

**13 May 2021****Shareholders 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 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 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 schemes of arrangement proceedings in Australia. This process will enable Boart Longyear to restructure its balance sheet while continuing operations in the normal course.

**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. How long will the Recapitalisation process take?**

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

**8. Will existing shareholders be able to participate in the recapitalization?**

- Non-Associated Shareholders will be entitled to participate in the Share Purchase Plan which will allow Non-Associated Shareholders, subject to the

allocation principles under that plan, to purchase new common equity, subject to an aggregate maximum cap of US\$2.5 million.

#### **9. What will happen to the Company's common stock that I own?**

- Existing shareholders will maintain their shares, which will be diluted to 1.5% of the Company's ordinary equity post-Recapitalisation (subject to dilution for the Share Purchase Plan, the Creditor Share Purchase Plan, any management incentive plan and the New Warrants, each as defined below).
- Non-Associated Shareholders will be entitled to participate in the Share Purchase Plan which will allow Non-Associated Shareholders, subject to the allocation principles under that plan, to purchase new common equity, subject to an aggregate maximum cap of US\$2.5 million.
- If the Share Purchase Plan is oversubscribed by Non-Associated Shareholders, participating Non-Associated Shareholders shall be scaled back such that they only be entitled to participate in accordance with the allocation principles determined under the plan to a total of \$2.5 million.
- If the Share Purchase Plan is undersubscribed, the remaining shares will be offered (at the same price) under, and in accordance with the terms of the Creditor Share Purchase Option.
- Each holder of existing warrants or options to purchase common shares in BLY (Existing Warrants and Options) shall retain those options and warrants, subject to dilution to the New Common Equity, the New Warrants, management incentive plans and any shares to be issued under the Share Purchase Plan and the Creditor Share Purchase Option.

#### **10. What are my options?**

- As a shareholder, you have multiple options:
  1. Selling your shares in the open market;
  2. As a small holder, selling your shares to the company under certain conditions;
  3. Holding your shares and supporting the Recapitalisation and Redomiciliation, or voting against the resolutions;
  4. Participating in the Recapitalisation by buying additional share of stock;  
or
  5. Doing nothing.

**11. What should I be prepared to do now that this agreement has been filed?**

- You need to take no action at this time. Shareholder support will be requested for an extraordinary general meeting (EGM) which is currently contemplated for August 2021, and a separate notification will be sent ahead of that meeting.

**12. Why should I support the Recapitalisation?**

- This Recapitalisation will substantially reduce debt, strengthen the balance sheet, lower interest expense, and enhance liquidity to support our operations as well as future growth. We firmly believe this approach results in maximum value for both creditors and shareholders.

**13. Will the Company's common stock stop being publicly traded now that the Company has filed for Chapter 15 protection?**

- No, the Company's shares will continue to be listed on the ASX.

**14. Can / should I sell my stock now?**

- We are not in a position to offer investment advice.
- Please contact your investment advisor or brokerage firm to discuss the options available to you.

**15. How can I obtain more information?**

- We will continue to keep you informed as there are updates to share.
- You can visit the new section of our website that has information about this process: [www.boartlongyear.com/restructuring-initiatives](http://www.boartlongyear.com/restructuring-initiatives)
- You can also contact our investor team at Morrow Sodali at 9:00am to 5:00pm, Sydney time, Monday to Friday, excluding public holidays at 1300 540 303 (Domestic) or +61 2 9066 4083 (International).
- You can also reach the company directly at 1300 540 303 (Domestic) or +61 2 9066 408