax: +61 8 8375 8498
www.boartlongyear.com

13 May 2021

General Frequently Asked Questions

1. What did Boart Longyear announce?

- Boart Longyear (BLY) has announced an important step forward in our efforts to position our business for long-term success. As part of these ongoing efforts, we voluntarily entered into a recapitalization (Recapitalisation) agreement with an overwhelming majority of the Company's lenders which hold the majority of the Company's approximately US$900 million of debt to mature in 2022.
- Ultimately, our debt level has been unsustainably high. This agreement will reduce the Company's debt position significantly, lowering it by approximately US$795 million, or approximately 85% of existing total debt.
- The board of directors unanimously approved this Recapitalisation as it provides the best path to recovery for both debt and equity holders.
- The Company also agreed to pursue a redomiciliation scheme of arrangement (Redomiciliation) to change the Company's corporate and tax domicile to North America, where the majority of the Company's management and employees are located.
- The Recapitalisation will be implemented through two creditors' schemes of arrangement, which must be approved by the New South Wales Supreme Court, various regulators and by shareholders via ordinary resolution at an extraordinary general meeting (EGM) to be convened by the Company.
- Likewise, the Redomiciliation will be implemented through a members' scheme of arrangement, which is also subject to court, regulatory and shareholder approval at the EGM.
- Subject to these approvals, proposed transaction expected to be completed by August 2021.

2. What is a Recapitalisation?

- A Recapitalisation seeks to address the Company's high debt levels and interest costs by converting most of BLY's debt and interest costs for 98.5% of the company's post-Recapitalisation ordinary shares of stock. This significant debt reduction will strengthen the balance sheet, lower interest

expense, and enhance liquidity to support the Company's operations and future growth.
- The Company will seek to implement the Recapitalisation primarily by two Australian creditors' schemes of arrangement. To implement the Recapitalisation in the United States, the Company intends to seek recognition of the Australian creditors' schemes of arrangement under Chapter 15 of the U.S. Bankruptcy Code.
- The Recapitalisation must be approved by the New South Wales Supreme Court, various regulators and by shareholders via ordinary resolution at an extraordinary general meeting (EGM) to be convened by the Company.
- Employees, suppliers and customers will not be impacted by this filing.

3. Why does Boart Longyear also have to file Ch. 15 in the United States?
- Chapter 15 of the U.S. Bankruptcy Code allows a foreign representative (an appointee authorized by a company) to seek U.S. recognition of a foreign proceeding – in this case, the Australian schemes of arrangement proceedings.
- The Chapter 15 case permits the Company to institute a stay of collection or enforcement actions against the Company in the U.S. while it implements its restructuring through the Australian proceedings. Once the restructuring transactions are approved in the Australian proceedings, they will be enforced in the U.S. through the Chapter 15 case.
- Importantly, the restructuring transactions and court proceedings in neither country will affect the Company's assets or its operations; the Company will continue to maintain its operations in the ordinary course of business, without any limitations on its use of cash or need for court approval of day-to-day transactions. Employees, suppliers and customers will not be impacted by this filing.

4. Did Board Longyear file for bankruptcy?
- No. The Chapter 15 filing will facilitate the restructuring of the Company's balance sheet and reduction of debt through its scheme of arrangement proceedings in Australia. This process will enable Boart Longyear to restructure its balance sheet while continuing operations in the normal course.

BOART LONGYEAR™

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5. **Why is Boart Longyear pursuing a Redomiciliation?**
    - In conjunction with the Recapitalisation, the Company is making best efforts to implement a Redomiciliation of the Company to North America, where the majority of the Company's management and employees are located.
    - We believe the benefits of a Redomiciliation include a simplified corporate structure that could result in cost savings and accommodate growth, merger and acquisition activity, increased access to lower-cost capital and potential for a broader investment pool.
    - We will maintain BLY's listing on the ASX and do not expect a Redomiciliation to result in material changes to the Company, its strategy, or businesses.
    - The Redomiciliation will be implemented through a members' scheme of arrangement, which is also subject to court, regulatory and shareholder approval at the EGM.
    - Details of the Redomicile and the required shareholder meetings to approve it will be conveyed to shareholders in an information circular and release of further announcements, as appropriate.

6. **Why did Boart Longyear take this action?**
    - Over the last year, we have discussed a number of potential go-forward options for Boart Longyear. We have negotiated a comprehensive solution with our key financial stakeholders to substantially reduce debt, strengthen the balance sheet, lower interest expense and enhance liquidity.
    - These actions will give us the financial flexibility we need for Boart Longyear's operations in the current market, as well as an enhanced ability to execute on our growth objectives as the minerals industry enters an improved commodity cycle.
    - We are confident in our future and firmly believe that we will emerge as a stronger Company.

7. **Does Boart Longyear have the liquidity/cash required to support the business going forward?**
    - Yes, our underlying business is good, and we have solid EBITDA; We also are seeing improvement in business activity and strong investment returning to the industry.

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- We have had both high debt levels and liquidity challenges, but much of this is related to two sides of the same coin. Interest expense has been running high and, in fact, adding to our debt levels and/or squeezing our cash positions.
- We also have a liquidity infusion that will bridge us well to the other side of this process.
- Our creditors and we both believe that our go-forward liquidity after the reduction of approximately $795 million in debt will be adequate moving forward.

8. Boart Longyear announced with the Recapitalisation that they are entering into new debt. Why is BLY doing this at the same time it is writing off its debt and diluting shareholders?

- This new debt will the foundation of our new capital structure, along with the public equity value of the Company.
- Our new capital structure is targeted at being sustainable across the cycle, with a new debt level that is less than $200 million after converting nearly $795 million into equity.

9. Is Boart Longyear going out of business?

- No – just the opposite. We are taking the necessary steps to ensure that we have a sustainable business moving forward.
- We continue to operate our business as normal and our partners and employees remain unaffected.
- The actions we intend to take represent a significant milestone and will substantially reduce debt, lower interest expense and enhance liquidity. This will give us the financial flexibility we need for Boart Longyear's operations in the current market, as well as supporting increased business activity levels as market conditions improve.
- We are confident in our future and firmly believe that we will emerge as a stronger Company.

10. How long will this recapitalization process take?

- Subject to shareholder and other approvals, the Recapitalisation and Redomiciliation are expected to be completed in August 2021.

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11. What happens to BLY if they are unable to get the approvals to implement the transaction through the Creditors Scheme of arrangement or from the shareholders at the EGM?

- Should this plan not be successful, we would be forced to seek other alternatives that could be expected to lead to poor results for our stakeholders.
- That would be a less-than-optimal outcome. Our Board of Directors and management unanimously believe that this solution provides for the best returns for both creditors and shareholders.
- Our focus is on success, including the upcoming shareholder vote for the schemes.

12. How will the expected court-supervised restructuring process affect day-to-day operations?

- The financial restructuring will not affect day-to-day operations. We expect to continue operations and meet our obligations to employees, customers and suppliers in the ordinary course of business, both now and on a go-forward basis.

13. Will there be layoffs?

- No, there are no layoffs as a result of this process.
- We believe the actions we are taking improve the sustainability of our Company.

14. How is this process different from the other restructurings we have undertaken in recent years?

- The most recent process we undertook, in 2017, improved our short-term position but was more related to extending maturities than reducing debt.
- In addition, neither we nor anyone contemplated the deep reduction in EBITDA brought about by the global pandemic and reduced global economic activity.
- The actions we are taking, if approved, will substantially reduce debt and set us up to be sustainable and competitive for the long term.